

After Recording Return to:
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GARY W. OTT
RECORDER, SALT LAKE COUNTY, UTAH
TRISTAN HORNE
329 S 1200 E
SLC UT 84102
BY: HNP, DEPUTY - WI 46 P.

**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE
HORNE CONDOMINIUMS**

46-2

THIS DECLARATION made and executed on the date evidenced below, by Griffin & Company Management, LLC, a limited liability company, (hereinafter referred to as "The Declarant"), pursuant to the provisions of the Utah Condominium Ownership Act ("The Act").

RECITALS:

- A. The Declarant is the owner of the Tract more particularly described in **Exhibit "A"** attached hereto and made a part hereof.
- B. The Declarant has converted, upon the Tract, a Condominium Project, including certain Units and other improvements. All of such construction has been, or is to be, performed in accordance with the plans contained in the Record of Survey Map to be recorded concurrently herewith.
- C. The Declarant desires, by filing this Declaration and the Record of Survey Map, to submit the Tract and all improvements now or hereafter constructed thereon to the provisions of the Act as a Condominium Project to be known as the Horne Condominiums.
- D. There shall be one (1) project containing two (2) Units, which shall be known as Horne Condominiums. The Declarant intends that all the Units will be governed by a Management Committee, shall have shared common areas, and all Units shall contribute equally to the maintenance of the Common Area.
- E. The Declarant intends to sell to various purchasers the fee title to the individual Units contained in the Project, together with the undivided ownership interests in the Common Areas and Facilities appurtenant to such Units, subject to the following covenants, conditions, restrictions, easements and limitations herein set forth which are hereby declared to be for the benefit of the whole tract and all of the property described herein and the owners thereof, their successors and assigns.
- F. These covenants, conditions, restrictions, easements and limitations shall run with the said real property and shall be binding on all parties having or acquiring any right, title or

interest in the described real property or any part thereof and shall inure to the benefit of each owner thereof and are imposed upon said real property and every part thereof as a servitude in favor of each and every parcel thereof as the dominant tenement or tenements.

G. Horne Condominiums is unique in that there are only two Units, therefore, all significant matters to be voted upon shall be by unanimous consent of both interests as set forth herein.

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

ARTICLE I DEFINITIONS

When used in this Declaration (including in that portion hereof headed "Recitals" and in the Bylaws attached hereto as **Exhibit "C"**) the following terms shall have the meaning indicated.

1. **Act** shall mean and refer to the Utah Condominium Ownership Act (Section 57-8-1 et seq., Utah Code Annotated, 1953), as the same may be amended from time to time.

2. **Assessments** shall mean and refer to (1) regular assessments; (2) special assessments; and/or (3) individual assessment as set forth below.

3. **Association** shall mean and refer to the Horne Condominiums Owners Association. Each Unit Owner of Horne Condominiums shall automatically be a member of the Association. Membership in the Association shall be appurtenant to the Unit in which the Owner has the necessary interest, and shall not be separated from the Unit to which it appertains. The property, business and affairs of the Association shall be governed by the Management Committee.

4. **Building** shall mean and refer to a structure containing Units. There is a total of one (1) building within the condominium project as further described herein.

5. **Common Areas and Facilities or Common Areas** shall mean, refer to, and include:

(a) The real property and interests in real property which this Declaration submits to the terms of the Act.

(b) The real property and interests in real property which comprise Horne Condominiums.

(c) All Common Areas and Facilities designated as such in the Survey Maps for Horne Condominiums.

- (d) All Limited Common Areas and Facilities.
- (e) All foundations, roofs, columns, girders, beams, supports, and perimeter walls constituting a portion of or included in the improvements which comprise a part of the Project, and any halls, corridors, stairs, stairways, entrances and exits which are designed for the use of more than one Unit.
- (f) All installations for and all equipment connected with the furnishing of Project utility services, such as electricity, gas, water, and sewer.
- (g) In general, all apparatus, installations, and facilities included within the Project and existing for common use.
- (h) The Project outdoor lighting, fences, landscape, sidewalks, parking spaces, driveways and roads (unless the parking spaces and roads have been dedicated to the public).
- (i) All other parts of the project normally in common use or necessary or convenient to its use, existence, maintenance, safety, or management.
- (j) All common areas as defined in the Act, whether or not enumerated herein.

6. **Common Expenses** shall mean and refer to all sums which are expended on behalf of all the Unit Owners of Horne Condominiums and all sums which are required by the Management Committee to perform or exercise its functions, duties, or rights under the Act, this Declaration, the Management Agreement for operation of the Project, and such rules and regulations as the Management Committee may from time to time make and adopt.

7. **Condominium Project or Project** shall mean and refer to the Horne Condominium Project.

8. **Condominium Unit and/or Unit** means and refers to a separate physical part of the Property intended for independent use, consisting of rooms or spaces located in a building. Units are shown in the appropriate Record of Survey Map. Mechanical equipment and appurtenances located within any one Unit or located without said Unit but designated and designed to serve only the Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, fixtures and the like, shall be considered part of the Unit, as shall all decorated interiors, all surfaces of interior structural walls, floors and ceilings, windows, and window frames, doors and door frames, and trim, consisting of, inter alia and as appropriate, wallpaper, paint, flooring, carpeting and tile. All pipes, wires, conduits, or other public utility lines or installations constituting a part of the Unit and serving only the Unit, and any structural members or any other property of any kind,

including fixtures and appliances within any Unit, which are removable without jeopardizing the soundness, safety, or usefulness of the remainder of the building within which the Unit is situated shall be considered part of the Unit.

9. **Declaration** shall mean and refer to this instrument.

10. **Declarant** shall mean and refer to Griffin & Company Management, LLC, a Utah limited liability company, and/or any successors to said company which, either by the operation of law, or through a voluntary conveyance, transfer, or assignment, comes to stand in the same relation to the Project (or a portion thereof) as did its predecessor.

11. **Fines** shall mean and refer to fines levied against a Unit Owner for violations of the Declaration, Bylaws and/or Rules and Regulations of the Association. Fines may be collected in the same manner as an unpaid assessment as long as consistent with Utah's Condominium Ownership Act

12. **Limited Common Areas and Facilities and Limited Common Area** shall mean and refer to those Common Areas and Facilities designated herein or on the appropriate Record of Survey Map as reserved for the use of a certain Unit or Units to the exclusion of the other Units, Limited Common Areas consist of the driveways, patios, decks and carports and as otherwise indicated on the appropriate Record of Survey Map as Limited Common Areas.

13. **Management Committee or Committee** shall mean and refer to the Management Committee of the Horne Condominiums as it exists at any given time.

14. **Mortgage** shall mean any mortgage, deed of trust or other security instrument by which a Unit or any part thereof is encumbered.

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

16. **Project Documents** shall mean and refer to the Declaration of Condominium, Bylaws and Rules and Regulations, and Articles of Incorporation.

17. **Property** shall mean and refer to the land, described in Exhibit "A," the buildings, all improvements and the structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

18. **Record of Survey Map or Maps** shall mean and refer to the Record of Survey Maps filed herewith, and certified to by Russell D. Flint, a duly registered Utah Land Surveyor.

19. **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 of Owners, tenants or lessees.

20. **Rules and Regulations** means those rules and regulations adopted by the Management Committee from time to time that are deemed necessary for the enjoyment of the project, provided that they are not in conflict with the Act or this Declaration.

21. **Single Family** shall mean and refer to the definition of a "family" as contained in the Salt Lake City Municipal Code, as may be amended from time to time.

22. **Tract** shall mean, refer to, and consist of the real property which Article II of this Declaration submits to the terms of the Act in accordance with law and the provisions of this Declaration.

23. **Unit Number** shall mean and refer to the street address, number, letter, or combination thereof which designates a Unit in the attached **Exhibit "B"** and on the Map.

24. **Unit Owner or Owner** shall mean and refer to the owner of the fee in a Unit and the percentage of undivided interest in the Common Areas and Facilities which is appurtenant thereto. The Declarant shall be deemed the owner of all unsold Units. In the event a Unit is the subject of an executory contract of sale, the contract purchaser shall, unless the seller and the purchaser have otherwise agreed and have informed the Committee in writing of such agreement, be considered the Unit Owner for purposes of voting and Committee membership.

25. **Unit Owners or Owners** shall mean all persons having an ownership interest in any of the Units within Horne Condominiums.

ARTICLE II SUBMISSION

There is hereby submitted to the provisions of the Act, as the Tract initially associated with the Horne Condominiums Project, the real property situated in Salt Lake County, State of Utah, particularly described in **Exhibit "A"** attached hereto and incorporated herein by this reference; subject to the easements, reservations and other provisions set forth herein and in said **Exhibit "A"**.

ARTICLE III COVENANTS, CONDITIONS, AND RESTRICTIONS

The submission of the Tract to the provisions of the Act is made upon and under the following covenants, conditions and restrictions:

NOTICE TO ALL PURCHASERS: Horne Condominiums is a project creating condominium units from existing apartments and/or dwelling units. This process is called a CONDOMINIUM CONVERSION. Buyers are given notice that the Declarant has converted existing apartments and dwelling units for condominium ownership. This

Declaration of Covenants, Conditions and Restrictions, in and of itself, creates no warranties, either express or implied, regarding the structures and improvements.

1. **Description of Improvements.** The improvements included in Horne Condominiums are now located on the property described in said **Exhibit A**, and all such improvements are described on the appropriate Record of Survey Map. Horne Condominiums contains other improvements of a less significant nature such as outdoor lighting and landscaping. The appropriate Record of Survey Map indicates the structures, the number of buildings and the number of Units which are contained in Horne Condominiums.

There is a total of one (1) building located within the Project: the Building contains two (2) Units as shown on the appropriate Record of Survey Map and as defined herein.

The Buildings are composed of the following materials: concrete foundation; brick mason veneer exteriors; wood frame with load and non-load bearing walls; and asphalt shingle roof

2. **Description and Legal Status of Units.** The Map shows the Units designations, their locations, dimensions from which its areas may be determined, those Limited Common areas which are reserved for its use, and the Common Areas to which it has immediate access. All Units are residential Units. All Units shall be capable of being independently owned, encumbered, and conveyed.

3. **Contents of Exhibit "B".** Exhibit "B" to this Declaration furnishes the following information with respect to each Unit: (a) The Unit Designation; and (b) The square footage of each Unit.

4. **Common and Limited Common Areas; Maintenance Responsibility.**

(a) The Common Areas contained in the Project are described and identified in Article I of this Declaration. Neither the Percentage Interest 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, the percentage interest and such right of exclusive use shall automatically accompany the transfer of the Unit to which they relate.

(b) Each Unit Owner shall at its own cost keep the Limited Common Areas designed for exclusive use in connection with his Unit in a clean, sanitary and attractive condition at all times. The Management Committee may further clarify the nature and extent of Limited Common Areas is not clearly shown on the Record of Survey Map.

(c) Each Unit Owner shall, at its own cost, be responsible for the maintenance, repair and replacement of any limited common area assigned to their Unit.

(d) The use of the Common Areas shall be limited to the Owners in residence and to their tenants in residence, and to their guests, invitees and licensees. The use of each of

the Limited Common Areas shall be restricted to the Owner of the Unit to which it is appurtenant, to his tenants in residence, and to his guests, invitees and licensees.

(e) The following is not an exhaustive list, but specifies certain items that will be maintained by the Association as Common Area, subject to Article III, Section 6, below: the shared driveway, the roof, the sprinkler system of the entire Property, the fence dividing the two backyard areas, the front porch and railing, and any trim and doors visible from the street. Roof, exterior of the Unit

(f) The use of the Common Areas and Limited Common Areas shall be governed by the Declaration and the Rules and Regulations as initially established by Declarant and as adopted and amended from time to time by the Management Committee.

(g) As set forth in par 6 below certain Common Areas shall be maintained, paid for, and the responsibility of the Owner.

5. **Computation of Undivided Interests.** The proportionate share of undivided interest in the Common Areas and facilities appurtenant to each Unit and its Owners for all purposes, including voting, is equal and undivided. For all purposes of this Declaration, each Unit shall have the same voting rights, pay an equal assessment, and share equally in the common profits and expenses of the Association.

6. **Unit Maintenance.** Notwithstanding anything herein to the contrary, or its characterization as Common Area, each Owner shall at his or her own cost and expense maintain, repair, paint, re-paint, tile, wax, paper or otherwise refinish and decorate the interior surfaces of the walls, ceilings, floors, interior and exterior windows, and interior doors/door frames and all walls, ceiling, floors, windows and doors within such boundaries. In addition to decorating and keeping the interior of his or her Unit in good repair and in a clean and sanitary condition, he or she shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heater, heating equipment, air conditioner, lighting fixtures, refrigerator, dishwasher, disposal equipment, range, or other appliances or fixtures that may be in, or connected with, his or her Unit. Each Unit shall be maintained so as not to detract from the appearance of the Project and so as not to affect adversely the value or use of any other Unit.

Each Owner shall, at his or her own cost and expense, maintain the front and back yard areas, including landscaping, and shall remove snow from his or her parking space, walkways, and stairways, and maintain and paint exterior doors and trim not visible from the street.

7. **Association Membership.** Membership in the Association shall be automatic, shall be appurtenant to the Unit in which the Owner has the necessary Interest and shall not be separated from the Unit to which it appertains.

8. **Easement for Encroachment.** If any part of the Common Areas encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the

maintenance for the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance shall and does exist. Such encroachments shall not be considered to be encumbrances either to the Common Areas or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the building(s) on the tract, by error in the appropriate Record of Survey Map, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

9. **Access for Repair of Common Areas.** Some of the Common Areas are or may be located within the Units or may be conveniently accessible only through the Units. The Owners of the other Units shall have the irrevocable right, to be exercised by the Committee, as its agent, to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Areas located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Areas or to another Unit or Units. The Committee shall also have such rights independent of the agency relationship. Damage to the interior of any part of a Unit or Units resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Areas or as a result of emergency repairs within another Unit at the instance of the Committee or of Unit Owners shall be the responsibility of the Association; provided, that if such damage is the result of negligence of the Owner of a Unit, then such Owner shall be financially responsible for all such damage. Such damage shall be repaired and the property shall be restored substantially to the same condition as existed prior to damage. Amounts owing by Owners pursuant hereto shall be collected by the Committee by assessment.

10. **Right of Ingress, Egress.** Each Owner shall have the right to ingress and egress over, upon and across the Common Areas necessary for access to his Unit, and to the Limited Common Areas designated for use in connection with his Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

11. **Pipes, Ducts, Cables, Wires, Conduits, Public Utility Lines, and Other Common Facilities Located Inside of Units; Support.** Each Unit Owner shall have an easement in common with both Owners to use all pipes, wires, ducts, cables, conduits, public utility lines and other common facilities located in the other Unit and serving his Unit. Each Unit shall be subject to an easement in favor of both Owners to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Facilities serving such other Units and located in such Unit. Upon reasonable notice, the Management Committee shall have a right of access to each Unit to inspect the same, to remove the violations and to maintain, repair or replace the common areas contained therein or elsewhere in the buildings. Every portion of a Unit which contributed to the structural support of the building shall be burdened with an easement of structural support for the benefit of all other Units and the Common Areas.

12. **Easement to Management Committee.** The Management Committee shall have non-exclusive easements to make such use of the Common Areas as may be necessary or

appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration.

13. **Easement for Utility Services.** There is hereby created a blanket easement upon, across, over and under the property described in **Exhibit "A"** for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to, water, sewers, gas, telephones, electricity, and other utility services.

14. **Easement for Use of Common Areas.**

(a) All Owners of Units contained within Horne Condominiums, are hereby granted a non-exclusive right and easement of enjoyment in common with others of the Common Areas of the Project.

(b) The right and easements of enjoyment created hereby shall be subject to the right of the Declarant and/or Management Committee to adopt Rules and Regulations governing the use by the Owners of the Common Areas.

(1) The right of the Declarant prior to the termination of the period of Declarant's control to grant and reserve easements and rights-of-way through, under, over and across the Common Areas, for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone and other utilities; and

(2) The right of the Management Committee to adopt Rules and Regulations governing the use by the Owners of the Common Areas.

15. **Use of Units and Common Areas; Restrictions.**

(a) Each of the Units in the Project is intended to be used for single family, owner-occupied residential housing, subject to the leasing restrictions described below, and is restricted to such use.

(b) There shall be no obstructions of the Common Areas by the Owners, their tenants, guests or invitees without the prior written consent of the Committee.

(c) The Committee may by Rules and Regulations prohibit or limit the use of the Common Areas as may be reasonably necessary for protecting the interests of all the Owners or protecting the Units or the Common Areas.

(d) Nothing shall be kept or stored, on any part of the Common Areas without the prior written consent of the Committee, except as specifically provided herein. Nothing shall be altered on, constructed in or removed from the Common Areas except upon the prior written consent of the Committee.

(e) Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would result in the cancellation of the insurance on the Project or any part thereof or increase of the rate of the insurance on the Project or any part thereof or increase of the rate of the insurance on the Project or any part thereof over what the Committee, but for such activity, would pay, without the prior written consent of the Committee.

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

(g) No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Committee and the Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees; provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee of any other Owner.

(f) No noxious, destructive or offensive activity shall be carried on in any Unit or in the Common Areas or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project.

(g) No Owner shall violate the Rules and Regulations for the use of the Units and of the Common Areas as adopted from time to time by the Management Committee.

(h) No structural alterations to any Unit shall be made by any Owner without the prior written consent of the Committee.

(i) Window coverings of any and all Units shall consist of wood shutters or blinds that are at least two (2) inches wide. The approved window coverings must appear white from the outside of the unit. Drapes or curtains are allowed but only in addition to other listed coverings. Drapes or curtains should not be visible from the outside of a Unit. Under no circumstances shall any cardboard, foil, flags, or sheets be used as window coverings in the Project. The prohibition on flags does not apply to flags as defined in Utah Code Annotated 57-24-101 et seq.

(j) No signs whatsoever shall be erected or maintained in the Common Areas without the prior written consent of the Committee, except such signs as Declarant may erect or maintain incident to sale of Units. If a unit is for sale, only one 12"x15" "For Sale" sign is allowed in one window of said unit. On the day of a sale Open House, directional signs are permitted.

(k) Notwithstanding anything contained herein to the contrary, until the Declarant has completed and sold all of the Units, neither the Unit Owners who have purchased

Units from the Declarant nor the Committee shall interfere with the completion of improvements and sale of the remaining Unit.

(l) The Declarant reserves the right to use any Units owned by Declarant as models, management offices or sales offices until such time as Declarant conveys title thereto to Unit Owners. Declarant reserves the right to relocate the same from time to time within the Project; upon relocation or sale of a model, management office or sales office, the furnishings thereof may be removed.

(m) Declarant further reserves the right to maintain on the Project such advertising signs, which may be placed in any location on the Project and may be relocated or removed, all at the sole discretion of Declarant. The reservation of this easement to facilitate sales is expressly made applicable to the Additional Land.

(n) Pets. Pets shall be allowed in reasonable numbers (determined by the Committee by duly adopted Committee Resolution) if not kept or bred for commercial purposes and only if:

- (1) Ownership of the pet does not violate any local, state or federal laws;
- (2) The owner or occupant accepts full liability for his or her pet and signs a release, waiver and indemnity agreement;
- (3) Any pet allowed in the Common Areas is accompanied by the owner and is on a leash;
- (4) The pet owner promptly cleans up all of his or her pet's droppings;
- (5) The pet is licensed and vaccinated in accordance with Salt Lake County ordinances;

Anything to the contrary notwithstanding, no pet shall be allowed to create or maintain a nuisance. At the discretion of the Committee, after notice and a hearing, any pet that is considered to be a nuisance shall not be allowed to remain within the confines of the Project. For the purposes of this paragraph a nuisance is defined as any behavior which annoys or disturbs other owners or occupants, including but not limited to any abnormal, unreasonable or excessive barking, whining, or scratching; any behavior which creates an unacceptable odor, an unhygienic environment or a dangerous condition; or any behavior which establishes a propensity for harm.

If a pet owner violates any of these covenants, conditions or restrictions, including any administrative pet rules and regulations, the Committee shall have the express authority to issue citations or levy assessments, and collect these by judgment, lien or

foreclosure.

(o) Storage and Parking of Vehicles.

(1) All vehicles must be parked in designated areas as set forth in Plat Map or determined by the Management Committee. There is one space for each Unit in the shared driveway. The Committee may establish additional Rules and Regulations for the regular and special parking of vehicles.

(2) No Owners or occupants shall repair or restore any motor vehicle of any kind upon any Common Area, except for emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility.

(3) Motor Vehicles parked in unauthorized areas, or in violation of the parking rules and regulations established by the Management Committee, may, at owner's expense, be towed away.

(p) Leasehold Restrictions. In order to assure a community of congenial owners and thus protect the value of the Units, the leasing of a Unit by any Owner shall be subject to the following restrictions so long as the Property shall be owned in accordance with the terms and conditions of this Declaration and the Act:

(1) Entirety. Units may be rented only in their entirety and no fractions of portions thereof may be rented. Individual room rentals are prohibited;

(2) Hotel. No transient leases may be accommodated therein, all rentals or leases must be for an initial term of no less than thirty (30) days, and no Resort, Hotel, Corporate, Executive, Seasonal, or Time Share uses are permitted;

(3) Subject to the Act and Project Documents and Approval. All leases and lessees shall be subject to the provisions of the Act and the Project Documents. Any owner who leases his Unit shall be responsible for assuring the Residents' compliance with the Act and the Project Documents. The Association may regulate, limit, or prohibit rentals of the Units. The Association may require the rental of Units to be conducted through the Association or a designated management company. The Association may require that all lease agreements be reviewed and approved by the Committee and any tenants be screened and approved by the Association or management company prior to renting the Unit. Approval of the Association or management company shall not be unreasonably withheld;

(4) Failure to Take Legal Action. The tenant shall agree to comply with all of the terms and conditions of the Declaration and Bylaws. The tenant shall not allow or commit any nuisance, waste, unlawful or illegal act upon the premises and the Owner and tenant shall acknowledge that the Association is an intended third party beneficiary of the lease agreement. Failure by an Owner to take legal action against his Resident who is in violation of

the Act or Project Documents within ten (10) days after delivery of written demand to so do from the Committee, shall entitle the Association to take any and all such action for and in behalf of said Owner and as his agent, including but not limited to the institution of legal proceedings on behalf of such Owner against his Resident for eviction, injunctive relief or damages. Neither the Association nor any agent retained by the Association to manage the Project shall be liable to the Owner or Resident for any legal action commenced under this Section that is made in good faith. Any expenses incurred by the Association, including reasonable attorneys' fees and costs of suit, shall be repaid to it by such Owner. The amount of the costs and expenses is a debt of the Owner at the time the assessment is made and is collectible as such. If any Owner fails or refuses to make payment that amount constitutes a lien on the interest of the Owner in the property. Delivery of the notice of default shall be deemed effective the date it is hand delivered or three (3) days after it is deposited with U.S. Postal Service, regular mail, postage prepaid, addressed to the Unit Owner at his last known mailing address. If notice in writing of the Unit Owner's change of address has not been received by the Secretary of the Association the address of the Unit shall be deemed to be the Owner's mailing address;

If any dispute arises with regard to enforcement of any the provisions of this Declaration, either owner may submit the matter to binding arbitration, each owner to pay one half of the cost of said arbitration.

(5) Copy of Lease. When the leasing of a Unit is approved, a copy of the lease (and each replacement lease), signed by the lessee and lessor, shall be submitted to the Committee within ten (10) days after it has been signed by both parties. Prior to a tenant's occupancy of a Unit, the Owner must provide to the Association the name, address, and telephone number of the tenant and a copy of the written lease agreement. The Committee may recover from the Owner its attorney's fees and costs incurred in obtaining a copy of the lease if one is not provided in a timely manner or within ten (10) days of its request in writing;

(6) Fines, Citations and Sanctions. The Management Committee shall have the power to enforce the Project Documents and to issue fines, citations and sanctions in order to maintain and operate the Project and to institute these leasing restrictions;

(7) Requesting Unpaid Assessments from Tenant. In the event that a unit is leased or rented, and the absentee owner fails to pay their regular, special or any other assessment, the Committee may demand that the tenant pay his or her rental payment to the Association until such time as the delinquent assessment is cured.

(8) Voidable Transactions. Any transaction which does not comply with this Section shall be voidable at the option of the Committee.

(q) Aerials, Antennas and Satellite Dishes. It is the intent that this policy not be inconsistent, incongruent or in conflict with applicable local, state and federal legislation.

(l) Aerials, antennas and satellite dishes shall be prohibited within the Project except as permitted by applicable law and shall not be installed without prior Management Committee written approval as to location, size, and installation method of the aerial, antenna, or satellite dish.

(r) Garbage Containers. Owners are responsible to place all garbage and trash into garbage containers and bring such containers to and from the street for emptying by the City. Owners shall not be allowed to accumulate garbage or trash within their Units, the Limited Common Area or Common Areas.

(s) Exterior Features and Fixtures. Owners must maintain uniformity and consistency with regard to paint colors, house numbers, mailboxes and other exterior features or fixtures attached to the building and visible from the street. Any modifications to the aforementioned must be unanimously pre-approved by the Committee in writing.

(t) Yard Sales, Garage Sales and Estate Sales. No yard sales, garage sales, or estate sales are permitted at the Project, however, Management Committee may establish certain times during each calendar year at which times such sales are permitted.

(u) Lawn Décor and Christmas Lights. Christmas lights may be only displayed between Thanksgiving Day and January 15 of each calendar year. "Lawn Decorations" may be defined and restricted by the Management Committee by duly adopted resolution of the Management Committee.

16. Status and General Authority of Committee. Notwithstanding anything herein contained to the contrary, Home Condominiums shall be managed, operated, and maintained as one association by the Management Committee exclusively as agent of, and in the name of, the Association and any act performed by the Management Committee pursuant to this Declaration or the Bylaws, as the same may be amended from time to time, shall be deemed to be performed by the Committee for and on behalf of the Association as its agent. The Association, by and through its Management Committee, shall have the right and obligation to enforce compliance with this Declaration and Bylaws against any Owner and/or occupant of either Unit, and shall have all rights and remedies available under state or local law, in addition to its rights and remedies as a third party beneficiary under any lease agreement, to enforce such compliance. The Management Committee shall have, and is hereby granted, the following authority and powers:

(a) The authority, without the vote or consent of the Unit Owners or of any other person(s) to grant or create, on such terms as it deems advisable, utility and similar easements over, under, across and through the Common Areas and Facilities.

(b) The authority to execute and record, on behalf of all the Unit 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.

- (c) The power to sue and be sued.
- (d) The authority to enter into contracts which in any way concern the Project, so long as any vote or consent of the Unit Owners necessitated by the subject matter of the agreement has been obtained.
- (e) The power and authority to convey or transfer any interest in real property authorized by the Owners having an interest therein.
- (f) The power and authority to purchase, otherwise acquire, and accept title to, any interest in real property, so long as such action has been authorized by any vote or consent which is necessary under the circumstances.
- (g) The authority to license persons not otherwise entitled to use any of the recreational areas and facilities to use the same from time to time as the Committee deems appropriate upon payment of fees prescribed by it to help defray the cost of maintenance thereof.
- (h) The power and authority to borrow money, provided that no indebtedness shall be incurred without the prior approval of both members of the Committee.
- (i) The authority to promulgate such reasonable Rules and Regulations, and procedures as may be necessary or desirable to aid the Committee in carrying out any of its functions or to insure that the Project is maintained and used in a manner consistent with the interests of the Unit Owners and the authority to levy fines for infractions thereof. Including, but not limited to, promulgating rules.
- (j) The powers and authority to perform any other acts, and to enter into any other transactions which may be, reasonably necessary, for the Management Committee to perform its functions as agent of the Association.
- (k) Any instrument executed by the Management Committee that recites facts which, if true, would establish the Committee's power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.
- (l) The power to incorporate or reincorporate the Association as a nonprofit corporation under the laws of the State of Utah.

17. **Manager.** The Committee may carry out any of its functions which are capable of delegation through a Project Manager. Any Manager retained for such purposes must be an individual or entity experienced and qualified in the field of property management. The Manager so engaged shall be responsible for managing the Project for the benefit of the Unit Owners and shall, to the extent permitted by law and the terms of the agreement with the

Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself.

18. **Composition of Committee and Initial Selection Thereof.** Until the election of the Committee takes place at the first annual meeting of the Association, the Committee shall consist of such persons as shall have been designated by the Declarant. From and after such first annual meeting of the Association, the Management Committee shall be composed of two persons, each of whom shall be officers, directors, or designees of Unit Owners or spouses of Owners, or Mortgagees (or designees of Mortgagees) of Units. There shall be one (1) Committee member per Unit. The Declarant shall have the right in its sole discretion to replace such members of the Committee as may be so selected and designated by it pursuant to this Section, and to select and designate their successors. In all other cases of vacancy the remaining Committee member shall elect a replacement to sit on the Committee until the expiration of the term for which the member being replaced was elected. Declarant may, by a written instrument duly recorded, waive its right to select the members of the Committee at any time prior to the termination of the right to select Committee members reserved hereunder. The Bylaws, attached as **Exhibit "C,"** further establish the rights and responsibilities of the Committee.

19. **Agreement to Pay Assessment.** Each Owner of any Unit by the acceptance of a deed therefor, whether or not it be so expressed in the deed, or by entering into a sale and purchase contract, shall be deemed, to covenant and agree with each other and with the Association to pay to the Association (1) annual assessments made by the Association for the purposes provided in this Declaration, a portion of which shall be allocated to a reserve account for long term maintenance and repair items; (2) special assessments for capital improvements and other matters as provided in this Declaration, and, as the case may be, (3) individual assessments applicable to less than all Owners as set forth below. Such assessments shall be fixed, established and collected from time to time in the manner provided in this Article.

The monthly assessments herein provided shall commence as to all Units on the date deed is delivered to the first purchaser of a Unit, with the first monthly assessment being adjusted according to the number of days remaining in the month of conveyance.

The Declarant shall be exempt from regular annual assessments, except as provided for below, but not from any special assessment or individual assessment for so long as the Declarant owns a unit with the intent to sell the Unit. In the event that the Declarant retains ownership of a Unit for investment, rental or other similar purposes, the Declarant shall be liable for all assessments of this Section.

(a) **Amount of Total Annual Assessments.** The total annual assessments against all Units shall be based upon advance estimates of cash requirements by the Committee to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Areas, which estimates may include, among other things, expenses of management, grounds maintenance, taxes and special assessments, (until the Units are separately assessed as provided herein), premiums for all insurance which the

Committee is required or permitted to maintain pursuant hereto, common lighting, water, sewer, trash collection, repairs and maintenance of the Common Areas that must be replaced on a periodic basis, wages for Committee employees (if any), legal and accounting fees, any deficit remaining from a previous period; the creation of a reasonable contingency reserve, surplus and/or sinking fund; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration.

(b) Apportionment of Annual Assessments. Expenses attributable to the Common Areas and to the Project as a whole shall be apportioned equally to each of the two Unit Owners regardless of the percentage of ownership interest in the Common Areas.

(c) Notice of Annual Assessments and Time for Payment Thereof. Annual assessments shall be made on a calendar year basis. The Committee shall give written notice to each Owner as to the amount of the annual assessment with respect to his Unit not less than thirty (30) days nor more than sixty (60) days prior to the beginning of the next calendar year. Such assessments shall be due and payable in monthly installments on the first day of each and every month of each year. Such assessment shall be due and payable within thirty (30) days after written notice of the amount thereof shall have been given to the respective Owner of a Unit. Each monthly assessment shall bear interest at the rate of twelve percent (12%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date. Moreover, the Committee may impose a late payment service charge equal to 5% percent of each delinquent monthly assessment. Failure of the Committee to give timely notice of any assessment as provided herein shall not affect the liability of the Owner of a Unit for such assessment, but the date when payment shall become due in such case shall be deferred to a date thirty (30) days after such notice shall have been given.

(d) Transfer Fee. With the exception of the Declarant, each time a legal title to a Unit passes from one person to another, unless the transfer is made to a "**Qualified Successor Owner**," which shall mean such owner's spouse, son, daughter, father or mother or a related legal entity, such as a trust, in which the owner or the owner's spouse, son, daughter, father or mother hold a beneficial interest of at least fifty percent (50%) (the "**Qualified Successor Owner(s)**") for estate planning purposes, within thirty (30) days after the effective date of such title transaction, the Seller shall pay to the Committee, in addition to any other required amounts, the sum equivalent to two (2) months of assessments, unless otherwise modified by the Committee.

The provisions for payment of assessments shall apply to the collections of such sum. The sums received by the Committee pursuant to this paragraph shall be held by it as a contingency reserve and shall be used at such times and for such purposes as the Committee may determine.

(e) Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Committee may levy in any assessment year a special assessment, payable over such a period as the Committee may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any Part thereof, or for any other expense incurred or to be

incurred as provided in this Declaration. This Section shall not be construed as an independent source of authority for the Committee to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections hereof.

Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to their respective Percentage Interests in the Common Areas. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given.

A special assessment shall bear interest at the rate of twelve percent (12%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date.

(f) Lien for Assessments. The Owner that is delinquent in payment of assessments shall not have authority or voting power to prevent the lawful collection of assessments due under this Declaration and in the manner prescribed herein and by the Utah Condominium Ownership Act, Utah Code Sections 57-8-1, *et seq.* as it may be amended from time to time.

All sums assessed to any Unit pursuant to this Declaration, together with interest thereon as provided herein, shall be secured by a lien on such Unit in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Unit, except only for: (a) valid tax and special assessment liens on the Unit in favor of any governmental assessing authority; and (b) a lien for all sums unpaid on a first Mortgage duly recorded in the Official Records of Salt Lake County, Utah, including all unpaid obligatory advances to be made pursuant to such Mortgage and all amounts advanced pursuant to such Mortgage and secured by the lien thereof in accordance with the terms of such instrument. All other lienors acquiring liens on any Unit after this Declaration shall have been recorded in said records shall be deemed to consent that such lien shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

To evidence a lien for sums assessed hereunder, either member of the Committee shall prepare, or cause to be prepared, a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Unit and a description of the Unit. Such a notice shall be signed by a member of the Committee and shall be recorded in the Office of the County Recorder of Salt Lake County, Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial or non-judicial foreclosure by the Committee in the same manner in which mortgages or trust deeds may be foreclosed in Utah. The Association, as permitted by law, and/or its attorney shall be considered the Substituted Trustees in such cases.

In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of filing the notice of lien and all court costs and reasonable attorneys' fees.

All such costs, expenses and fees shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Committee any assessments against the Unit which shall become due during the period of foreclosure. In the event of foreclosure, after the institution of the action the Unit Owner shall pay a reasonable rental for his use of the Unit and

the Committee shall, without regard to the value of the Unit, be entitled to the appointment of a receiver to collect any rentals due from the Owner or any other person.

The Committee shall have the right and power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof.

If an Owner fails or refuses to pay any assessment when due, the Management Committee may, after giving notice and an opportunity to be heard in accordance with subparagraph A of this subsection (f), terminate an Owner's right to receive utility services paid as a common expense.

A. Before terminating utility services, the manager or Management Committee shall give written notice to the Unit Owner in the manner provided in the Bylaws for giving notice. The notice shall state:

1. Utility services will be terminated if payment of the assessment is not received within the time provided in the Declaration, Bylaws, or Association rules, which time shall be stated and be at least 48 hours;
2. The amount of the assessment due, including any interest or late payment fee; and
3. The right to request an informal hearing to dispute the assessment by submitting a written request to the Management Committee within 14 days from the date the notice is received.

B. The hearing shall be conducted in accordance with the standards provided in a resolution adopted by the Management Committee or, in the alternative, the Robert's Rules of Order.

C. If a hearing is requested, utility services may not be terminated until after the hearing has been conducted and a final decision has been entered.

D. Upon payment of the assessment due, including any interest or late payment fee, the manager or Management Committee shall immediately take action to reinstate the terminated utility services to the Unit.

A release of notice of lien shall be executed by the Committee and recorded in the Office of the County Recorder of Salt Lake County, Utah, upon payment of all sums secured by a lien which has been made the subject of a recorded note of lien.

Any encumbrancer holding a lien on a Unit may pay, but shall not be required to pay, any amounts secured by the lien created hereunder, and upon such payment such encumbrancer shall be subrogated to all rights of the Committee with respect to such lien, including priority.

The Committee may report to any encumbrancer of a Unit any unpaid assessments remaining unpaid for thirty days after the same shall have become due; provided, however, that such encumbrancer first shall have furnished to the Committee written notice of such encumbrance.

(g) Failure of Leasing Owner to Pay Assessment. If the Owner of a Unit who is leasing the Unit fails to pay any assessment for a period of more than 60 days after it is due and payable, the Management Committee, upon compliance with this Subsection (g), may demand the tenant to pay to the Association all future lease payments due the Owner, commencing with the next monthly or other periodic payment, until the amount due to the Association is paid.

A. The manager or Management Committee must give the Unit Owner written notice, in accordance with the Bylaws or association rules, of its intent to demand full payment from the tenant. This notice shall:

1. provide notice to the tenant that full payment of remaining lease payments will commence with the next monthly or other periodic payment unless the assessment is received within the time period provided in the Declaration, Bylaws, or Association rules;

2. state the amount of the assessment due, including any interest or late payment fee;

3. state that any costs of collection, not to exceed \$150, and other assessments that become due may be added to the total amount due; and

4. provide the requirements and rights described in this Subsection (g).

B. If the Unit Owner fails to pay the amount of the assessment due by the date specified in the notice, the manager or Management Committee may deliver written notice to the tenant, in accordance with the Bylaws or Association rules, that demands future payments due to the Owner be paid to the Association pursuant to Paragraph C of this Subsection (g) below. A copy of the notice must be mailed to the Unit Owner. The notice provided to the tenant must state:

1. that due to the owner's failure to pay the assessment within the time period allowed, the owner has been notified of the management committee's intent to collect all lease payments due to the association pursuant to Subsection (6)(a);

2. that until notification by the association that the assessment due, including any interest or late payment fee, has been paid, all future lease payments due to the owner are to be paid to the association; and

3. payment by the tenant to the Association in compliance with this Subsection (g) will not constitute a default under the terms of the lease agreement. If payment is in compliance with this Subsection (g), suit or other action may not be initiated by the Owner against the tenant for failure to pay.

C. All funds paid to the Association pursuant to this Subsection (g) shall be deposited in a separate account and disbursed to the Association until the assessment due, together with any cost of administration which may not exceed \$25, is paid in full. Any remaining balance must be paid to the Owner within five business days of payment in full to the Association.

D. Within five business days of payment in full of the assessment, including any interest or late payment fee, the manager or Management Committee must notify the tenant in writing that future lease payments are no longer due to the Association. A copy of this notification must be mailed to the Unit Owner.

E. As used in this Subsection (g), "lease" or "leasing" means regular, exclusive occupancy of a Unit by any person or persons, other than the Unit Owner, for which the Unit Owner receives any consideration or benefit, including a fee, service, gratuity, or emolument.

(h) Personal Obligation of Owner. The amount of any annual, special or individual assessment against any Unit shall be the personal obligation of the Owner thereof to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Committee without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of his Unit.

(i) Statement of Account. Upon payment of a reasonable fee not to exceed ten dollars (\$10.00), or such other amount as may in the future be allowed by the Act, and upon written request of any Owner or any Mortgagee, prospective Mortgagee or prospective purchaser of a Unit, the Committee shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Unit; amount of the current yearly assessment and the date that such assessment becomes or became due.

(j) Personal Liability of Purchaser for Assessments. A purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

(k) Individual Assessments. Individual assessments may be levied by the Committee against a Unit and its Owner for:

(1) Administrative costs and expenses incurred by the Committee in enforcing the Project Documents, including any fines levied;

(2) Costs associated with the maintenance, repair or replacement of Common Area for which one but not both of the Unit Owners are responsible;

(3) Any other charge, fee, fine, due, expense, or cost designated as an Individual Assessment in the Project Documents or by the Management Committee; and

(4) Reasonable attorneys' fees, interest, and other charges relating thereto as provided in this Declaration.

20. **Transition of Management.** Notwithstanding anything to the contrary contained in paragraph 18 above, Declarant may at any time relinquish its reserved right to select the members of the Committee and to transfer the management of the Project to the Committee elected by Unit Owners. If and when Declarant elects so to do, Declarant shall notify Owners in writing of the effective date of such transfer (Transfer Date) at least 60 days prior thereto. Thereupon, Unit Owners shall call a meeting to elect the members of the Management Committee to take office as of the Transfer Date. Declarant covenants to cooperate with Unit Owners in effecting orderly transition of management.

21. **Association Insurance.** The Association, by and through its Management Committee, shall obtain and keep in full force and effect insurance coverages described in this Article. Insurance coverage shall be secured from companies licensed to do business in the State of Utah, with a rating of "A" or better from Bests Insurance Report. Each policy of insurance obtained by the Association shall, if possible, include:

(a) a standard mortgagee clause commonly accepted by private institutional mortgage investors in the areas;

(b) a waiver of the insurer's subrogation rights with respect to the Association, the Board, the Owners and their respective servants, agents and guests with respect to claims arising from areas to be insured by the Association;

(c) a provision that the insurance cannot be cancelled, suspended or invalidated due to the conduct of any particular Unit Owner or Owners;

(d) a provision that any "no other insurance" clause therein shall not apply with respect to insurance held individually by the Owners;

(e) that a mortgagee endorsement clause providing that there shall not be less than ten (10) days notice of reduction or cancellation relating to any of the policies.

Premiums for the Association's insurance shall be a common expense.

Owner's Individual Insurance. All Owners shall obtain additional insurance at his/her own expense, so long as such additional insurance does not have the effect of decreasing the amount which may be realized under any policy maintained by the Association. The Association shall only insure the Unit as set forth below but shall not insure the Owner's personal property located within the Unit. As stated below, the Association's Hazard Insurance shall not be primary in the event that damage to a Unit or Units is caused by the negligence or intentional misconduct of an Owner.

Therefore, the Owners shall insure his/her Unit and all improvements made thereto. Individual Owners, along with their insurance providers, are primarily responsible to pay for damages sustained within their Units or originating within from their Units and damaging their Units or

other Units and/or the common areas (as opposed to originating from the common areas) caused from negligence or intentional misconduct of the Owners, their tenants, guests, invitees or agents. In such cases, the Owner's policy shall be primary.

It is not the purpose nor the intent of this Paragraph 21 that the Association insure that which is the responsibility of the Owners nor pay for damages, of any kind, caused by the negligence or fault of any Owner, their tenants, guests, invitees or agents. Insurance proceeds, if any, from the Association's insurance policy shall be subordinate to the responsibility of the Owner and their insurance provider. A certificate of insurance and evidence of adequate property insurance shall be provided to the Association upon request.

Liability Insurance. Liability insurance coverage shall be secured from companies licensed to do business in the State of Utah, with a rating of "A" or better from Bests Insurance Report. The Association shall obtain and maintain Public Liability Insurance to insure the Association, the Board, the Managing agent and employees of the Association and the Owners against claims for bodily injury and property damage arising out of the conditions of the Common Areas or activities thereon under a Comprehensive General Liability form. Such insurance shall be for such limits as the Board may decide, but not less than those limits customarily carried in connection with properties of comparable character and usage in the Salt Lake County, State of Utah, nor less than \$1,000,000.00 for personal injury and property arising out of a single occurrence, such coverage to include protection against water damage liability, liability for non-owned and hired automobile, liability for the property of others and such other risks as shall customarily be covered with respect to property similar in construction, location and use. The policy shall contain a "Severability of Interest" endorsement which shall preclude the insurer from denying the claim of any Owner because of negligent acts of the Association or other Owners and a cross liability endorsement pursuant to which the rights of the named insured as between themselves are not prejudiced. The policy shall provide that the policy may not be canceled or substantially modified by the insurer unless it gives at least 30 days prior written notice thereof to each insured. Any such coverage procured by the Board shall be without prejudice to the right of the Owners to insure their personal liability for their own benefit at their own expense.

Hazard Insurance. Subject to the Owners' responsibilities and obligations for insurance stated in this Article, the Management Committee shall procure and maintain a policy or policies of hazard insurance in an amount or amounts equal to or exceeding the full replacement value (exclusive of the value of land, foundations, excavation and other items normally excluded from coverage) of the Common Areas owned by the Association, including all building service equipment as such is deemed a Common Area, including roofs, surfaces and structures comprising the structural components of the Common Areas with an Agreed Amount Endorsement, or its equivalent, if available, or an Inflation Guard Endorsement, and such other endorsements as the Board may deem warranted and reasonable. Such insurance policy or policies shall name the Association as insured for the benefit of the Owners as their interests appear, and shall afford protection, to the extent applicable, against at least the following: (a) loss or damage by fire and other hazards covered by the standard extended coverage

endorsement, windstorm, water damage, and (b) such other risks, consistent with this Paragraph, as are customarily covered with respect to facilities similar in construction, location, use and ownership.

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

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

21.2 That it cannot be canceled, suspended or invalidated due to the conduct of any particular Owner or Owners;

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

21.4 As stated above, that any "no other insurance" clause therein shall not apply with respect to insurance maintained individually by any of the Owners.

Fidelity Coverage. The Association may elect to maintain fidelity coverage to protect against dishonest acts on the part of officers, trustees, managing agents, directors and employees of the Association and all others who handle, or are responsible for handling, funds of the Association. In that event, such fidelity bonds shall:

21.5 Name the Association as an obligee;

21.6 Be written in an amount based upon the best business judgment of the Association but in no event be less than a sum equal to three months' assessment on all Lots;

21.7 Contain waivers of any defense based upon the exclusion of volunteers or persons who serve without compensation from any definition of "employee" or similar express; and;

21.8 Provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' prior written notice to the insured.

Review of Insurance. The Management Committee shall periodically, and whenever requested by Owners entitled to exercise at least twenty percent (20%) of the outstanding votes in the Association, review the adequacy of the Association's insurance program and shall report

in writing the conclusions and action taken on such review to the Owner of each Unit and to the holder of any Mortgage on any Unit who shall have requested a copy of such report. Copies of every policy of insurance procured by the Board shall be available for inspection by any Owner and any Mortgagee.

Other Insurance Provisions. All insurance required pursuant to this Article shall be written by insurers licensed in the State of Utah. Notwithstanding anything in this Paragraph to the contrary, any insurance required to be obtained by the Association pursuant to Paragraph shall be required only to the extent that such coverage is reasonably obtainable at reasonable rates and is customarily obtained with respect to improvements or facilities have the same or similar characteristics of the Common Areas and Units or risks being insured.

Deductible. For all claims against the Association's insurance policy for which the damage or injury is cause by or due to the common area or areas over which the Association has responsibility, the Association shall pay the deductible. If, however, for reasons not contemplated above, the Association's insurance is obligated to cover a loss which was attributable to the negligence or fault of an Owner, its tenants, guests, invitees or agents, then the "at fault" Owner shall pay the deductible. Failure to pay the deductible within 30 days shall entitle the Association to collect said unpaid deductible in the same manner as an unpaid assessment.

22. Damage to Project. In the event of damage of or destruction or all of the improvements in the Condominium Project, the following Procedures shall apply:

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

(b) If less than 75% of the Project's improvements are destroyed or substantially damaged, and if the proceeds of the insurance maintained by the Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all the Unit Owners shall be assessed for any deficiency on the basis of their respective Percentage Interest.

(c) If 75% or more of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Management Committee are not alone sufficient to accomplish restoration, and if the Unit Owners within 100 days after the destruction or damage by a vote of at least 75% elect to repair or reconstruct the affected improvements, restoration shall be accomplished in the manner directed under subparagraph (b) above.

(d) If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Committee are insufficient to accomplish restoration, and if the Unit Owners do not, within 100 days after the destruction or damage and by a vote of at least 75%, elect to repair or reconstruct the affected improvements, the Management Committee shall promptly record with the Salt Lake County Recorder a notice setting forth such

facts. Upon the recording of such notice the provisions of subsections (1) through (4) of Section 57-8-31, Utah Code Annotated (1953), shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units.

Any reconstruction or repair which is required to be carried out by this Paragraph 22 regarding the extent of damage to or destruction of Project improvements shall be made by three MAI appraisers selected by the Management Committee. The decision of any two such appraisers shall be conclusive.

23. **Amendment.** Except as provided below, the unanimous vote of the Unit Owners of Horne Condominiums in person or represented by proxy at a meeting of the Association shall be required to amend this Declaration or the Map. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Management Committee.

However, for so long as the Declarant owns at least one Unit, the Declarant's written consent to any such amendment is required. If an amendment is approved, the Committee shall certify that the vote required by this Paragraph for amendment has occurred and the amendment shall be recorded with the Salt Lake County Recorder.

The foregoing right of amendment shall be subject to the right of the Declarant, for so long as Declarant owns at least one Unit, to unilaterally amend this Declaration or the Map without Owner consent. Such right shall obtain without regard to the subject matter of amendment, so long as the amendment involved is consistent with law and does not attempt to divest any vested property rights of any Owner or Mortgagee.

Notwithstanding anything to the contrary, should the Unit Owners of Horne Condominiums wish to leave the Association or change any provisions of this Declaration binding them to the Association or granting the Unit Owners rights or responsibilities with respect to the Association, such amendment shall require the affirmative vote of one hundred percent (100%) of all Owners in Horne Condominiums.

24. **Consent Equivalent to Vote.** In those cases in which the Act or this Declaration requires the vote of the Unit Owners for the authorization or approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who collectively hold at least the necessary number of votes.

25. **Service of Process.** Curtis G. Kimble, whose address is Richards & Kimble, P.C., 2040 E. Murray-Holladay Rd. Ste 102, Salt Lake City, Utah, 84117 is the person to receive service of process in cases authorized by the Act. The Management Committee shall, however, have the right to appoint a successor substitute process agent.

26. **Mortgagee Protection.** Notwithstanding anything to the contrary contained in the Declaration:

(a) An adequate reserve fund for repair, maintenance and replacement of those elements of the Common Areas that must be replaced on a periodic basis must be established and shall be funded by regular monthly payments rather than by special assessments. The Committee, however, shall in its sole discretion determine amounts necessary for the Association's reserve account and individual Committee members shall not be liable for any shortfalls in the reserve account excepting gross mismanagement or other unlawful conduct.

(b) There shall be established a working capital fund for the initial months of operation of the Project equal to a minimum amount of two months estimated Common Area charge for each Unit.

(c) Any mortgage holder which comes into possession of the Unit pursuant to the remedies provided in the Mortgage or foreclosure of the Mortgage or deed (or assignment in lieu of foreclosure) shall be exempt from any "right of first refusal", or other provisions which may exist relating to sale or lease of the Units in the Project, and no right of first refusal shall impair the rights of any first mortgage to: (i) foreclose or take title to a Unit pursuant to the remedies provided in the Mortgage, or (ii) accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor, or (iii) interfere with a subsequent sale or lease of the Unit so acquired by the Mortgagee.

(d) Any agreement for professional management of the Project, or any other contract providing for services by the Declarant must provide for termination by either party without cause or payment of a termination fee on 30 days or less written notice and a maximum contract term of one year, renewable by agreement of the parties for successive one-year periods.

(e) In the event of damage to or destruction of any Unit, which loss exceeds \$1,000.00, or any part of the Common Areas, which loss exceeds \$10,000.00, the institutional holder of any first mortgage on a Unit shall be entitled to timely written notice to any such damage or destruction. No Unit Owner or other party shall be entitled to priority over such institutional holder with respect to the distribution to such Unit Owner of any insurance proceeds regardless of the amount of loss. Upon request of any first mortgagee of the Association must provide a letter to said first Mortgagee wherein the Association agrees to notify the first Mortgagee or any organization it designates at the address indicated by the Mortgagee whenever (i) damage to a Unit covered by the first Mortgagee's Mortgage exceeds \$1,000.00, or (ii) damage to the Common Areas and related facilities exceeds \$10,000.00.

(f) If any Unit or portion thereof or the Common Areas or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the institutional holder of any first mortgage of a Unit shall be entitled to timely written notice of any such proceeding or proposed acquisition. No Unit Owner or other party shall have priority over such institutional holder regardless of the amount of the condemnation award with respect to the distribution to such Unit Owner of the proceeds of any award or settlement.

(g) With the exception of a lender in possession of a Unit following a default in a

first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Unit Owner shall be permitted to lease his Unit for transient or hotel purposes. No Unit Owner may lease less than the entire unit. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and Bylaws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing.

(h) Each holder of a first mortgage lien on a Unit who obtains title to a Unit by virtue of remedies provided in the Mortgage, including but not limited to, foreclosure of the mortgage, or by deed of assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of unpaid charges and shall not be liable for any unpaid claims or assessments and charges against the Unit which accrue prior to the acquisition of title of such Unit by Mortgagee, except for claims for a pro-rata share of such assessments or charges to all Project Units including the mortgaged Unit.

(i) The Association shall give the institutional holders of first Mortgages prompt notice of any default in the Unit Mortgagor's obligations under the Declaration not cured within thirty (30) days of default if such notice has been requested in writing by the Mortgagor.

(j) Any lien which the Management Committee may have on any Unit in the Project for the payment of Common Expenses assessments attributable to such Unit will be subordinate to the lien or equivalent security interest of any first mortgage on the Unit recorded prior to the date any such Common Expense Assessments become due.

(k) Unless at least 75% of the institutional holders of first Mortgages (based on one vote for each Mortgage owned) of Units have given their prior written approval neither the Management Committee, Declarant, Owners nor the Association shall:

(1) By act or omission, seek to abandon or terminate the Project, except in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain.

(2) Change the Percentage Interests or obligations of any Unit for (i) purposes of allocating distributions of hazard insurance proceeds or condemnation awards or for (ii) determining the pro-rata share of ownership of each Unit in the appurtenant Common Areas.

(3) Partition or subdivide any Unit or of the Common Areas.

(4) By act or omission, seek to amend, partition, subdivide, encumber, sell, abandon or transfer the Common Areas. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas of the Project shall not be deemed a transfer within the meaning of this subparagraph).

(5) Use hazard insurance proceeds for losses to any condominium

property (whether to Units or to the Common Areas) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the Units and/or the Common Areas of the Project.

(l) Any institutional holder of a first mortgage (or trust deed) of a Unit in the Project will, upon request, be entitled to (i) examine the books and records of the Project during normal business hours; (ii) receive a financial statement of the Project within 90 days following the end of any fiscal year of the Project; and (iii) written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

(m) Whenever there is a change of ownership of a Unit, the Committee shall require that the new Unit Owner furnish the Committee with the name of the holder of any first mortgage (or trust deed) affecting such Unit. The Management Committee or Manager shall maintain a current roster of Unit Owners and of the holders of first mortgages (or trust deed) affecting Units in the Project.

27. **Duty of Owner to Pay Taxes on Unit Owned.** It is understood that under the Act each Unit (and its Percentage Interest in the Common Areas) in the Project is subject to separate assessment and taxation of each taxing authority and the special district(s) for all types of taxes and assessments authorized by law, and that as a result thereof, no taxes will be assessed or levied against the Project as such, except for certain personal properties thereof. Accordingly, each Unit Owner will pay and discharge any and all taxes and assessments which may be assessed against him on his Unit.

28. **Covenants to Run With Lands.** This Declaration and all the provisions hereof shall constitute covenants which run with the land and constitute equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of the Association, all parties who hereafter acquire any interest in or occupy a Unit or any part of the Project, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, assigns, guests and invitees.

29. **Compliance.** Each Owner or occupant of a Unit shall comply with, and all interests in all Units shall be subject to, the terms of the Act, the terms of this Declaration, the Bylaws, and the provisions of any rules, regulations, agreements, instruments, and determinations adopted pursuant thereto, hereinafter referred to collectively as the "Declaration." By acquiring any interest in a Unit each Unit Owner or occupant consents and agrees to be bound by and subject to each and every provision of the Declaration. In the event of a dispute between the two Units, either Unit Owner may submit the matter to binding arbitration for final determination of the dispute, the cost of which will be the responsibility of each Unit Owner in equal proportion.

30. **Information Regarding Transferee of Unit.** Any Unit Owner who sells, leases, or otherwise disposes of his Unit shall submit to the Committee pertinent information concerning the transferee or new occupant within one week of any transfer of title or possession on a form furnished by the Committee.

31. **Indemnification of Management Committee.** Each member of the Management Committee shall be indemnified and held harmless by the Unit Owners against all costs, expenses, and fees, reasonably incurred by him in connection with any proceeding to which he may become involved by reason of his being or having been a member of said Committee.

32. **Invalidity.** The invalidity of any provisions of this Declaration, or any portion thereof, shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remainder of this Declaration and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

33. **Waiver.** No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

34. **Gender.** The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

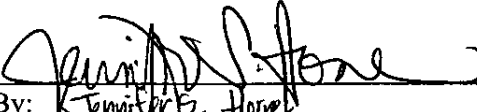
35. **Topical Headings.** The headings appearing at the beginning of the paragraphs of this Declaration are only for convenience of reference and are not intended to describe, interpret, define, limit, extend, or otherwise affect the content, meaning or intent of this Declaration or any paragraph or provision hereof.

36. **Conflicts.** This Declaration is set forth to comply with the requirements of the Act. In the event of any conflict between this Declaration and the provisions of the Act, the provisions of the latter shall control.

37. **Effect of Recorded Instruments.** At any point in time, the Declaration and the Record of Survey Map concerning each phase which is then a part of the Project shall constitute but constituent parts of a single Declaration and Record of Survey Map affecting the Project. Accordingly, in the event the provisions of the separate instruments conflict irreconcilably, the terms of that instrument which is last recorded shall control.

38. **Effective Date.** This Declaration shall take effect upon recording in the office of the County Recorder of Salt Lake County, Utah.

GRIFFIN & COMPANY MANAGEMENT, LLC


By: Jennifer S. Horne
Its: Owner

STATE OF UTAH)

:SS.

County of Salt Lake)

On the 11 day of May, 2007, personally appeared before me Deanna L. Green, who being by me duly sworn did say that he/she is the principal of the Declarant and that the foregoing instrument was signed on behalf of ~~the Home~~ Griffin + Company Management, LLC.
~~Condominiums Owners Association.~~

Deanna L. Green
NOTARY PUBLIC

Salt Lake County Sheriff's Office
2001 S. State Street S-2700
Salt Lake City, UT 84190

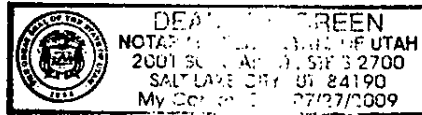
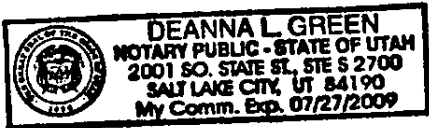


EXHIBIT "A"

A tract of land being a portion of the Northeast quarter of the Northeast quarter of section 17, Township 1 South, Range 1 East. Salt Lake Base and meridian, Salt Lake City, Salt Lake County. Being described as The North 10 feet of the West 125 feet of lot 14 and the West 125 feet of lots 15 and 16, Block 1, J.K. Shaw's East Morningside ~~Subdivision~~, as recorded on file and of record in the office of the Salt Lake County Recorder, Book B, Page 156. Basis of bearing being between the city monuments of 1300 East, Browning Ave. and 1300 East, 1300 South bearing North 00°21'23" East. Being more particularly described as follows; Beginning at a point that lies 89.01 feet North 00°21'23" East, and 46.96 feet East from the city monument on 1300 East Browning Ave: Thence running North 00°32'49" West 60.00 feet; thence East 124.64 feet; thence South 60.00 feet; thence West 124.06 feet to the point of beginning. Parcel contains 7461 square feet or .17 acre more or less.

*Addition

EXHIBIT "B"

<u>Unit</u>	<u>Square Feet</u>	<u>Percentage Interest in the Common Areas</u>
1 (1397 South)	1600	50%
2 (1401 South)	1600	50%
<u>Total Square Footage</u>	<u>3200</u>	<u>100%</u>

EXHIBIT "C"

**BYLAWS
OF
THE HORNE CONDOMINIUMS OWNERS ASSOCIATION**

**ARTICLE I
PLAN OF UNIT OWNERSHIP**

1. **Condominium Submission.** The Property located in Salt Lake County, Utah, has been submitted to the provisions of the Act by the Declaration recorded in the Office of the County Recorder of Salt Lake County, Utah, simultaneously herewith, and shall hereafter be referred to as the "Condominium."

2. **Bylaws Applicability.** The Provisions of these Bylaws are applicable to the Project as the same may be expanded as provided in the Declaration and the use, occupancy, sale, lease or other transfer thereof. All Owners of any fee or leasehold interest, all occupants or users of the Condominium, and the agents and servants of any of them are subject to the provisions of the Declaration, these Bylaws, and the Rules and Regulations.

3. **Personal Application.** All present and future Owners, tenants, future tenants, their guests, licensees, servants, agents, employees and any other person or persons who shall be permitted to use the facilities of the Condominium, shall be subject to these Bylaws and to the Rules and Regulations of the Condominium. Acquisition, rental or occupancy of any of the Condominium Units in the Condominium shall constitute an acknowledgment that such Owner, tenant or occupant has accepted and ratified these Bylaws, the provisions of the Declaration and the Rules and Regulations and will comply with them.

4. **Office.** The office of the Condominium and of the Management Committee shall be located at the Condominium or at such other place as may be designated from time to time by the Management Committee (hereinafter sometimes called the "Committee").

**ARTICLE II
ASSOCIATION**

1. **Composition.** All of the Unit Owners of Horne Condominiums, acting as a group in accordance with the Act, the Declaration and these Bylaws, shall constitute the Association. Except as to those matters which the Act specifically requires to be performed by the vote of the Unit Owners, the administration of the Condominium shall be performed by the Committee.

2. **Voting.** There shall be two (2) votes in the Association, one (1) vote per unit. Since a Unit Owner may be more than one person, if only one of such persons is present at a meeting of the Association that person shall be entitled to cast the votes appertaining to that Unit. But if more than one of such persons is present, the vote appertaining to that Unit shall be cast only in accordance with the agreement of a majority of them, and such consent, shall be conclusively presumed if any one of them purports to cast the vote appertaining to that Unit without protest being made forthwith by any of the others to the person presiding over the meeting. Since a person need not be a natural person, the word "person" shall be deemed for the purposes of this Section to include, without limitation, any natural person having authority to execute deeds on behalf of any person, excluding natural persons, which is, either alone or in conjunction with another person or persons, a Unit Owner. The votes of Unit Owners present in person or represented by proxy and entitled to vote must be unanimous in order to adopt decisions at any meeting of the Association. If the Declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of the Association to cast the votes to which such Unit is entitled.

3. **Place of Meeting.** Meetings of the Association shall be held at the principal office of the Condominium or at such other suitable place as may be designated by the Committee and stated in the notice of the meeting.

4. **Annual Meeting.** The first annual meeting of the Association to elect the Management Committee shall be held on a date to be determined the Declarant, which date shall be no later than ninety (90) days after Units representing one-hundred percent (100%) of the Units have been legally conveyed by the Declarant to purchasers thereof or two (2) years after the recording of the Declaration, whichever shall first occur. Annual meetings for any other purpose than the election of the Management Committee may be held at any time on call of the President of the Committee, or by a majority of the Committee. Notice of such meeting shall be given in accordance with the provisions of Section 6 of this Article II. At the first meeting to elect the Management Committee by the purchasers of Units from the Declarant, the persons designated by the Declarant shall resign as members of the Committee, and all of the Owners, including the Declarant if Declarant owns any Unit or Units, shall elect a new Committee.

Thereafter, the annual meetings of the Association shall be held on the same date of each succeeding year, unless such date shall occur on a Sunday or holiday, in which event the meeting shall be held on the next succeeding Monday which is not a holiday. At such annual meetings the Committee shall be elected by ballot of the Owners in accordance with the requirements of Section 4 of Article III. The Association may transact such other business as may properly come before them at such meetings.

5. **Special Meetings.** It shall be the duty of the President to call a special meeting of the Association if so directed by resolution of the Committee or, after all of the Committee has been elected by Unit Owners other than Declarant, upon a petition signed and presented to the Committee by one of the Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

6. **Notice of Meetings.** It shall be the duty of the Secretary to mail, by United States mail, postage prepaid, a notice of (a) each annual meeting of the Owners, as least twenty (20) days in advance of such meeting and (b) each special meeting of the Owners at least ten (10) days in advance of such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record, at the address of their respective Units and at such other address as each Owner may have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

7. **Proxies.** The votes appertaining to any Unit may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Unit Owner, or, in cases where the Unit Owner is more than one person, by or on behalf of all such persons. No such proxy shall be revocable except by actual notice to the person presiding over the meeting, by the Unit Owner or by any of such persons, that it be revoked. Any proxy shall be void if it is not dated, if it purports to be revocable without notice as aforesaid. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy, and must be filed with the Secretary not less than three (3) days before the meeting.

8. **Absentee Ballots.**

(a) A Member who is incapacitated, or who will be absent, on the date set for balloting may cast an absentee ballot at the place or time of balloting, or by mail, in the manner required by the Election Committee, but in no event shall the vote be cast more than fourteen (14) days prior to the voting date.

(b) Ballot boxes containing absentee votes shall be opened and the ballots tabulated at the same time and place and under the same conditions as the regular ballots.

9. **Mail-in Ballots.**

(a) The Board may authorize the use and implementation of mail-in ballots at any election or vote on an issue it deems appropriate, including the election of Directors.

(b) When mail-in ballots are authorized by the Board, said ballots shall be prepared and mailed to Voting Members no more than thirty (30) days prior to the date of the election or vote on an Issue. The date set for the tabulation of the ballots shall be stated on the ballot. Ballots received on or after the date set for tabulation of the ballots shall not be counted.

(c) A combination of mail-in ballots and "in person" ballots may be used.

10. **Unanimous Written Consent in Lieu of Vote.** In any case in which these Bylaws or the Declaration require for authorization or approval of a transaction the assent or affirmative vote of a stated percentage of the votes of the Owners present or represented at a

meeting, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from every Owner entitled to cast a vote. The following additional provisions shall govern any application of this Section:

(a) All necessary consents must be obtained prior to the expiration of sixty (60) days after the first consent is given by any Member.

(b) Any change in ownership of a Unit which occurs after consent has been obtained from the Member having an interest therein shall not be considered or taken into account for any purpose.

11. **Quorum.** Except as may otherwise be provided herein or by statute, one Unit Owner from each of the two Units must be present, in order to constitute a quorum for the adoption of decisions.

12. **Order of Business.** The order of business at all meetings of the Association shall be as follows: (a) roll call; (b) proof of notice of meeting; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) report of special committees, if any; (f) election of inspectors of election, if applicable; (g) election of Committee Members, if applicable; (h) unfinished business; and (i) new business. The Order of Business may be revised pursuant to a distributed "agenda" at any meeting.

13. **Title to Unit.** Title to Units may be taken in the name of natural person or in the names of two or more natural persons, or in the name of a corporation, partnership, association or other entity capable of holding title to real property, or any combination thereof.

14. **Conduct of Meeting.** The Chairman shall, or in his absence the Vice-Chairman preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a Minute Book all resolutions adopted by the meeting as well as a record of all transactions occurring thereat.

ARTICLE III MANAGEMENT COMMITTEE

1. **Powers and Duties.** The affairs and business of the Association shall be managed by the Committee which shall have all of the powers and duties necessary for the administration of the affairs of the Association in accordance with the provisions of the Declaration and may do all such acts and things as are not by the Act or by these Bylaws directed to be exercised and done by the Association. The Committee shall have the power from time to time to adopt any Rules and Regulations deemed necessary for the enjoyment of the Condominium provided such Rules and Regulations shall not be in conflict with the Act, the Declaration or these Bylaws. The Committee may delegate to one of its members the authority to act on behalf of the Committee on all matters relating to the duties of the Managing Agent, if

any, which might arise between meetings of the Committee. Subject to any limitations or provisions contained in the Declaration, the Committee shall be responsible for the following:

- (a) Preparation of an annual budget, in which there shall be established the contribution of each Owner to the Common Expenses;
- (b) Making assessments against Owners to defray the cost and expenses of the Condominium, establishing the means and methods of collecting such assessments from the Owners, and establishing the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Committee, the annual assessment against each Owner for his proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month.
- (c) Providing for the operation, care, upkeep, replacement, maintenance and surveillance of all of the Common Areas and services of the Condominium.
- (d) Designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Common Area, and providing services for the Property, and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed the common property of the Owners.
- (e) Collecting the assessments against the Owners, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to carry out the administration of the Property.
- (f) Making and amending Rules and Regulations respecting the use of the Property.
- (g) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.
- (h) Making, or contracting for the making of, repairs, additions, and improvements to, or alterations of, the Property and repairs to, and restoration of, the Property, in accordance with the Declaration and other provisions of these Bylaws, after damage or destruction by fire or other casualty.
- (i) Enforcing by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations for the use of the Property adopted by it, and bringing any proceedings which may be instituted on behalf of the Owners.

(j) Obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof.

(k) Paying the cost of all services rendered to the Condominium and not billed to Owners of individual Units.

(l) Keeping books with detailed accounts of the receipts and expenditures affecting the Property, and the administration of the Condominium, specifying and maintenance and repair expenses of the common Areas and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Committee for the general knowledge of the Owners. All books and records shall be kept in accordance with generally accepted accounting practices, and the same, upon resolution of the Association shall be audited by an outside auditor employed by the Committee who shall not be a resident of the Condominium, or an Owner therein. The cost of such audit shall be a Common Expense. A copy of the annual audit report shall be supplied to any first mortgagee of any Unit in the Condominium who requests the same in writing from the Secretary.

(m) To do such other things and acts not inconsistent with the Act, the Declaration or the Bylaws or by a resolution of the Association.

2. **Manager.** The Committee may employ for the Condominium a Manager at a compensation established by the Committee, to perform such duties and services as the Committee shall authorize, including, but not limited to, the duties listed in Section 1 of this Article III. The Committee may delegate to the Manager all of the powers granted to the Committee by these Bylaws; provided that any actions by the Manager with respect to the powers set forth in paragraphs (b), (f), (g) and (i), of Section 1 of this Article III shall require the written consent of the Committee. The term of any contract for a Manager may not exceed one (1) year, and any such contract shall provide, inter alia, that such agreement may be terminated by either party without cause or a termination fee on thirty (30) days or less written notice.

3. **Number and Composition of Committee Members.** The Committee shall be composed of two persons, one Unit Owner from each Unit.

4. **Organization Meeting.** The first meeting of the members of the Committee following the annual meeting of the Association shall be held within ten (10) days after the annual meeting at such place as shall be fixed by the Committee at the meeting at which such Committeemen were elected, and no notice shall be necessary to the newly elected Committee Members in order legally to constitute such meeting provided that majority of the whole Committee shall be present thereat.

5. **Meetings of the Committee.** The requirements set forth in these Bylaws regarding meetings of the Committee may be satisfied by combining such meetings with a regular meeting of the Association.

6. **Regular Meetings.** Regular meetings of the Committee may be held at such time and place as shall be determined, from time to time, by the Committee, but at least two (2) such meetings shall be held during each fiscal year after the first annual meeting of the Association. Notice of regular meetings of the Committee shall be given to each member, personally, by mail or by telephone, at least three (3) business days prior to the day named for such meeting.

7. **Special Meetings.** Special meetings of the Committee may be called by the Chairman on three (3) business day's notice to each member. Such notice shall be given personally, by mail or by telephone, and such notice shall state the time, place and purpose of the meeting. Special meetings of the Committee shall be called by the Chairman or Secretary in like manner and on like notice on the written request of at least one (1) Committee Member.

8. **Waiver of Notice.** Before or at any meeting of the Committee, any Committee Member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Committee Member at any meeting of the Committee shall be a waiver of notice by him of the time and place thereof. If all the Committee Members are present at any meeting of the Committee, no notice shall be required and any business may be transacted at such meeting.

9. **Committee's Quorum.** At all meetings of the Committee, both members of the Committee shall be present, in person or by proxy, in order that a quorum be established for the transaction of business.

10. **Compensation.** No Committee member shall receive any compensation from the Condominium for acting as such.

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

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

13. **Fidelity Bonds.** The Committee shall require that all officers, agents (including professional Manager and its employees) and employees of the Association handling or responsible for funds furnish adequate fidelity bonds. The premiums on such bonds shall constitute a Common Expense. The Committee shall provide a fidelity insurance coverage as required by the Declaration.

14. **Dispensing with Vote.** Any action by the Committee required or permitted to be taken at any meeting may be taken without a meeting if all the members of the Committee shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Committee.

15. **Liability of the Committee.** The members of the Committee shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the Committee Members from and against all contractual liability to others arising out of contracts made by the Committee on behalf of the Owners unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these Bylaws.

ARTICLE IV OFFICERS

Due to the unique nature of this 2 Unit development, there shall be two and only two Management Committee members which shall assign the following positions among themselves.

1. **Designation.** The principal officers of the Condominium shall be a Chairman, and a Secretary/Treasurer. The Committee may appoint assistant secretaries and such other officers as in its judgment may be necessary.

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

3. **Removal of Officers.** The officers shall hold office until their respective successors are chosen and qualify in their stead. Any officer elected or appointed by the Committee may be removed or reassigned and any tasks or duties may be reallocated at any time by the affirmative and unanimous vote of the whole Committee at any regular meeting of the Committee, or at any special meeting of the Committee called for such purpose.

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

5. **Secretary.** The Secretary shall attend all sessions of the Committee and all meetings of the Association and record all votes and the minutes of all proceedings in a book to be kept by him for that purpose and shall perform like duties for committees when required. He

or she shall give, or cause to be given, notice of all meetings of the Association, the Committee and committees and shall perform such other duties as may be prescribed by the Committee. The Secretary shall compile and keep current at the principal office of the Condominium, a complete list of the Owners and their last known post office addresses. This list shall be open to inspection by all Owners and other persons lawfully entitled to inspect the same, at reasonable hours during regular business days. The Secretary shall also keep current and retain custody of the Minute Book of the Association, containing the minutes of all annual and special meetings of the Association and all sessions of the Committee including resolutions.

6. **Treasurer.** The Treasurer shall have the custody of all funds and securities that are not under the control of the Managing Agent, and, with the assistance of the Managing Agent, shall keep full and accurate records of receipts and disbursements, shall prepare all required financial data, and shall deposit all moneys and other valuable effects in such depositories as may be designated by the Committee. He or she shall disburse funds as ordered by the Committee taking proper vouchers for such disbursements, and shall render to the Chairman and committeemen, at the regular meetings of the Committee, or whenever they may require it, an account of all of his transactions as Treasurer and of the financial condition of the Condominium.

7. **Agreement, Contracts, Deeds, Checks, etc.** All agreements, contracts, deeds, leases, checks and other instruments of the Condominium for expenditures or obligations of over \$500.00 shall be executed by both officers and Committee members or by such other person or persons as may be designated by the Committee. All such instruments for expenditures or obligations of less than \$500.00 may be executed by any one officer of the Committee or by such other person as may be designated by the Committee.

8. **Compensation of Officers.** No officer shall receive any compensation from the Committee for acting as such.

ARTICLE V FISCAL YEAR

The fiscal year of the Association shall consist of the twelve month period commencing on January 1 of each year and terminating on December 31 of the same year, except that the first fiscal year shall begin at the date of organization and terminate on December 31. The fiscal year herein established shall be subject to change by the Committee should it be deemed advisable or in the best interests of the Association.

ARTICLE VI AMENDMENT TO BYLAWS

1. **Amendments.** Except as otherwise provided in this Section, these Bylaws may be modified or amended either (i) by an affirmative and unanimous vote of the Committee Members at any regular or special meeting at which a quorum is present, provided that Notice of

the proposed amendment shall have been given to each Owner simultaneously with the notice of such meeting, or (ii) pursuant to a written instrument duly executed by at least one hundred percent (100%) of the Committee Members, provided, however, that (a) Section 4 of Article II, and Section 3 of Article III, insofar as they relate to the selection of members of the Committee by the Declarant, (b) Section 2 of Article II, insofar as it provides that the Declarant, so long as it is the Owner of one or more Units, may vote the votes appurtenant thereto, and (c) this Section 1 of Article VI, may not be amended without the consent in writing of the Declarant, so long as the Declarant shall be an Owner. Furthermore, notwithstanding the foregoing, so long as the Declarant is the Owner of one or more Units, no amendment to the Bylaws or Rules and Regulations may be adopted which could interfere with the construction, display, sale, lease, or other disposition of such Unit or Units.

2. **Recording.** A modification or amendment of these Bylaws shall become effective only if such modification or amendment is recorded in the office of the County Recorder of Salt Lake County, Utah.

3. **Conflicts.** No modification or amendment of these Bylaws may be adopted which shall be inconsistent with the provisions of the Act or with the provisions of the Declaration. A modification or amendment once adopted and recorded as provided for herein shall then constitute part of the official Bylaws of the Condominium and all Owners shall be bound to abide by such modification or amendment.

ARTICLE VII NOTICE

1. **Manner of Notice.** All notices, demands, bills, statements or other communications provided for or required under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by U.S. Mail, first class postage prepaid, (i) if to an Owner, at the address of his Unit and at such other address as the Owner may have designated by notice in writing to the Secretary, or (ii) if to the Committee or the Manager, at the principal office of the Manager or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section.

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

ARTICLE VIII COMPLIANCE, CONFLICT, AND MISCELLANEOUS PROVISIONS

1. **Compliance.** These Bylaws are set forth in compliance with the requirements of

the Act.

2. **Conflict.** These Bylaws are subordinate and subject to all provisions of the Declaration and to the provisions of the Act. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as they are defined to have in the Declaration or the Act. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control; and in the event of any conflict between the Declaration and the Act, the provisions of the Act shall control.

3. **Severability.** These Bylaws are set forth to comply with the requirements of the State of Utah. In case any of the Bylaws are in conflict with the provisions of any of the Utah statutes, the provisions of the State will apply. If any provisions of these Bylaws or any section, sentence, clause, phrase, or word, or the application thereof in any circumstance is held invalid, the validity of the remainder of these Bylaws, shall not be affected thereby and to this end, the provisions hereof are declared to be severable.

4. **Waiver.** No restriction, condition, obligation or provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

5. **Captions.** The captions contained in these Bylaws are for convenience only and are not part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws.

6. **Gender, etc.** Whenever in these Bylaws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

IN WITNESS WHEREOF, The Declarant has caused these Bylaws to be executed by its duly authorized officers on the 13 day of May, 2008.

Horne Condominiums Owners Association

Trista Dawn Horne

By:

Its:

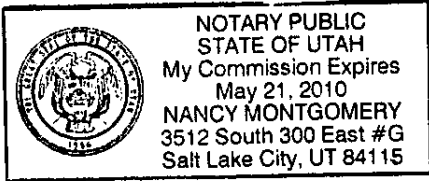
Trista Dawn Horne

By:

Its:

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

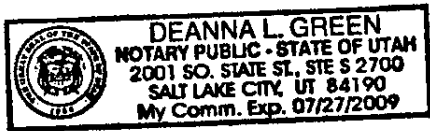
On this 13 day of May 2008, personally appeared before me
Tristan David Horne, who being by me duly sworn, did say that he or she is
an authorized agent of the Declarant to execute these Bylaws on behalf of the Horne
Condominiums Owners Association.



Nancy Montgomery
NOTARY PUBLIC

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

On this 13 day of May 2008, personally appeared before me
Deanna L. Green, who being by me duly sworn, did say that he or she is
an authorized agent of the Declarant to execute these Bylaws on behalf of the Horne
Condominiums Owners Association.



Deanna L. Green
NOTARY PUBLIC

EXHIBIT "A"

A tract of land being a portion of the Northeast quarter of the Northeast quarter of section 17, Township 1 South, Range 1 East. Salt Lake Base and meridian, Salt Lake City, Salt Lake County. Being described as The North 10 feet of the West 125 feet of lot 14 and the West 125 feet of lots 15 and 16, Block 1, J.K. Shaw's East Morningside Subdivision, as recorded on file and of record in the office of the Salt Lake County Recorder, Book B, Page 156. Basis of bearing being between the city monuments of 1300 East, Browning Ave. and 1300 East, bearing North $00^{\circ}21'23''$ East. Being more particularly described as follows; Beginning at a point that lies 90.11 feet North $00^{\circ}21'23''$ East, and 48.82 feet South $89^{\circ}38'37''$ East from the city monument on 1300 East Browning Ave: Thence running North $00^{\circ}11'36''$ West 60.14 feet; thence South $89^{\circ}40'48''$ West 121.64 feet to the point of beginning. Parcel contains 7,324 square feet or .17 acre more or less.