

JAN-26-2000 11:35

NIELSEN SENIOR

1 P.02/04

DECLARATION OF CONDOMINIUM

FOR

**THE VICTORIAN ESTATES CONDOMINIUMS,
COVERING ALL OF LOTS 1 THROUGH 16
OF THE VICTORIAN ESTATES SUBDIVISION**

11-299-0001 to 0064

E# 1686386 BK2054 PG2938
DOUG CROFTS, WEBER COUNTY RECORDER
26-JAN-00 1146 AM FEE \$176.00 DEP JMM
REC FOR: VICTORIAN.ESTATES.LC

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS	2
1.1 <u>Defined Terms</u>	2
1.2 <u>Act</u>	2
1.3 <u>Association</u>	2
1.4 <u>Board of Trustees</u>	2
1.5 <u>Buildings</u>	2
1.6 <u>Common Areas</u>	2
1.7 <u>Common Expense Fund</u>	2
1.8 <u>Common Expenses</u>	2
1.9 <u>Condominium</u>	3
1.10 <u>Declarant</u>	3
1.11 <u>Declaration</u>	3
1.12 <u>Exclusive Common Areas</u>	3
1.13 <u>Land</u>	3
1.14 <u>Limited Common Areas</u>	3
1.16 <u>Majority of Owners</u>	3
1.17 <u>Management Committee</u>	3
1.18 <u>Manager</u>	4
1.19 <u>"Map" and "Record of Survey Map"</u>	4
1.20 <u>Mortgagee</u>	4
1.21 <u>Owner</u>	4
1.22 <u>Project</u>	4
1.23 <u>Rules and Regulations</u>	4
1.24 <u>Total Votes of the Association</u>	4
1.25 <u>Trust Deed</u>	4
1.26 <u>Trustees</u>	4
1.27 <u>Unit</u>	4

ARTICLE II

SUBMISSION AND DIVISION OF PROJECT	5
2.1 <u>Submission to Condominium</u>	5
2.2 <u>Division into Condominiums</u>	5

ARTICLE III

BUILDINGS AND IMPROVEMENTS 5
3.1 Buildings and Improvements 5
3.2 Description of Units 5

ARTICLE IV

NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP 6
4.1 Interior of Units 6
4.2 Maintenance Obligation of Owners 6
4.3 Maintenance Obligation of Association 6
4.4 Right to Combine Units 7
4.5 Title 7
4.6 Ownership of Common Areas, Exclusive Common Areas and Limited Common Areas 7
4.7 Inseparability 7
4.8 No Partition 7
4.9 Easement of Encroachment 8
4.10 Access for Repair of Common Areas, Exclusive Common Areas and Limited Common Areas 8
4.11 Easements, Right of Ingress and Egress 8
4.12 Pipes, Ducts, Cables, Wires, Conduits, Public Utility Lines and Other Common Facilities Located Inside the Unit 8
4.13 Easement to Trustees and Affect on Existing Easements 9
4.14 Easement for Utility Services 9
4.15 Use of Units, Common Areas, Exclusive Common Areas and Limited Common Areas 9
4.16 Separate Trust Deeds by Owners 11
4.17 Separate Taxation 11
4.18 Mechanics Liens 11
4.19 Description of Condominium 11
4.20 Restrictions on Leasing 12
4.21 Common Areas, Exclusive Common Areas and Limited Common Areas 12
4.22 Rules and Regulations 12

ARTICLE V

GENERAL RESTRICTIONS 12
5.1 No Noxious or Offensive Activity 12
5.2 No Alterations 12
5.3 No Obstructions 13
5.4 No Overloading 13

5.5	<u>No Damage or Dangerous Activities</u>	13
5.6	<u>Construction Period Exemption</u>	13

ARTICLE VI

EASEMENTS	13
6.1 <u>Easements for Encroachments</u>	13
6.2 <u>Easements for Maintenance, Cleaning and Repair</u>	14
6.3 <u>Easements Deemed Created</u>	14

ARTICLE VII

THE ASSOCIATION	14
7.1 <u>Membership</u>	14
7.2 <u>Board of Trustees</u>	14
7.3 <u>Votes</u>	15
7.4 <u>Amplification</u>	15

ARTICLE VIII

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION	15
8.1 <u>Common Areas and Limited Common Areas</u>	15
8.2 <u>Manager</u>	15
8.3 <u>Miscellaneous Goods and Services</u>	15
8.4 <u>Real and Personal Property</u>	16
8.5 <u>Rules and Regulations</u>	16
8.6 <u>Granting Easements</u>	16
8.7 <u>Statutory Duties and Powers</u>	16
8.8 <u>Implied Rights</u>	16

ARTICLE IX

ASSESSMENTS	16
9.1 <u>Agreement to Pay Assessments</u>	16
9.2 <u>Annual Assessments</u>	17
9.3 <u>Special Assessments</u>	18
9.4 <u>Lien for Assessments</u>	19
9.5 <u>Personal Obligation of Owner</u>	19
9.6 <u>Statement of Account</u>	20
9.7 <u>Personal Liability of Purchaser</u>	20
9.8 <u>Commencement Date</u>	20
9.9 <u>Amendment of Article</u>	20

ARTICLE X

INSURANCE	20
10.1 <u>Types of Insurance</u>	20
10.2 <u>Form of Insurance</u>	21
10.3 <u>Additional Coverage</u>	22
10.4 <u>Adjustment and Contribution</u>	22
10.5 <u>Owner's Own Insurance</u>	23
10.6 <u>Review of Insurance</u>	23

ARTICLE XI

DAMAGE OR DESTRUCTION	23
11.1 <u>Association as Attorney in Fact</u>	23
11.2 <u>Definition of Repair and Reconstruction</u>	23
11.3 <u>Procedure</u>	23
11.4 <u>Repair or Reconstruction</u>	24
11.5 <u>Disbursement of Funds for Repair and Reconstruction</u>	24
11.6 <u>Amendment of Article</u>	24

ARTICLE XII

CONDEMNATION	24
12.1 <u>Condemnation</u>	24
12.2 <u>Proceeds</u>	24
12.3 <u>Complete Taking</u>	25
12.4 <u>Partial Taking</u>	25

ARTICLE XIII

OBSOLESCENCE	27
13.1 <u>Adoption of Plan</u>	27
13.2 <u>Payment for Renewal and Reconstruction</u>	27
13.3 <u>Sale of Project</u>	27
13.4 <u>Amendment of Article</u>	27

ARTICLE XIV

COMPLIANCE WITH DECLARATION AND BYLAWS	28
14.1 <u>Compliance</u>	28
14.2 <u>Enforcement and Remedies</u>	28

ARTICLE XV

BENEFICIARY PROTECTION 28

15.1 Notice to Beneficiaries 28

15.2 Subordination of Assessment Lien 28

15.3 Prior Written Approval of Beneficiaries 29

15.4 Examination of Records 30

15.5 Revenue Fund and Working Capital Fund Required 30

15.6 Notification of Loss or Damage 30

15.7 Article Supersedes All Others 30

15.8 No Right to Amend Article 30

15.9 Notices 30

ARTICLE XVI

GENERAL PROVISIONS 31

16.1 Intent and Purpose 31

16.2 Construction 31

16.3 Notices and Registration of Mailing Address 31

16.4 Audit 32

16.5 Amendment 32

16.6 Effective Date 32

16.7 Agent for Service 32

16.8 Limitation on Association's Liability 32

16.9 Owner's Obligations 32

EXHIBIT A A-1

EXHIBIT B B-1

**DECLARATION OF CONDOMINIUM
FOR THE
VICTORIAN ESTATES CONDOMINIUMS,
COVERING ALL OF LOTS 1 THROUGH 16
OF THE VICTORIAN ESTATES SUBDIVISION**

A Condominium Project

THIS DECLARATION OF CONDOMINIUM is made and entered into as of the 21st day of January, 2000, by VICTORIAN ESTATES, L.L.C., a Utah limited liability company, aka VICTORIAN ESTATES, L.C., a Utah limited liability company ("Declarant").

RECITALS

A. **Description of Land.** The Declarant is the owner of the following described land (the "Land") located in Weber County, State of Utah:

All of Lots 1 through 16 of the VICTORIAN ESTATES SUBDIVISION, on file and of record in the Weber County Recorder's office.

B. **Buildings and Improvements.** The Declarant has constructed or will construct structures and other improvements on the Land, as shown on the Record of Survey Map referred to below.

C. **Record of Survey Map.** The Declarant has or will execute, acknowledge and record in the office of the Weber County Recorder, State of Utah, a Record of Survey Map pertaining to the Project known as the "Victorian Estates Condominiums, covering All of Lots 1 through 16 of the Victorian Estates Subdivision."

D. **Intent and Purpose.** The Declarant intends by recording this Declaration and the Record of Survey Map to submit the Land, the Buildings, and all other improvements situated in or upon the Land to the provisions of the Condominium Act as a fee simple Condominium Project and to impose upon said property mutually beneficial restrictions under a general plan of improvement for the benefit of all Condominiums in the Project and the Owners thereof.

NOW, THEREFORE, the Declarant does hereby make the following Declaration:

ARTICLE I

DEFINITIONS

1.1 **Defined Terms.** Unless the context clearly indicates otherwise, certain terms used in this Declaration shall have the meanings set forth in this Article I.

1.2 **Act** means and refers to the Utah Condominium Ownership Act (UTAH CODE ANN. § 57-8-1 *et seq.* (1994 Repl.)) and as the same may be amended from time to time.

1.3 **Association** shall mean the Victorian Estates Condominium Owners Association, a Utah nonprofit corporation, organized to be the Association referred to in this Declaration.

1.4 **Board of Trustees** shall mean the governing board of the Association, appointed or elected in accordance with this Declaration, the Articles of Incorporation and Bylaws of the Association.

1.5 **Buildings** shall mean the structures that have been or will be constructed on the Land as shown on the Record of Survey Map.

1.6 **Common Areas** shall mean and refer to all physical portions of the Project, except all Units, all Exclusive Common Areas and all Limited Common Areas.

1.7 **Common Expense Fund** shall mean the Common Expense Fund created or to be created and funded in accordance with the provisions of Article IX of this Declaration.

1.8 **Common Expenses** shall mean and refer to all sums which are expended on behalf of all of the Unit Owners and all sums which are required by the Trustees or the Management Committee to perform or exercise its functions, duties or rights under the Act, this Declaration, any management agreement for the operation of the Project, and such Rules and Regulations as the Trustees or the Management Committee may, from time to time, make and adopt. By way of illustration, but not limitation, Common Expenses shall include:

a. Expenses of administration, maintenance, operation, repair or replacement of those elements of the Common Areas that must be replaced on a periodic basis, and to other reserves as may, from time to time, be established pursuant to the Declaration;

b. Expenses agreed upon by the Association and lawfully assessed against the Owners in accordance with the Declaration;

c. Expenses declared as Common Expenses by provisions of the Act, this Declaration or the By-laws of the Association;

- d. Any valid charge against the Project as a whole; and
- e. Expenses of maintenance, repair or replacement of improvements within the Exclusive Common Areas and Limited Common Areas.

1.9 Condominium shall mean and refer to the ownership of a single Unit, together with an undivided interest, in common, in the following areas appertaining to that Unit: (a) the Common Areas; (b) the Exclusive Common Areas on the Lot on which the Unit is located; and (c) the Limited Common Areas with the same numeric and alphabetic designation as a Unit, including the area, if any, designated as "Grass" adjoining a Unit, as shown on the Record of Survey Map.

1.10 Declarant shall mean Victorian Estates, L.L.C., a Utah limited liability company, aka Victorian Estates, L.C., and its respective successors and assigns.

1.11 Declaration shall mean and refer to this instrument, as the same may be amended from time to time.

1.12 Exclusive Common Areas shall mean and refer to all open spaces on the Lots not designated as Limited Common Areas on the Record of Survey Map. The Exclusive Common Areas on a Lot are reserved for the exclusive use of the Units located on the Lot with the same numeric designation.

1.13 Land shall mean the land upon which the Project is situated, as more particularly described in Paragraph A of the Recitals above.

1.14 Limited Common Areas shall mean and refer to the areas on the Lots designated as Limited Common Areas on the Record of Survey Map. The Limited Common Areas on a Lot are reserved for the exclusive use of the Unit with the same alphabetic and numeric designation as the Limited Common Areas, and consist of covered parking and a patio for such Unit, including the area, if any, designated as "Grass" adjoining a Unit.

1.15 Lot shall mean and refer to a parcel of land designated as a "Lot" on the Record of Survey Map and includes each of Lots 1 through 16 shown and described on the official plat of the Victorian Estates Subdivision on file and of record in the office of the Weber County Recorder.

1.16 Majority of Owners shall mean more than fifty percent (50%) of the votes of the Owners of the Units.

1.17 Management Committee means the Management Committee of the Victorian Estates Condominiums, as and if it exists at any given time.

1.18 Manager shall mean the professional person, firm or company, if any, designated from time to time by the Trustees to manage, in whole or in part, the affairs of the Association and the Project.

1.19 "Map" and "Record of Survey Map" shall mean the Record of Survey Map for the Victorian Estates Condominiums, pertaining to the Project and recorded or to be recorded in the office of the County Recorder of Weber County, State of Utah.

1.20 Mortgagee shall mean (i) any person named as the mortgagee or beneficiary under any Trust Deed by which the interest of any Owner is encumbered, or (ii) any successor to the interest of such person under such Trust Deed.

1.21 Owner shall mean the person or persons (including the Declarant) owning in fee simple a Condominium in the Project, as the ownership is shown by the records of the County Recorder of Weber County, State of Utah. "Owner" shall not, however, refer to any Beneficiary (unless such Beneficiary has acquired title for other than security purposes) or to any person or persons purchasing a Condominium under contract (until such contract is fully performed and legal title is conveyed of record).

1.22 Project shall mean the Land, the Buildings, and all improvements submitted by this Declaration and the Map to the provisions of the Condominium Act.

1.23 Rules and Regulations means the rules and regulations adopted from time to time by the Trustees that are deemed necessary for the enjoyment of the Project; provided they are not in conflict with the Act or Declaration.

1.24 Total Votes of the Association shall mean the total number of votes appertaining to all Condominiums in the Project, as shown in Exhibit A attached hereto.

1.25 Trust Deed shall mean any mortgage, deed of trust or other security instrument by which a Condominium or any part thereof or interest therein is encumbered.

1.26 Trustees shall mean the Trustees designated as "Trustees" in accordance with the Articles of Incorporation and Bylaws of the Association.

1.27 Unit shall mean the physical part of a Building intended for independent use as a single family dwelling and bounded by the interior surfaces of the walls, floors, ceilings, windows and doors along the perimeter boundaries, as said boundaries are shown on the Record of Survey Map, together with all fixtures and improvements therein contained and appliances, air-conditioning compressors and other air-conditioning apparatus and the like. Paint and other wall, ceiling, or floor coverings on interior surfaces shall be deemed to be a portion of the Unit. Notwithstanding the fact that they may be within the boundaries of such air space, the following are not part of a Unit insofar as they are necessary for the support or for the use and enjoyment of another Unit: Bearing walls,

floors, ceilings and roofs (except the interior surfaces thereof), foundations, ceiling equipment, tanks, pumps, pipes, vents, ducts, shafts, flues, chutes, conduits, wires and other utility installations, except the outlets thereof when located within the Unit. The interior surfaces of a window or door shall mean the points at which such surfaces are located when the window or door is closed.

ARTICLE II

SUBMISSION AND DIVISION OF PROJECT

2.1 Submission to Condominium. The Declarant submits the Land, the Buildings, all improvements now or later made in or to the Land, and all easements, rights and appurtenances, to the provisions of the Act. All of the foregoing is and shall be held, conveyed, hypothecated, encumbered, leased, rented, used and improved as a fee simple, integrated use Condominium Project to be known as the "Victorian Estates Condominiums". All of said property is and shall be subject to existing easement dedications made as part of the Victorian Estates Subdivision, and to the covenants, conditions, restrictions, uses, limitations, and obligations set forth herein, each and all of which are declared and agreed to be for the benefit of said Project and in furtherance of a plan for improvement of said property and division thereof into Condominiums. Each and all of the provisions of this Declaration shall be deemed to run with the land and shall be a burden and a benefit to the Declarant, the Declarant's successors and assigns, and to any person acquiring, renting, leasing or owning an interest in the real property and improvements comprising the Project, and to their respective heirs, personal representatives, successors and assigns. Within the Project areas designated as common areas, exclusive common areas and limited common areas are not dedicated for use by the general public, but all dedicated for the use and enjoyment of Owners as provided in this Declaration.

2.2 Division into Condominiums. The Project is divided into Condominiums. Each Condominium consists of a Unit and an appurtenant undivided interest in the Common Areas, the Exclusive Common Areas on the Lot with the same numeric designation as the Unit, and in the Limited Common Areas with the same alphabetic and numeric designation as the Unit.

ARTICLE III

BUILDINGS AND IMPROVEMENTS

3.1 Buildings and Improvements. The Buildings and other improvements constructed on or to be constructed in or upon the Land are described on the Map which is incorporated herein by reference. The following information regarding the Buildings is also contained on the Map: (i) the numeric and alphabetic designation of each Unit; and (ii) the number of Units in the Buildings.

3.2 Description of Units. There are or will be sixty-three (63) Units in the Project. The Map contains the alphabetic and numeric designation of each Unit, the location and dimensions of

each Unit in the Project and all other information necessary to identify each Unit. The principal materials of which the Buildings are or will be constructed consists of cement footings and foundations, wood framing, exterior brick veneer, vinyl siding or with such exterior siding as the Management Committee may approve. Each of the Units shall contain one thousand eight hundred thirty-nine (1,839) square feet of floor space.

ARTICLE IV

NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP

4.1 Interior of Units. Each Owner shall have the exclusive right and obligation to paint, repaint, tile, paper, carpet or otherwise decorate and maintain the interior surfaces of the walls, ceilings, floors and doors forming the boundaries of the Owner's Unit and the surfaces of all walls, ceilings, floors and doors within such boundaries. Each Owner shall also have the right to construct partition walls, fixtures and improvements within the boundaries of the Owner's Unit, provided, however, that such partition walls, fixtures and improvements (i) shall comply with all applicable laws, ordinances and building codes, (ii) shall not interfere with facilities necessary for the support, use or enjoyment of any other part of the Project, (iii) shall not impair the structural soundness or integrity of the Building, and (iv) shall not encroach upon any part of the Common Areas (unless the Association shall consent in writing to each such encroachment).

4.2 Maintenance Obligation of Owners. Subject only to the duty of the Association to provide for maintenance as provided in this Declaration, it shall be the duty of each Owner, at the Owner's sole cost and expense, subject to the provisions of this Declaration regarding the Trustees' or the Management Committee's approval, to maintain, repair, replace and restore the Unit and areas subject to the Owner's exclusive control, in a neat, sanitary and attractive condition. Areas subject to the exclusive control of the Owner shall be deemed to include, but not be limited to, the interiors of the Unit. In the event that any Owner shall permit any improvement which is the responsibility of such Owner to maintain, to fall into disrepair, to not be maintained, to create a dangerous, unsafe, unsightly or unattractive condition, or to otherwise violate this Declaration, the Trustees or the Management Committee shall have the right, but not the duty, upon fifteen (15) days prior written notice to the Owner of such Unit, to correct such condition and to enter upon such Owner's Unit to make such repairs or to perform such maintenance and the cost thereof shall be charged to the Owner. The costs shall be a Special Assessment and shall create a lien enforceable in the manner provided as other assessments specified in this Declaration. The Owner shall promptly pay all amounts due for such work and the costs and expenses of collection may be added, at the option of the Trustees or the Management Committee, to the amounts payable by each Owner as assessments.

4.3 Maintenance Obligation of Association. The Association shall maintain or provide for the maintenance of the Common Areas, the Exclusive Common Areas and the Limited Common Areas and all improvements thereon, including entrance gates, private drives, paving, landscaping,

sidewalks, if any, landscaping equipment and lighting, utility mains and all utility laterals to the Limited Common Areas of each Unit.

4.4 Right to Combine Units. With the written consent of the fifty percent (50%) of the Owners, which consent shall not be unreasonably withheld, two or more Units may be utilized by the Owner thereof as if they were one Unit. To the extent permitted by the Association, any walls, floors, ceilings or other structural separations between any two Units, or any space which would be occupied by such structural separations, but for the utilization of the two Units as one Unit, may, for as long as the two Units are utilized as one Unit, be utilized by the Owner or Owners of the adjoining Units as Limited Common Areas, except to the extent that any structural separations are necessary or appropriate, or contain facilities necessary or appropriate, for the support, use or enjoyment of other parts of the Project.

4.5 Title. Title to a Condominium within the Project may be held or owned by any person or entity, or any combination thereof, and in any manner in which title to any other real property may be held or owned in the State of Utah, including without limitation joint tenancy or tenancy in common.

4.6 Ownership of Common Areas, Exclusive Common Areas and Limited Common Areas. Each Unit in the Project shall have an equal undivided ownership interest in the Common Areas, the Exclusive Common Areas and in the Limited Common Areas and facilities. The undivided ownership interests in the Common Areas, Exclusive Common Areas and Limited Common Areas allocated to each Unit, and the vote allocated to each Unit are shown on Exhibit A attached. The undivided ownership interest appurtenant to each Unit shall have a permanent character and shall not be altered without the unanimous written consent of all Owners in a duly recorded amendment to this Declaration. Each Owner's use of the Exclusive Common Areas and Limited Common Areas appurtenant to the Owner's Unit(s) shall not hinder or encroach upon the rights of other Owners and shall not be contrary to any applicable rules or regulations promulgated by the Association.

4.7 Inseparability. Title to no part of a Condominium in the Project may be separated from any other part, and each Unit and the undivided interest in the Exclusive Common Areas and Limited Common Areas appurtenant to each Unit shall always be conveyed, devised, encumbered and otherwise affected only as a complete Condominium. Every devise, encumbrance, conveyance or other disposition of a Condominium, or any part thereof, shall be construed to be a devise, encumbrance, conveyance or other disposition, respectively, of the entire Condominium, together with all appurtenant rights created by law or by this Declaration, including without limitation, appurtenant membership in the Association.

4.8 No Partition. No Owner may bring any action for partition of any Common Areas, Exclusive Common Area or Limited Common Areas.

4.9 Easement of Encroachment. If any part of the Common Areas, Exclusive Common Areas or Limited 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, Exclusive Common Areas or Limited Common Areas, or upon an adjoining Unit or Units, an easement for such encroachments and for the maintenance of the same shall and does exist. Such encroachments shall not be considered to be encumbrances either to said 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 or structures on the Land, by error in the 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.

4.10 Access for Repair of Common Areas, Exclusive Common Areas and Limited Common Areas. The Owners of the Units have the irrevocable right to be exercised by the Trustees, as their agent, to have access to each Unit and to all Common Areas, Exclusive Common Areas and Limited Common Areas, from time to time, during such reasonable hours as may be necessary to accomplish maintenance, repair or replacement of any of said Areas for making emergency repairs necessary to prevent damage to them or to another Unit or Units. The Trustees shall also have such rights independent of any agency relationship. Damage to a Unit or any part thereof resulting from the maintenance, repair, emergency repair or replacement of any of the Exclusive Common Areas or Limited Common Areas or as a result of emergency repairs within another Unit at the instance of the Trustees, shall be the responsibility of the Association; provided, however, 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. Amounts owing by the Owners pursuant hereto shall be collected by the Trustees by assessment.

4.11 Easements, Right of Ingress and Egress. Each Owner shall have the right to ingress and egress over, upon and across the Common Areas, Exclusive Common Areas and Limited Common Areas necessary for access to the Owner's Unit and to the Common Areas, Exclusive Common Areas and the Limited Common Areas designated for use in connection with the Owner's Unit, and such right shall be appurtenant to and pass with the title to each Unit. Such easements include the sixteen (16) foot access easements (comprised of a ten (10) foot access easement on one Lot and a six (6) foot easement on the adjoining Lot) shown on the Record of Survey Map, subject to existing easements for ingress and egress dedicated as part of the Victorian Estates Subdivision.

4.12 Pipes, Ducts, Cables, Wires, Conduits, Public Utility Lines and Other Common Facilities Located Inside the Unit. Each Unit Owner shall have an easement common with Owners of all other Units to use all public utilities, lines and other common facilities located in any of the other Units, the Common Areas, the Exclusive Common Areas and Limited Common Areas and serving the Owner's Unit. Each Unit, together with its appurtenant Common Area, Exclusive Common Area or Limited Common Area, shall be subject to an easement in favor of the Owners of all other Units to use the public utility lines and other common facilities serving such other Units and located in such Unit or appurtenant Exclusive Common Area or Limited Common Area. The

Trustees shall have a right of access to each Unit and appurtenant Exclusive Common Area or Limited Common Area to inspect the same.

4.13 Easement to Trustees and Affect on Existing Easements. The Trustees shall have non-exclusive easements to make such use of the Common Areas, Exclusive Common Areas and Limited Common Areas as may be necessary or appropriate to perform the duties and functions which they are obligated or permitted to perform pursuant to this Declaration.

This Declaration and the Record of Survey Map do not affect street and public utility easement dedications made as part of the Victorian Estates Subdivision. Public utility easements were dedicated as part of the Victorian Estates Subdivision and shall not be altered in any way by the recording of the Record of Survey Map or by any covenant, condition or restriction of this Declaration.

4.14 Easement for Utility Services. There is hereby created a blanket easement upon, across, over and under the Land for ingress, egress, installing, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewer, gas, telephones, electricity and other utility services.

4.15 Use of Units, Common Areas, Exclusive Common Areas and Limited Common Areas.

a. Each of the Units in the Project is intended to be used as a single family dwelling, as defined from time to time by applicable Ogden City ordinances and is restricted to such use.

b. There shall be no obstructions of the Common Areas, Exclusive Common Areas or Limited Common Areas by the Owners, their tenants, guests or invitees, without the prior written consent of the Management Committee. The Trustees may, by Rules and Regulations, prohibit or limit the use of the said Areas as may be reasonably necessary for protecting the interests of all of the Owners or protecting said Areas. Nothing shall be kept or stored in any part of said Areas without the prior written consent of the Trustees, except as specifically provided herein. Nothing unsightly or which detracts from the aesthetics of the Project shall be kept or stored in any part of the Exclusive Common Area or Limited Common Area appurtenant to the Owner's Unit. Nothing shall be altered on, constructed in or removed from the Common Areas, Exclusive Common Areas or Limited Common Areas, except on the prior written consent of the Trustees.

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

in any Unit, in the said Areas, or any part thereof which would be a violation of any statute, rule, ordinance, regulations, permit or other validly imposed requirement of any governmental body. No damage to, or waste of the Common Areas, Exclusive Common Area, the Limited 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 Trustees and the Owners harmless against all loss resulting from any such damage or waste caused by the Owner or the Owner's invitees; provided, however, that any invitee of the Declarant shall not, under any circumstances, be deemed to be an invitee or any other Owner. No noxious, destructive or offensive activity shall be carried on in any Unit, or in said Areas, or any part thereof, nor shall anything be done therein which may be or may become any annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project.

d. No Owner shall violate the Rules and Regulations for the use of the Units, the Common Areas, Exclusive Common Areas or the Limited Common Areas, as adopted, from time to time, by the Trustees.

e. No structural alterations to any Unit or Limited Common Areas shall be made by the Owner without the prior written consent of the Trustees.

f. No maintenance, repairs or replacement of exterior elements of any Unit, Exclusive Common Area or Limited Common Areas shall be made by an Owner without the prior written consent of the Trustees. The Trustees may adopt architectural standards which each Owner agrees to abide by in order to maintain uniformity in style, quality, colors and appearance throughout the Project.

g. No recreational vehicle (boats, campers, trailers, motor homes or similar items) shall be parked on any portion of the Common Areas except for temporary parking.

h. No signs shall be erected or maintained on the Land or Project without the prior written consent of the Trustees, except:

- (i) such signs as may be required by legal proceedings; and
- (ii) such signs as Declarant may erect or maintain incident to the sale of Units.

i. Notwithstanding anything contained herein to the contrary, unless the Declarant has completed and sold all the Units, neither the Unit Owners who have purchased Units from the Declarant nor the Trustees shall interfere with the completion of improvements and sale of the remaining Units. The Declarant reserves the right to use any Units owned by the Declarant as models, management offices or sales offices until such times as Declarant conveys title thereto to Unit Owners. Declarant reserves the right to relocate 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. 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.

4.16 Separate Trust Deeds by Owners. Each Owner shall have the right separately to encumber the undivided interest of the Owner in the Owner's Condominium by Trust Deed, mortgage or otherwise. No Owner shall attempt to or shall have the right to encumber, in any way, the Common Areas, the Exclusive Common Areas, the Limited Common Areas, or any part thereof, except the undivided interest therein appurtenant to the Owner's Condominium. Any Trust Deed or other encumbrance of any Condominium within the Project shall be subordinate to all of the provisions of this Declaration and, in the event of foreclosure of such Trust Deed or encumbrance, the provisions of this Declaration shall be binding upon any Owner whose title is derived through foreclosure by private power of sale, judicial foreclosure, or otherwise.

4.17 Separate Taxation. The undivided interest in each Condominium within the Project, including each Unit and the appurtenant undivided interest in the Common Areas, the Exclusive Common Areas and the Limited Common Areas, shall be deemed to be a parcel and shall be assessed separately for all taxes, assessments and other charges of the State of Utah or of any political subdivision or of any special improvement district or of any other taxing or assessing authority. For purposes of such assessment, the valuation of the Common Areas, the Exclusive Common Areas and the Limited Common Areas, shall be apportioned among the Units in proportion to the undivided interests in the Exclusive Common Area and the Limited Common Area appurtenant to such Units. All such taxes, assessments and other charges on each respective Condominium shall be separately levied against the Owner thereof. No forfeiture or sale of any Condominium for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Condominium.

4.18 Mechanics Liens. No labor performed or material furnished for use in connection with any Unit with the consent or at the request of an Owner or the Owner's agent or contractor shall create any right to file a mechanic's lien against the Unit of any other Owner not expressly consenting to or requesting such labor or material or against any interest in the Common Areas, Exclusive Common Areas or Limited Common Areas, except the undivided interest in said Areas appurtenant to the Unit of the Owner for whom such labor or materials, respectively, shall have been performed or furnished.

4.19 Description of Condominium. Every contract for the sale of a Condominium and every other instrument affecting title to a Condominium in the Project may describe a Unit by its identifying number or symbol as indicated in this Declaration and as shown on the Map. Such description will be construed to describe the Unit, together with its appurtenant undivided interest in the Common Areas, Exclusive Common Area and Limited Common Area, and to incorporate all of the rights incident to ownership of a Condominium in the Project and all of the limitations on such ownership.

4.20 Restrictions on Leasing. An Owner may, from time to time, lease all or any part or parts of the Owner's Unit; provided, however, that (i) the Owner shall promptly notify the Association of each such lease in writing, (ii) the Owner shall provide to the Association the name of the tenant under each such lease and the address of the Owner, and (iii) each such lease shall include or be deemed to include a covenant on the part of the tenant substantially as follows: "Tenant agrees with the landlord and with and for the benefit of the Association that during the term of this lease, tenant will use and occupy the premises and all parts of the Project in strict compliance with the Condominium Act, the Declaration, the Bylaws of the Association, and all rules and regulations from time to time adopted by the Association as fully as if tenant were an Owner." As used in this section, the term lease shall include a lease, rental arrangement, license or other arrangement for third party use of a Unit or any part or parts thereof.

4.21 Common Areas, Exclusive Common Areas and Limited Common Areas. The Association may adopt reasonable rules and regulations governing all aspects of the Common Areas, the Exclusive Common Areas and the Limited Common Areas; provided, however, that all such rules and regulations must be approved by a majority of the Trustees as provided in Section 8.5 hereof.

4.22 Rules and Regulations. Each Owner shall comply strictly with all rules and regulations adopted by the Association for the governance of the Units, the Common Areas, the Exclusive Common Areas, the Limited Common Areas, the Project and all parts thereof, as such rules and regulations may from time to time be modified, amended and construed by the Association. No rules or regulations relating to the use of the Units or to access thereto shall be valid unless properly approved by a majority of the Trustees as provided in Section 8.5 of this Declaration.

ARTICLE V

GENERAL RESTRICTIONS

5.1 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on in or upon any part of the Project, nor shall anything be done or placed in or upon any part of the Project which is or may become a nuisance or which may cause unreasonable disturbance or annoyance to Owners generally. No activities shall be conducted, nor improvements constructed, in or upon any part of the Project which are or may become unsafe or hazardous to any person or property.

5.2 No Alterations. No Owner shall, without the prior written consent of the Trustees in each specific instance, make or cause to be made any alteration, addition or improvement in or to the Common Areas, the Exclusive Common Areas, the Limited Common Areas, or any part thereof, or do any act that would impair the structural soundness or integrity of the Building or jeopardize the safety of persons or property or impair any easement or hereditament appurtenant to the Project.

5.3 No Obstructions. No Owner shall obstruct the Common Areas, Exclusive Common Areas or Limited Common Areas, or any part thereof. No Owner shall store or cause to be stored in the Exclusive Common Areas any property whatsoever, unless the Association shall consent thereto in writing.

5.4 No Overloading. No Owner shall bring anything into the Owner's Unit or permit anything to be done in the Unit that will cause damage to the Building or any portion thereof. No Owner shall overload the floor of the Owner's Unit. No Owner shall permit the use or operation in the Owner's Unit of any equipment, machinery or other apparatus that will in any manner injure, vibrate or shake the Building or any portion thereof.

5.5 No Damage or Dangerous Activities. Except with the prior written consent of the Trustees, nothing shall be done or kept in any Unit, in the Common Areas, the Exclusive Common Areas, the Limited Common Areas or in any other part of the Project that would result in cancellation of the insurance on the Project or any part thereof, nor shall anything be done or kept in any Unit that would increase the rate of insurance on the Project, or any part thereof, over that which the Association, but for such specific activity, would pay. Nothing shall be done or kept in any Unit, the said Areas, or any part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed, applicable requirement of any governmental authority. No damage to or waste of said Areas, or any part thereof shall be committed by any Owner or guest of any Owner, and each Owner shall indemnify and hold harmless the Association and Trustees from any such damage or waste caused by such Owner or by the guests, tenants, licensees or invitees of such Owner.

5.6 Construction Period Exemption. During the course of actual construction of any permitted structures or improvements within the Project, the provisions, covenants, conditions and restrictions contained in this Declaration shall be deemed waived to the extent necessary or convenient to permit such construction; provided, however, that during the course of such construction, nothing shall be done which will result in a violation of any of said provisions, covenants, conditions or restrictions upon completion of the construction.

ARTICLE VI

EASEMENTS

6.1 Easements for Encroachments. If any part of the Common Areas, the Exclusive Common Areas or Limited Common Areas encroaches or shall hereafter encroach upon any Unit, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon said Areas, or upon an adjoining Unit, an easement for such encroachment and for the maintenance of the same shall and does exist. Such encroachments shall not be considered to be encumbrances either on said Areas, or the Units, as the case may be. Encroachments referred to in this Section 6.1 shall include, without limitation, encroachments caused by error in the original construction of the Building or any improvements

constructed or to be constructed within the Project as shown on the Map, by error in the 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, in accordance with the provisions of this Declaration.

6.2 Easements for Maintenance, Cleaning and Repair. Some of the Common Areas include that the Exclusive Common Areas and the Limited Common Areas may be conveniently accessible only through the Units or over, upon and across the Exclusive Common Areas or the Limited Common Areas. The Association shall have the irrevocable right to have access to each Unit and to all said Areas from time to time during such reasonable hours as may be necessary for the maintenance, cleaning, repair or replacements and for making emergency repairs at any time necessary to prevent damage to them or to any Unit. In addition, agents of the Association may enter any Unit and such areas when necessary in connection with any cleaning, maintenance, repair, replacements, and to perform such duties for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Association with funds from the Common Expense Fund.

6.3 Easements Deemed Created. All conveyances of Condominiums within the Project hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as are provided herein, even though no specific reference to such easements appears in any such conveyance.

ARTICLE VII

THE ASSOCIATION

7.1 Membership. Each Owner shall be entitled and required to be a member of the Association. Membership shall begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Condominium is held by more than one person, the membership appurtenant to such Condominium shall be shared by all such persons in the same proportionate interests and in the same type of tenancy as title to the Condominium is held. An Owner shall be entitled to one membership for each Condominium owned by him. Each membership shall be appurtenant to the Condominium to which it relates and shall be transferred automatically by conveyance of that Condominium. Ownership of a Condominium in the Project may not be separated from the membership in the Association appurtenant thereto, and any devise, encumbrance, conveyance or other disposition of a Condominium shall be construed to be a devise, encumbrance, conveyance or other disposition, respectively, of the Owner's appurtenant membership in the Association. No person or entity other than an Owner may be a member of the Association, and membership in the Association may not be transferred except in connection with the transfer of a Condominium.

7.2 Board of Trustees. Until such time as the responsibility for electing Trustees is transferred over to the Owners in accordance with Utah law, Victorian Estates, L.L.C., aka Victorian

Estates, L.C. shall have the exclusive right to appoint, remove and replace all Trustees of the Association.

7.3 Votes. The number of votes appurtenant to each respective Condominium and membership shall be as set forth in Exhibit A attached hereto. The number of votes appurtenant to each Condominium as set forth in said Exhibit A shall have a permanent character and shall not be altered without the unanimous written consent of all Owners set forth in an amendment to this Declaration and recorded with the Weber County Recorder.

7.4 Amplification. The provisions of this Article VII may be amplified by the Articles of Incorporation and Bylaws of the Association; provided, however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners set forth in this Declaration. The initial Bylaws of the Association shall be in the form of Exhibit B attached hereto.

ARTICLE VIII

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

8.1 Common Areas and Limited Common Areas. The Association, through its Trustees, subject to the rights and duties of the Owners as set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas, Exclusive Common Areas and Limited Common Areas, and all improvements thereon and shall keep the same in a good, clean, attractive, safe and sanitary condition, order and repair. The Association shall be responsible for the maintenance and repair of the exterior of the Buildings, the structures and the grounds, including, without limitation, painting thereof, repair and replacement of exterior trim and roofs and maintenance of landscape, walkways, rooftop facilities, driveways, parking and patio areas. The Association shall also be responsible for maintenance, repair and replacement of the Common Areas, Exclusive Common Areas and Limited Common Areas, Common Facilities and improvements located within or used in connection with the said Areas. All goods and services provided by the Association in performing its responsibilities under this section shall be paid for with funds from the Common Expense Fund.

8.2 Manager. The Project may be managed by a Manager under the general direction of the Trustees. The Trustees, by written contract, may delegate in whole or in part to a Manager such of the Trustees' and the Association's duties, responsibilities, functions and powers hereunder as are properly delegable. The services of any Manager retained by the Trustees shall be paid for with funds from the Common Expense Fund.

8.3 Miscellaneous Goods and Services. The Trustees may obtain and pay for the services of such personnel as the Trustees shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Trustees or by any person with whom it contracts. The Trustees may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement

of this Declaration. In addition to the foregoing, the Trustees may acquire and pay for out of the Common Expense Fund water, sewer, garbage collection, electrical, gas and other necessary or desirable utility services for the Common Areas, the Exclusive Common Areas and Limited Common Areas, which shall be separately metered. All Units shall be separately metered and billed for all utilities, insurance, bonds and other goods and services provided for a Unit.

8.4 Real and Personal Property. The Association may acquire and hold real, personal and mixed property of all types or interests therein for the use or benefit of all of the Owners and may dispose of such property by sale or otherwise. All such property shall be paid for out of the Common Expense Fund and all proceeds from the disposition thereof shall be part of the Common Expense Fund.

8.5 Rules and Regulations. The Trustees may make reasonable rules and regulations governing the use of the Units, the Common Areas, the Exclusive Common Areas, the Limited Common Areas and all parts of the Project; provided, however, that all such rules and regulations shall be consistent with the rights and duties established in this Declaration. All rules and regulations of the Association must be properly approved by a majority of the Trustees. The Trustees for the Association may take judicial action against any Owner to enforce compliance with such rules and regulations or other obligations of such Owner arising hereunder or to obtain damages for noncompliance therewith, as permitted by law. In the event of any such judicial action, the Association shall be entitled to recover its costs (including reasonable attorneys' fees) from the offending Owner.

8.6 Granting Easements. The Trustees may, without the vote or consent of the Owners or of any other person, grant or create, on such terms as it deems advisable, utility and similar easements and rights-of-way over, under, across and through the Common Areas, the Exclusive Common Areas and the Limited Common Areas.

8.7 Statutory Duties and Powers. All duties, responsibilities, rights and powers imposed upon or granted to the "management committee" or to the "manager" under the Condominium Act shall be the duties, responsibilities, rights and powers of the Association hereunder.

8.8 Implied Rights. The Association may exercise any right, power or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonably implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege, and may do so through its Trustees.

ARTICLE IX

ASSESSMENTS

9.1 Agreement to Pay Assessments. The Declarant, for each Condominium owned by it within the Project, and as the owner of the Project and every part thereof, hereby covenants, and

each Owner of any Condominium by the acceptance of instruments of conveyance and transfer thereof, whether or not it be so expressed in said instruments, shall be deemed to covenant and agree with each other and with the Association to pay to the Association all assessments made by the Association for the purposes provided in this Declaration. Such assessments shall be fixed, established and collected from time to time as provided in this Article IX.

9.2 Annual Assessments. Annual Assessments shall be computed and assessed against all completed Condominiums in the Project as follows:

a. Common Expense. Annual Assessments shall be based upon advance estimates of the Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with maintenance and operation of the Common Areas, the Exclusive Common Areas and the Limited Common Areas, and/or furnishings, utility services and other items common to the Units. Such estimated expenses may include, among other things, the following: Expenses of management; real property taxes and special assessments (unless and until the Condominiums are separately assessed); premiums for all insurance that the Association is required or permitted to maintain hereunder; repairs and maintenance; wages for Association employees, including fees for a Manager (if any); utility charges, including charges for utility services to the Units to the extent not separately metered or billed; legal and accounting fees; any deficits remaining from a previous period; creation of reasonable contingency reserve, surplus and/or sinking funds; 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. With respect to Annual Assessments for periods after the Declarant turns over to the Owners responsibility for electing Trustees, all items of the Common Expense must be approved by a majority of the Trustees.

b. Apportionment. Expenses of the Association shall be apportioned among and assessed to the Owners as follows: (i) expenses attributable to the Common Areas shall be apportioned among and assessed to all owners, equally, and all funds received from each such assessment shall be part of the Common Expense fund; (ii) expenses attributable to the Exclusive Common Areas shall be apportioned, equally, to the Owners of the Units on the Lot with the same numeric designation; (iii) expenses attributable to the Limited Common Areas shall be apportioned to the Owner whose Unit has the same alphabetic and numeric designation as the Limited Common Area. Any expenses attributable to the "Grass" area designated on the Record of Survey Map shall be apportioned to the Owners whose Units adjoin the "Grass" area.

All funds received from such assessment related to the Exclusive Common Areas and the Limited Common Areas shall be part of the Common Expense Fund, but shall be used only for expenses attributable to the specified Exclusive Common Areas or Limited Common Areas.

c. Annual Budget. Annual Assessments shall be determined on the basis of a fiscal year beginning January 1 and ending December 31 next following; provided, however, that the first fiscal year shall begin on the date this Declaration is recorded in the office of the County Recorder of Weber County, State of Utah, and end on December 31, 2000. On or before November 1, 2001, and on or before September 15 of each year thereafter, the Association shall prepare and furnish to each Owner, or cause to be prepared and furnished to each Owner, an operating budget for the upcoming fiscal year. The budget shall itemize the estimated Common Expenses for such fiscal year and anticipated receipts (if any), and any deficits or surpluses from the prior operating period. The budget shall serve as the supporting document for the Annual Assessment for the upcoming fiscal year and as the major guideline under which the Project shall be operated during such annual period. Such budgets shall be unnecessary for Annual Assessments relative to, or for operation of the Project during, any operating period ending before December 31, 2000.

d. Notice and Payment. Annual Assessments shall be levied on the basis of a fiscal year beginning January 1 and ending December 31 next following; provided that the first fiscal year shall begin on the date this Declaration is duly recorded as herein contemplated. Except with respect to the first fiscal year, the Association shall notify each Owner as to the amount of the Annual Assessment against the Owner's Condominium on or before November 15 each year for the fiscal year beginning on January 1 next following. Each Annual Assessment shall be payable in twelve equal monthly installments, one such installment due on the first day of each calendar month during the fiscal year to which the assessment relates; provided, however, that the Annual Assessments for the first fiscal year shall be based upon such portion of the first fiscal year and shall be payable in such installments and at such times as the Association, may determine. All unpaid installments of any Annual Assessment shall bear interest at the rate of one and one-half percent (1-1/2%) per month from the date each such installment becomes due until paid. The failure of the Association to timely give notice of any Annual Assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay such assessment or any other assessment; but the date on which the payment shall become due in such case shall be deferred to a date fifteen (15) days after notice of such assessment shall have been given to the Owner in the manner provided in this Declaration.

e. Inadequate Funds. If the Common Expense Fund shall be inadequate at any time for whatever reason, including nonpayment of any Owner's assessment, the Association may levy additional assessments in accordance with the procedure set forth in Section 9.3 below; provided, however, that the vote therein specified shall be unnecessary.

9.3 Special Assessments. In addition to the Annual Assessments authorized by this Article, the Association may, at any time and from time to time, levy Special Assessments, payable over such periods as the Association 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 expenses incurred or to be incurred as provided in this Declaration (including, without limitation, Common Expenses); provided, however, that except as otherwise provided in this Declaration: (i) Special Assessments attributable to the Common Expense must be approved by Owners holding at least seventy-five percent (75%) of the total votes of the Association. This Section shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other sections or articles hereof. Any amounts assessed pursuant hereto shall be apportioned among and assessed to the Owners in the proportions specified in Section 9.2(b) above. Notice in writing of the amount of each such Special Assessment and the time for payment thereof shall be given promptly to the Owners; and no payment shall be due less than fifteen (15) days after such notice shall have been given. All unpaid portions of any Special Assessment shall bear interest at the rate of one and one-half percent (1-1/2%) per month from the date such portions become due until paid.

9.4 Lien for Assessments. All sums assessed to Owners of any Condominium in the Project pursuant to the provisions of this Declaration, together with interest thereon as provided herein, shall be secured by a lien on such Condominium in favor of the Association. To evidence a lien for sums assessed pursuant to this Declaration, the Association may prepare 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 Condominium and a description of the Condominium. Such a notice shall be signed and acknowledged by a duly authorized officer of the Association and may be recorded in the office of the Weber County Recorder, State of Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by sale or foreclosure by the Association conducted in accordance generally with the provisions of Utah law applicable to the exercise of powers of sale or foreclosure under deeds of trust or mortgages or in any manner permitted by Utah law. In any such sale or foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding, including reasonable attorneys' fees, and such costs and expenses shall be secured by the lien herein provided. The Owner shall also be required to pay to the Association any assessments against the Condominium which shall become due during the period of foreclosure or sale, and all such assessments shall be secured by the lien herein provided. The Association shall have the right and power to bid in at any foreclosure or other sale, and to hold, lease, mortgage or convey the subject Condominium. In the event of foreclosure, the Owner shall be required to pay a reasonable rental for the Condominium during foreclosure, and the Association shall be entitled to the appointment of a receiver to collect the rental without regard to the value of security.

9.5 Personal Obligation of Owner. The amount of any Annual or Special Assessment against any Condominium shall be the personal obligation of the Owner of such Condominium to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any such personal obligation by waiver of the use or enjoyment of any of the Common Areas or by abandonment of the Owner's Condominium or by waiving any services or amenities provided for in this Declaration. In the event of any suit to recover a money judgment

for unpaid assessments hereunder, the involved Owner shall pay the costs and expenses incurred by the Association in connection therewith, including reasonable attorneys' fees.

9.6 Statement of Account. Upon payment of a reasonable fee and upon the written request of any Owner, Beneficiary, prospective Beneficiary or prospective purchaser of a Condominium, the Association shall issue a written statement setting forth the following: The amount of the unpaid assessments, if any, with respect to such Condominium; the amount of the current Annual Assessment and the date or dates upon which installments thereof become due; the amount of any current Special Assessment and the date or dates upon which the same or portions thereof become due; and any credit for advanced payments or prepaid items, including, without limitation, the Owner's share of prepaid insurance premiums. Such statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith.

9.7 Personal Liability of Purchaser. Subject to the provisions of Section 9.6 above, a purchaser of a Condominium shall be jointly and severally liable with the seller thereof for all unpaid assessments against such Condominium up to the time of the grant or conveyance; provided, however, that the provisions of this section shall not prejudice the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

9.8 Commencement Date. As to each Condominium in the Project, assessments under this Declaration shall commence on the last to occur of the following dates: (i) the date on which this Declaration is recorded in the office of the County Recorder of Weber County, State of Utah, or (ii) thirty (30) days after the date on which Ogden City Corporation issues, with respect to the appurtenant Unit, an occupancy permit or similar authorization indicating that the Unit is complete and approved for occupancy. The Declarant shall notify the Association in writing within fifteen (15) days after issuance by Ogden City Corporation of each such occupancy permit or similar authorization pertaining to a Unit in the Project. After commencement of such assessments as herein provided, the Declarant shall only be liable for the amount of assessments hereunder against any completed Condominium owned by it.

9.9 Amendment of Article. This Article IX shall not be amended unless two-thirds (2/3^{rds}) of the Owners of all Condominiums in the Project consent and agree to such amendment in an instrument duly recorded with the Weber County Recorder.

ARTICLE X

INSURANCE

10.1 Types of Insurance. The Association shall obtain and keep in full force and effect at all times the following types of insurance coverage, provided by companies licensed to do business in the State of Utah:

a. Fire and Casualty Insurance. The Association shall obtain a policy or policies of insurance on the Project in such amounts as shall provide for replacement of the Project in the event of damage or destruction from the casualty against which such insurance is obtained. Such insurance shall be in accordance with coverage customarily maintained by other condominium projects similar in location, construction, design, and use, and shall include fire and extended coverage, vandalism and malicious mischief, and such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection. The Association may comply with the above requirements by the purchase of blanket coverage and may elect such "deductible" provisions as in the association's opinion are consistent with good business practice.

b. Public Liability and Property Damage Insurance. The Association shall obtain a broad form of comprehensive liability insurance coverage, in such amounts and in such forms as it deems advisable to provide adequate protection against liability for personal injury, death, and property damage. Coverage shall include without limitation liability for operation of automobiles on behalf of the Association and all activities in connection with the ownership, operation, maintenance, and other use of the Project.

c. Worker's Compensation Insurance. The Association shall obtain and maintain workmen's compensation and employer's liability insurance and all other similar insurance with respect to employees, if any, of the Association in the amounts and in the forms now or hereafter required by applicable law.

d. Fidelity Insurance or Bond. The Association may purchase, in such amounts and in such forms as it deems appropriate, fidelity insurance or bonds to cover against dishonesty of the Manager or of Trustees, officers, or employees of the Association, destruction or disappearance of money or securities, and forgery.

10.2 Form of Insurance. Insurance coverage on the Project, insofar as possible, shall be in the following form:

a. Casualty Insurance. Casualty insurance shall be carried in a form or forms naming the Association as the insured, as trustee for the Owners, and such policy or policies shall specify the interest of each Owner (Owner's name, Unit number, and appurtenant undivided interest in the Common Areas and Limited Common Areas). Each policy shall provide a standard, noncontributory mortgagee clause in favor of each Beneficiary which from time to time shall give notice to the Association of its Trust Deed. Each policy also shall provide that it cannot be canceled either by the insured or by the insurance company until after fifteen (15) days prior written notice is first given to each Owner and to each Beneficiary which has requested such notice in writing. The Association shall furnish to each Owner, and to each Beneficiary requesting the same, a certificate of coverage, including an identification of the Owner's interest.

b. Liability and Property Damage Insurance. Public liability and property damage insurance shall name the Association as the insured, as trustee for each Owner, for the Declarant (whether or not Declarant is an Owner), and shall protect the Association, each Owner, the Declarant and the Trustees, the Management Committee and Manager, if any, against liability for acts or omissions of the Association, the Owners, the Declarant, the Trustees, the Management Committee and the Manager, and other persons relative to the ownership, operation, maintenance, and other use of the Project. Each such policy shall provide that it cannot be canceled either by the insured or by the insurance company until after fifteen (15) days prior written notice thereof is given to the Association, to each Owner, to the Declarant, to Victorian Estates, L.L.C., aka Victorian Estates, L.C., and to each Beneficiary who has requested such notice in writing.

c. Policies. The Association shall make every effort to secure insurance policies that will provide for the following:

(i) The insurer shall waive all rights of subrogation as to any claims against the Association, the Trustees, the Declarant, the Management Committee, the Manager, the Owners, and their respective servants, agents, and guests;

(ii) The Policy or policies on the Project cannot be canceled, invalidated, or suspended on account of the conduct of any one or more individual Owner;

(iii) The policy or policies on the Project cannot be canceled, invalidated, or suspended on account of the conduct of any Trustee, officer, manager, employee or representative of the Association, without a prior demand in writing that the Association cure the defect; and

(iv) Any "no other insurance" clause in the policy or policies on the Project shall exclude individual Owners' policies from consideration.

(v) Each hazard insurance policy shall be written by a hazard insurance carrier that has a current rating by Best's Insurance Reports of B/VI or better.

(vi) Each public liability policy shall include a "severability of interest" endorsement which shall preclude the insurer from denying the claim of any Owner because of the negligent acts or omissions of the Association or any other Owner or Owners.

10.3 Additional Coverage. The provisions of this Declaration shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage in addition to any insurance coverage required by this Declaration, in such amounts and in such forms as the Association may deem appropriate from time to time.

10.4 Adjustment and Contribution. Exclusive authority to adjust losses under policies hereafter in force on the Project shall be vested in the Association. In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Owners or their Beneficiaries.

10.5 Owner's Own Insurance. Notwithstanding the provisions hereof, each Owner may obtain insurance at the Owner's own expense providing coverage for the Owner's Condominium, the Owner's personal property, the Owner's personal liability, and covering such other risks as he may deem appropriate; provided, however, that each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Declaration. If obtainable under industry practice without an unreasonable additional charge for such waiver, all such insurance of the Owner's Condominium and risks associated therewith shall contain a waiver of the insurance company's right of subrogation against the Association, the Declarant, the Manager, other Owners, and their respective servants, agents, and guests.

10.6 Review of Insurance. The Association shall review annually the coverage and policy limits of all of its insurance on the Project and adjust the same at its discretion. Such annual review may include an appraisal of the improvements in the Project by a representative of the insurance carrier or carriers providing the policy or policies on the Project, or by such other qualified appraisers as the Association may select.

ARTICLE XI

DAMAGE OR DESTRUCTION

11.1 Association as Attorney in Fact. All of the Owners irrevocably constitute and appoint the Association as their true and lawful attorney in fact in their name, place, and stead for the purpose of dealing with the Project upon its damage of destruction as hereinafter provided. Acceptance by any grantee of a deed from the Declarant or from any Owner shall constitute an appointment by said grantee of the Association as the Owner's attorney in fact as herein provided. As attorney in fact, the Association shall have full and complete authorization, right, and power to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an Owner which may be necessary or appropriate to exercise the powers herein granted.

11.2 Definition of Repair and Reconstruction. Repair and reconstruction of the improvements as used herein shall mean restoring the Project to substantially the same condition in which it existed prior to the damage or destruction, with each Unit, the Common Areas and the Limited Common Areas having substantially the same vertical and horizontal boundaries as before.

11.3 Procedure. In the event any part of the Project is damaged or destroyed:

a. Estimate of Costs. as soon as practicable after an event causing damage to or destruction of any part of the Project, the Association shall obtain complete and reliable estimates of the costs to repair and reconstruct that part of the Project damaged or destroyed. If the proceeds of the insurance maintained by the Association exceed the estimated costs to repair and reconstruct the damaged or destroyed part of the Project, then such repair and reconstruction shall be carried out. In the event the proceeds of such insurance prove insufficient to pay the actual costs of such repair and reconstruction, the Association shall levy a Special Assessment sufficient to provide funds to pay such actual costs of repair and reconstruction. Such Special Assessment shall be allocated and collected as provided in Section 9.3 hereof, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected (together with the proceeds of insurance) are insufficient to pay all actual costs of such repair and reconstruction.

11.4 Repair or Reconstruction. The Association shall, as soon as practicable after receiving the said estimate of costs, commence and diligently pursue to completion the repair and reconstruction of that part of the Project damaged or destroyed. The Association, as attorney in fact for the Owners, may take all necessary or appropriate action to effect repair and reconstruction, and no consent or other action by any Owner shall be necessary in connection therewith, except as otherwise expressly provided herein. The Project shall be restored or repaired to substantially the same condition in which it existed prior to the damage or destruction, with each Unit, the Common Areas and the Limited Common Areas having substantially the same vertical and horizontal boundaries as before.

11.5 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and any amounts received from assessments made pursuant to Section 11.3(b) hereof shall constitute a fund for the payment of costs and repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for cost of repair and reconstruction shall be made from insurance proceeds; and if there is a balance after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in the same proportions as provided in Section 9.2(b) hereof relative to assessments.

11.6 Amendment of Article. This Article XI shall not be amended unless the Owners of two-thirds (2/3^{rds}) of all Condominiums in the Project consent and agree, in writing, to such amendment in a duly recorded instrument.

ARTICLE XII

CONDEMNATION

12.1 Condemnation. If at any time or times all or any part of the Project shall be taken or condemned by any public authority under power of eminent domain, the provisions of this Article shall apply. A voluntary sale or conveyance of all or any part of the Project in lieu of condemnation, but under threat of condemnation, shall be deemed to be a taking by power of eminent domain.

12.2 Proceeds. All compensation, damages, and other proceeds from any such taking by power of eminent domain (hereinafter the "condemnation award") shall be made payable to the Association and shall be distributed by the Association as provided in this Declaration.

12.3 Complete Taking. If the entire Project is taken by power of eminent domain, condominium ownership shall terminate and the condemnation award shall be allocated among and distributed to the Owners in proportion to their respective undivided interests in the Common Areas and Limited Common Areas. Such distribution shall be made by checks payable jointly to the respective Owners and their respective Beneficiaries, as appropriate.

12.4 Partial Taking. If less than the entire Project is taken by power of eminent domain, the following shall occur:

a. Allocation of Award. As soon as practicable, the Association shall, reasonably and in good faith, apportion the condemnation award between compensation, severance damages, or other proceeds, and shall allocate such apportioned amounts and pay the same to the Owners as follows:

(i) The total amount apportioned to taking of or injury to the Common Areas and Limited Common Areas shall be allocated among and distributed to all Owners (including Owners whose entire Units have been taken) in proportion to their respective undivided interests in the Common Areas and Limited Common Areas.

(ii) The total amount apportioned to severance damages shall be allocated among and distributed to the Owners of those Condominiums that have not been taken, in proportion to their respective undivided interests in the Common Areas and Limited Common Areas.

(iii) The respective amounts apportioned to the taking of or injury to a particular Unit shall be allocated and distributed to the Owner of such Unit.

(iv) The total amount apportioned to consequential damages and any other takings or injuries shall be allocated and distributed as the Association determines to be equitable under the circumstances.

(v) Notwithstanding any provision hereof to the contrary, if apportionment or allocation is already established by negotiation, judicial decree, statute, or otherwise, the Association shall employ such apportionment and allocation to the extent it is relevant and applicable.

(vi) Distribution of allocated proceeds shall be made by checks payable jointly to the respective Owners and their respective Beneficiaries, as appropriate.

b. Continuation and Reorganization. If less than the entire Project is taken by power of eminent domain, condominium ownership pursuant hereto shall not terminate, but shall continue. In such event, the Project shall be reorganized as follows:

(i) If any partial taking results in the taking of an entire Unit, then the Owner thereof shall cease to be a member of the Association and all voting rights and the undivided interest in the Common Areas and Limited Common Areas appurtenant to such Unit shall be reallocated to, and shall appertain to, the remaining Units in proportion to their respective undivided interests in the Common Areas and Limited Common Areas.

(ii) If any partial taking results in the taking of a portion of a Unit and if there is no determination that such taking makes it impractical to use the remaining portion of such Unit for any lawful purpose permitted by this declaration, then the fair market value of such remaining portion of the Unit shall be determined and all voting rights and the undivided interest in the Common Areas and Limited Common Areas appertaining to such Unit shall be reduced in proportion to the diminution in fair market value of such Unit resulting from the taking. The voting rights and undivided interests in the Common Areas and Limited Common Areas so divested from such Unit shall be reallocated to, and shall appertain to, such Unit and the other Units in the Project in proportion to their respective undivided interests in the Common Areas; provided, however, that such Unit shall participate in such reallocation on the basis of the undivided interest reduced in accordance with the preceding sentence.

(iii) If any partial taking results in the taking of a portion of a Unit and if there is a determination that such taking makes it impractical to use the remaining portion of such Unit for any lawful purpose permitted by this Declaration, then all voting rights and the entire undivided interest in the Common Areas and Limited Common Areas appurtenant to such Unit shall be reallocated to, and shall appertain to, the remaining Units in proportion to their respective undivided interests in the Common Areas and Limited Common Areas, and the remaining portion of such Unit shall thereafter be part of the Common Areas and Limited Common Areas.

(iv) The Association shall have the duty and authority to make all determinations and to take all actions necessary and appropriate to effectuate reorganization of the Project under the provisions of this section; provided, however, that if any such determination shall have been made or such action taken by judicial decree, the Association shall defer thereto and proceed in accordance therewith.

c. Repair and Reconstruction. Any repair or reconstruction necessitated by condemnation shall be governed by the provisions specified in Article XI hereof for cases

of Damage or Destruction; provided, however, that are provisions of said Article XI dealing with sufficiency or insufficiency of insurance proceeds shall not be applicable.

ARTICLE XIII

OBSOLESCENCE

13.1 Adoption of Plan. Owners holding seventy-five percent (75%) or more of the total votes of the Association may at any time agree that the Project is obsolete and adopt a written plan for the renewal and reconstruction of the Project; provided, however, that such plan must be approved in writing by all first Beneficiaries of record at the time of the adoption of such plan. Written notice of adoption of such a Plan shall be given to all Owners.

13.2 Payment for Renewal and Reconstruction. The Association shall levy a Special Assessment sufficient to provide funds to pay the estimated expenses of renewal or reconstruction. Such Special Assessment shall be allocated and collected as provided in Section 9.3 hereof, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner (without the necessity of any vote) if the amounts collected prove insufficient to pay the actual expenses of such renewal or reconstruction. In the event amounts collected pursuant hereto are in excess of the amounts required for renewal or reconstruction, such excess shall be distributed to the Owners in the same proportions as provided in Section 9.2(b) hereof for assessments.

13.3 Sale of Project. Notwithstanding any other provision of this Declaration, the Owners may at any time, by an affirmative vote of all of the votes of the Association, at a special meeting of the members of the association duly called for such purpose, elect to sell or to otherwise dispose of the Project. In such event, the Association shall forthwith record in the office of the county recorder of Weber County, State of Utah, a notice setting forth such facts, and upon the recording of such notice by the Association, the Project shall be sold or otherwise disposed of by the Association as attorney in fact for all of the Owners. Such action shall be binding upon all Owners, and each Owners shall have the duty to execute and deliver such instruments and to perform all acts in such manner and form as may be necessary or appropriate to effect such sale or disposition of the Project. The proceeds of such sale or disposition shall be apportioned among the Owners in proportion to their respective undivided interests in the Common Areas, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium. Each such account shall remain in the name of the Association and shall be further identified by the Condominium designation and the name of the Owner thereof. The Association, as attorney in fact, shall use and disburse the total amount of each such account, without contribution from one account to another, first to pay valid tax and special assessment liens on the Condominium in favor and any governmental assessing authority, second to pay assessments made pursuant to this Declaration, third to pay other valid tax and special assessment liens on the Condominium in favor of any governmental assessing authority, second to pay assessments made pursuant to this Declaration, third to pay other holders of liens or encumbrances on the Condominium in the order of priority of their liens, and the balance remaining, if any, to the respective Owner.

13.4 Amendment of Article. This Article XIII shall not be amended unless the Owners of all Condominium in the Project unanimously consent and agree to such amendment in a duly recorded instrument.

ARTICLE XIV

COMPLIANCE WITH DECLARATION AND BYLAWS

14.1 Compliance. Each Owner shall comply strictly with the provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association, rules and regulations promulgated by the Association, and the decisions and resolutions of the Association, as the same may lawfully be modified and amended from time to time. Failure to comply with any of them shall be grounds for an action to recover sums due for damages or for injunctive relief or for both, maintainable by the Association or, in a proper case, by an aggrieved Owner.

14.2 Enforcement and Remedies. The obligations, provisions, covenants, restrictions, and conditions contained in this Declaration, or in any Supplemental or Amended Declaration, with respect to the Association or Condominiums in the Project shall be enforceable by the Declarant or by any Owner, subject to this Declaration, by a proceeding for a prohibitive or mandatory injunction, as well as for any other appropriate relief or remedy. The obligations, provisions, covenants, restrictions, and conditions contained in this Declaration, or in any Supplemental or Amended Declaration, with respect to a person or entity or property of a person or entity other than the Association or the Declarant shall be enforceable by the Declarant or by the Association or, in a proper case, by an aggrieved Owner by a proceeding for a prohibitive or mandatory injunction, by a suit or action to recover damages or to recover any amount due and unpaid, as well as for any other appropriate relief or remedy.

ARTICLE XV

BENEFICIARY PROTECTION

15.1 Notice to Beneficiaries. Whenever a Beneficiary makes a written request to the Association, the Association shall notify such Beneficiary in writing if the owner of the Condominium encumbered by the Trust Deed held by such Beneficiary neglects for a period of thirty (30) days or more to cure any failure on the part of such Owner to perform any of the Owner's obligations under this Declaration.

15.2 Subordination of Assessment Lien. The lien or claim against a Condominium for unpaid assessments or charges levied by the Association pursuant to this Declaration shall be subordinate to a Trust Deed affecting such Condominium. A Beneficiary who comes into possession of the Condominium pursuant to the Owner's Trust Deed or a deed or assignment in lieu of foreclosure shall take the same free of such lien or claim for unpaid assessments or charges, but only to the extent of assessments or charges which accrue prior to foreclosure of the Trust Deed, exercise

of a power of sale available thereunder, or deed or assignment in lieu of foreclosure (except for claims for a pro rata share of such prior assessments or charges resulting from a pro rata reallocation thereof to all Condominiums including the Condominium in which the Beneficiary is interested). No assessment, charge, lien, or claim which is described in the preceding sentence as being subordinate to a Trust Deed or as not being a burden to a Beneficiary coming into possession pursuant to the Owner's Trust Deed or a deed or assignment in lieu of foreclosure shall be collected or enforced against a Beneficiary, a successor in title to a Beneficiary, or the Condominium affected or previously affected by the Trust Deed concerned (to the extent any such collection or enforcement would prejudice the interests of the Beneficiary or successor in title to the Beneficiary interested in such Condominium).

15.3 Prior Written Approval of Beneficiaries. Unless all of the first Beneficiaries of the individual Condominiums have given their prior written approval, the Association shall not be entitled, by act, omission, or otherwise:

- a. To abandon or terminate the Project or to abandon or terminate the arrangement which is established by this Declaration and the Map, except for abandonment provided by statute in case of substantial loss to the Units, Common Areas and Limited Common Areas;
- b. To abandon, partition, subdivide, encumber, alter the boundaries of, sell, diminish, or transfer all or any of the Common Areas and Limited Common Areas (except for the granting of easements for utilities and similar purposes consistent with the intended use of the Common Areas and Limited Common Areas);
- c. To use hazard insurance proceeds resulting from damage to any part of the Project (whether to Units, the Common Areas or the Limited Common Areas) for purposes other than the repair, replacement, or reconstruction of such improvements;
- d. To change the pro rata interests or obligations of any Unit which apply for (i) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for (ii) determining the pro rata share of ownership of each Unit in the Common Areas and Limited Common Areas;
- e. To alter the provisions hereof in such a way as to diminish the insurance protection required to be afforded to the parties designed to be protected thereby, or to fail to maintain the insurance coverage described therein;
- f. Subject any Condominium to any unreasonable restraints on alienation which would adversely affect title or marketability of a Condominium, or the ability of the Beneficiary to foreclose its mortgage lien and thereafter to sell or lease the mortgaged Condominium; or

g. To allow any person handling funds of the Association, including without limitation employees of any professional Manager, to do so without first obtaining therefor appropriate fidelity bond coverage.

15.4 Examination of Records. Any Beneficiary shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Association during reasonable business hours. If a Beneficiary makes written request to the Association and at the expense of such Beneficiary, the Association shall furnish to such Beneficiary copies of annual operating reports and other reports or writings summarizing or reflecting the financial position or history of the Project as may be prepared for distribution to or use by the Owners generally.

15.5 Revenue Fund and Working Capital Fund Required. The Association shall establish an adequate reserve to cover the cost of reasonably predictable and necessary repairs and replacements of the Common Areas and Limited Common Areas and any component thereof and shall cause such reserve to be funded by regular monthly or other periodic assessments against the Condominiums rather than by Special Assessments.

15.6 Notification of Loss or Damage. If a Beneficiary makes written request to the Association, the Association shall notify such Beneficiary in writing in the event that there occurs any damage or loss to or taking or anticipated condemnation of: (a) The Common Areas and Limited Areas involving an amount in excess of, or reasonably estimated to be in excess of, Ten Thousand Dollars (\$10,000.00); or (b) any Unit involving an amount in excess of, or reasonably estimated to be in excess of, One Thousand Dollars (\$1,000.00). Said notice shall be given within ten (10) days after the Association learns of such damage, loss, taking, or anticipated condemnation.

15.7 Article Supersedes All Others. In the event another provision or clause of this Declaration deals with the same subject matter as is dealt with in any provision or clause of this Article XV, the provision or clause which will result in the greatest protection and security for a Beneficiary, shall control the rights, obligations, or limits of liability, as the case may be, applicable to the Association.

15.8 No Right to Amend Article. No amendment to this Article XV which has the effect of diminishing the rights, protection, or security afforded to Beneficiaries shall be accomplished or effective unless all of the first Beneficiaries of the individual Condominiums have given their prior written approval to such amendments. Any amendment to this Article XV shall be accomplished by an instrument executed by the Association and filed for record in the office of the County Recorder of Weber County, State of Utah. In any such instrument, an officer of the Association shall certify under penalties of perjury that any prior written approval of first Beneficiaries required by this Article XV as a condition to amendment has been obtained.

15.9 Notices. Any notice to a Beneficiary under this Article XV shall be in writing and shall be sufficient for all purposes if personally delivered or if sent by first class mail, postage prepaid, and addressed to the Beneficiary at the address for notices from time to time specified by

the Beneficiary in writing to the Association. Any such notice shall be deemed to have been given and received and shall be effective when personally delivered or when deposited in the U.S. mail in the form herein specified, whichever first occurs.

ARTICLE XVI

GENERAL PROVISIONS

16.1 Intent and Purpose. The provisions of this Declaration, and any Supplemental or Amended Declaration, shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of a Condominium Project. Failure to enforce any provision, restriction, covenant, or condition contained in this Declaration, or in any Supplemental or Amended Declaration, shall not operate as a waiver of any such provision, restriction, covenant, or condition or of any other provisions, restrictions, covenants, or conditions.

16.2 Construction. This Declaration shall be governed by and construed in accordance with the laws of the State of Utah. The provisions hereof shall be in addition and supplemental to the provisions of the Condominium Act and all other provisions of applicable law. Whenever used herein, unless the context shall otherwise require, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, any gender shall include both other genders, and the term "person" shall include any individual, partnership, corporation, trust, or other association or entity or combination thereof. The article and section headings are for convenience and reference only and are not intended to expand, limit, or otherwise affect the meaning or interpretation of this Declaration or any provision hereof. Each provision shall be deemed to be independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision. Exhibits A and B attached hereto are incorporated herein by reference.

16.3 Notices and Registration of Mailing Address. Each Owner shall register from time to time with the Association the Owner's current mailing address. All notices, demands, and other communications to any Owner as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally delivered or if sent by first class U.S. mail, postage prepaid, addressed to the Owner at the Owner's registered mailing address or, if no address has been registered, to the Unit of such Owner. All notices, demands, and other communications to the Association as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally delivered to the Association at its offices, or if sent by first class U.S. mail, postage prepaid, addressed to the Association or to such other address as the Association may hereafter designate by notice to the Owners as herein provided. Any notice, demand, or communication referred to in this Declaration shall be deemed to have been given and received when personally delivered or three days after being deposited in the U.S. mail, postage prepaid, and in the form provided for in this section, whichever first occurs.

16.4 Audit. Any Owner may at any reasonable time, upon appointment and at the Owner's own expense, cause an audit or inspection to be made of the books and records maintained by the Association. The Association, at the expense of the Common Expense Fund, shall obtain an audit, by certified public accountants, of all books and records pertaining to the Project at no greater than annual intervals, and copies thereof shall be furnished to the Owners.

16.5 Amendment. Except as otherwise provided in the Declaration or as otherwise required by the Condominium Act, this Declaration may be amended if Owners holding at least two-thirds (2/3rds) of the total votes of the Association consent and agree to such amendment by instruments which are duly recorded in the office of the County Recorder of Weber County, State of Utah.

16.6 Effective Date. This Declaration shall take effect upon recording in the office of the County Recorder of Weber County, State of Utah.

16.7 Agent for Service. The name and address of the person to receive service of process in all cases provided by the Condominium Act shall be the registered agent and address of the Association as shown on the official corporate records maintained in the office of the Division of Corporations of the Department of Commerce of the State of Utah. On the date of this Declaration, the registered agent of the Association is Eagle Pointe Financial Group, Inc., 2046 East Murray Holladay Road, Suite 200, Salt Lake City, Utah 84117.

16.8 Limitation on Association's Liability. The Association shall not be liable for any failure of water service or other utility service (if any) to be obtained and paid for by the Association hereunder, or for injury or damage to any person or property caused by the elements or by another Owner or person in or upon the Project, or resulting from electricity, water, rain, snow, or ice which may leak or flow from outside or from any parts of the Structures or their drains, pipes, conduits, appliances, or equipment, or from any other place. No diminution or abatement of any assessments under this Declaration shall be claimed or allowed for inconvenience or discomfort arising from the making of any repairs or improvements to or maintaining the Project or any part thereof, or from any action taken to comply with the provisions of this Declaration or with the laws, ordinances, regulations, rules, or orders of any governmental authority.

16.9 Owner's Obligations. All obligations of an Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may be leasing, renting, or selling under contract the Owner's Condominium. The Owner of a Condominium within the Project shall have no obligation for expenses or other obligations accruing after he conveys such Condominium of record.

IN WITNESS WHEREOF, the Declarant has executed this Declaration as of the day and year first above written.

DECLARANT:

VICTORIAN ESTATES, L.L.C.,
A UTAH LIMITED LIABILITY COMPANY
AKA VICTORIAN ESTATES, L.C.

By _____
Eagle Pointe Financial Group, Inc., its
Manager, through Gary L. Howland,
President

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

On the _____ day of _____, 2000, personally appeared before me Gary L. Howland, who is personally known to me and who duly acknowledged that he is the President of Eagle Pointe Financial Group, Inc., the Manager of Victorian Estates, L.L.C., aka Victorian Estates, L.C., and that it and he are duly authorized to execute the foregoing Declaration and did so voluntarily.

Notary Public

E# 1686386 BK2054 PG2976

EXHIBIT A

(Attached to and forming part of the Declaration of Condominium for
Victorian Estates Condomoniums, a Condominium Project)

UNITS, UNDIVIDED OWNERSHIP INTERESTS AND VOTES

	Units	Square Feet	Undivided Ownership Interest (Percentage)	Votes
A	Each Unit on a Lot on which four (4) Units are located (Lots 1-15)	1839	25%	1
B	Each Unit on a Lot on which three (3) Units are located (Lot 16)	1839	33⅓%	1

E# 1686386 BK2054 PG2977

EXHIBIT B

(Attached to and forming part of the Declaration of Condominium for
Victorian Estates Condominiums, a Condominium Project)

BYLAWS

OF

VICTORIAN ESTATES CONDOMINIUM OWNERS ASSOCIATION

A Nonprofit Corporation

Pursuant to the provisions of the Utah Nonprofit Corporation and Co-operative Association Act, the Board of Trustees of the Victorian Estates Condominium Owners Association, a Utah nonprofit corporation, hereby adopts the following Bylaws for such nonprofit corporation.

ARTICLE I

NAME AND PRINCIPAL OFFICE

1.1 **Name.** The name of the nonprofit corporation is the Victorian Estates Condominium Owners Association, hereinafter referred to as the "Association."

1.2 **Offices.** The principal office of the Association shall be at 2046 East Murray Holladay Road, Suite 200, Salt Lake City, Utah 84117, a Condominium Project (hereinafter referred to as the "Project"), situated upon the following described real property in Ogden City, and Weber County, state of Utah:

All of Lots 1 through 16 of the VICTORIAN ESTATES SUBDIVISION, on file and of record in the Weber County Recorder's office.

ARTICLE II

DEFINITIONS

2.1 **Definitions.** Except as otherwise provided herein or as otherwise required by the context, all terms defined in Article I of the Declaration of Condominium for the Victorian Estates Condominiums (hereinafter referred to as the "Declaration"), shall have such defined meanings when used in these Bylaws.

ARTICLE III

MEMBERS

2.2 Annual Meetings. The annual meeting of members shall be held on the second Tuesday in February of each year at the hour of 7:00 p.m., beginning with the year following the year in which the Articles of Incorporation are filed, for the purpose of electing Trustees (if the Declarant has then turned over to the members responsibility for so doing) and transacting such other business as may come before the meeting. If the election of trustees shall not be held on the day designated herein for the annual meeting of the members, or at any adjournment thereof, the Board of Trustees shall cause the election to be held at a special meeting of the members to be convened as soon thereafter as may be convenient. The Board of Trustees may from time to time by resolution change the date and time for the annual meeting of the members.

2.3 Special Meetings. Special meetings of the members may be called from time to time by the Board of Trustees or by the President, and shall be immediately called by the President upon the written request of members holding not less than twenty-five percent (25%) of the total votes of the Association, such written request to state the purpose or purposes of the meeting and to be delivered to the Board of Trustees or the President. In case of failure to call such meeting within twenty (20) days after such request, such members may call the same.

2.4 Place of Meetings. The Board of Trustees may designate any place in Weber or Salt Lake Counties, State of Utah, as the place of meeting for any annual meeting or for any special meeting called by the Board of Trustees. A waiver of notice signed by all of the members may designate any place, either within or without the State of Utah, as the place for holding such meeting. If no designation is made, or if a special meeting is otherwise called, the place of meeting shall be at the principal office of the Association.

2.5 Notice of Meetings. The Board of Trustees shall cause written or printed notice of the time, place, and purpose of all meetings of the members (whether annual or special) to be delivered, not more than fifty (50) nor less than ten (10) days prior to the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to have been delivered three (3) days after it was deposited in the U.S. mail addressed to the member at the member's registered address, with first class postage thereon prepaid. Each member shall register with the Association such member's current mailing address for purposes of notice. Such registered address may be changed from time to time by notice in writing to the Association. If no address is registered with the Association, the member's Unit address shall be deemed to be the member's registered address for purposes of notice hereunder.

2.6 Members of Record. Upon purchasing a Condominium in the Project, each Owner shall promptly furnish to the Association a certified copy of the recorded instrument by which ownership of such Condominium has been vested in such owner, which shall be maintained in the records of the Association. For the purpose of determining members entitled to notice of or to vote

at any meeting of the members, or any adjournment thereof, the Board of Trustees may designate a record date, which shall not be more than fifty (50) nor less than ten (10) days prior to the meeting. If no record date is designated, the date on which notice of the meeting is mailed shall be deemed to be the record date for determining members entitled to notice of or to vote at the meeting. The persons or entities appearing in the records of the Association on such record date as the Owners of record of Condominiums in the Project shall be deemed to be the members of record entitled to notice of and to vote at the meeting of the members and any adjournments thereof.

2.7 Quorum. At any meeting of the members, the presence of members holding, or holders of proxies entitled to cast, not less than fifty percent (50%) of the total votes of the Association shall constitute a quorum for the transaction of business. If a quorum is not present at a meeting, the members present (whether represented in person or by proxy), through less than a quorum may adjourn the meeting to a later date. Notice delivered to the members as provided above. At the reconvened meeting, the members and proxy holders present shall constitute a quorum for the transaction of business.

2.8 Proxies. At each meeting of the members, each member entitled to vote shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the member himself or by the Owner's attorney thereunto duly authorized in writing. If a membership is jointly held, the instrument authorizing a proxy to act must have been executed by all holders of such membership or their attorneys duly authorized in writing. Such instrument authorizing a proxy to act shall be delivered at the beginning of the meeting to the secretary of the Association or to such other officer or person who may be acting as secretary of the meeting. The secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting.

2.9 Votes. With respect to each matter (other than the election of Trustees) submitted to a vote of the members, each member entitled to vote at the meeting shall have the right to cast, in person or by proxy, the vote(s) appertaining to the Condominium(s) of such member, as shown in the Declaration. The affirmative vote of a majority of the votes entitled to be cast by the members present or represented by proxy at a meeting at which a quorum was initially present shall be necessary for the adoption of any matter voted on by the members, unless a greater proportion is required by the Articles of Incorporation, these Bylaws, the Declaration, or Utah law. If a membership is jointly held, all or any holders thereof may attend each meeting of the members, but such holders must act unanimously to cast the vote(s) relating to their joint membership.

2.10 Waiver of Irregularities. All inaccuracies and irregularities in calls or notices of meetings and in the manner of voting, form of proxies, and method of ascertaining members present shall be deemed waived if no objection thereto is made at the meeting.

2.11 Informal Action by Members. Any action that is required or permitted to be taken at a meeting of the members may be taken without a meeting, if a consent in writing, setting forth

the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

ARTICLE IV

BOARD OF TRUSTEES

4.1 General Powers. The property, affairs, and business of the Association shall be managed by its Board of Trustees. The Board of Trustees may exercise all of the powers of the Association, whether derived from law or the Articles of Incorporation, except such powers as are by law, by these Articles of Incorporation, by these Bylaws, or by the declaration vested solely in the members. The Board of Trustees may by written contract delegate, in whole or in part, to a professional management organization or person such of its duties, responsibilities, functions, and powers as are properly delegable.

4.2 Initial Board of Trustees. The initial Board of Trustees shall be composed of three (3) Trustees. The Trustees specified in the Articles of Incorporation, and any replacements duly appointed by Declarant, shall serve until the first meeting of the members held after the Declarant turns over to the members the responsibility for electing Trustees and until their successors are duly elected and qualified. The trustees specified in the Articles of Incorporation, and any replacements duly appointed by the Declarant, need not be residents of the State of Utah.

4.3 Permanent Board of Trustees. After the Declarant turns over to the members responsibility for electing trustees, the Board of Trustees shall be composed of three (3) Trustees of the following classifications and qualifications:

4.4 Elections of Permanent Trustees. At the first meeting of the members held after the Declarant turns over to the members responsibility for electing trustees, Owners shall elect two (2) Trustees to serve for terms of three years each and one (1) Trustee to serve for a term of two years. Elections of Trustees shall be conducted by secret ballot.

4.5 Regular Meetings. The regular annual meeting of the Board of Trustees shall be held without other notice than this bylaw immediately after, and at the same place as, the annual meeting of the members. The Board of Trustees may provide by resolution the time and place, within Weber or Salt Lake Counties, State of Utah, for the holding of additional regular meetings without other notice than such resolution.

4.6 Special Meetings. Special meetings of the Board of Trustees may be called by or at the request of any Trustee. The person or persons authorized to call special meetings of the Board of Trustees may fix any place, within Weber or Salt Lake Counties, State of Utah, as the place for holding any special meeting of the Board of Trustees called by such person or persons. Notice of any special meeting shall be given at least five (5) days prior thereto by written notice delivered personally, or mailed to each Trustee at the Owner's registered address, or by telegram. If mailed,

such notice shall be deemed to have been delivered three (3) days after it is deposited in the U.S. mail so addressed, with first class postage thereon prepaid. If notice is given by telefax, such notice shall be deemed to have been delivered when the telefax's delivery is duly confirmed by the sending equipment. Any Trustee may waive notice of a meeting, in writing.

4.7 Quorum and Manner of Acting. Before the time that Declarant turns over to the Owners responsibility for electing Trustees, a majority of the then authorized number of Trustees shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees. Thereafter, a majority of the then authorized number of Trustees shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees. Except as otherwise required in these Bylaws, the Articles of Incorporation, of the Declaration, the act of a majority of the Trustees present at any meeting at which a quorum is present shall be the act of the Board of Trustees. The Trustees shall act only as a Board, and individual Trustees shall have no powers as such.

4.8 Compensation. No Trustee shall receive compensation for any services that the Trustee may render to the Association as a Trustee; provided, however, that a Trustee may be reimbursed for expenses incurred in the performance of the Trustee's duties as a Trustee to the extent such expenses are approved by the Board of Trustees and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in the Trustee's capacity as a Trustee.

4.9 Resignation and Removal. A Trustee may resign at any time by delivering a written resignation to either the President or to the Board of Trustees. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Trustee may be removed at any time, for or without cause, by the affirmative vote of the Owners holding at least sixty percent (60%) of the total number of votes appurtenant to all Units in the Project, at a special meeting of the members duly called for such purpose.

4.10 Vacancies and Newly Created Trusteeships. If vacancies shall occur in the Board of Trustees by reason of the death, resignation, or disqualification of a Trustee, or if the authorized number of Trustees shall be increased, the Trustees then in office shall continue to act, and such vacancies or newly created Trusteeships shall be filled by a vote of the Trustees then in office, though less than a quorum, in any way approved by such Trustees at the meeting. Any vacancy in the Board of Trustees occurring by reason of the removal of a Trustee by the members may be filled by election at the meeting at which such Trustee is removed. Any Trustee elected or appointed to fill a vacancy shall serve for the unexpired term of the predecessor or for the term of the newly created Trusteeship, as the case may be.

4.11 Informal Action by Trustees. Any action that is required or permitted to be taken at a meeting of the Board of Trustees may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Trustees.

4.12 Amendments. The provisions of this Article IV may not be amended, modified, or repealed, unless such amendment, modification, or repeal is approved by (a) the affirmative vote of owners holding at least seventy-five percent (75%) of the total number of votes appurtenant to all Residential Units in the Project.

ARTICLE V

OFFICERS

5.1 Officers. The officers of the Association shall be a President, a Vice-President, a Secretary-Treasurer, and such other officers as may from time to time be appointed by the Board of Trustees.

5.2 Election, Tenure, and Qualifications. The officers of the Association shall be chosen by the Board of Trustees annually at the regular annual meeting of the Board of Trustees. In the event of failure to choose officers at such regular annual meeting of the Board of Trustees, officers may be chosen at any regular or special meeting of the Board of Trustees. Each such officer (whether chosen at a regular annual meeting of the Board of Trustees or otherwise) shall hold office until the next ensuing regular annual meeting of the Board of Trustees and until the officer's successor shall have been chosen and qualified, or until the officer's death, or until the officer's resignation, disqualification, or removal in the manner provided in these Bylaws, whichever first occurs. Any one person may hold any two or more of such offices; provided, however, that the President may not also be the Secretary-Treasurer. No person holding two or more offices shall act in or execute any instrument in the capacity of more than one office. The President, the Vice-President, and the Secretary-Treasurer shall be and remain Trustees of the Association during the entire term of their respective offices. No other officer need be a Trustee.

5.3 Subordinate Officers. The Board of Trustees may from time to time appoint such other officers or agents as it may deem advisable, each of whom shall have such title, hold office for such period, have such authority, and perform such duties as the Board of Trustees may from time to time determine. The Board of Trustees may from time to time delegate to any officer or agent the power to appoint any such subordinate officers or agents and to prescribe their respective titles, terms of office, authorities, and duties. Subordinate officers need not be Trustees or members of the Association.

5.4 Resignation and Removal. Any officer may resign at any time by delivering a written resignation to the President, the Secretary-Treasurer, or to the Board of Trustees. Unless otherwise specified in the resignation, such resignation shall take effect upon delivery. Any officer may be removed by the Board of Trustees at any time, for or without cause.

5.5 Vacancies and Newly Created Offices. If any vacancy shall occur in any office by reason of death, resignation, removal, disqualification, or any other cause, or if a new office shall

be created, such vacancies or newly created offices may be filled by the Board of Trustees at any regular or special meeting.

5.6 The President. The President shall preside at meetings of the Board of Trustees and at meetings of the members. The President shall sign on behalf of the Association all conveyances, mortgages, documents, and contracts approved by the Board of Trustees, and shall do and perform all other acts and things that the Board of Trustees may require.

5.7 The Vice-President. The Vice-President shall act in the place and stead of the President in the event of the President's absence or inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board of Trustees.

5.8 The Secretary-Treasurer. The Secretary-Treasurer shall keep the minutes of the Association and shall maintain such books and records as these Bylaws, the Declaration, or any resolution of the Board of Trustees may require. The Secretary-Treasurer shall be the custodian of the seal of the Association, if any, and shall affix such seal, if any, to all papers and instruments requiring the same. The Secretary-Treasurer shall have the custody and control of the funds of the Association, subject to the action of the Board of Trustees, and shall, when requested by the President to do so, report the state of the finances of the Association at each annual meeting of the members and at any meeting of the Board of Trustees. The Secretary-Treasurer shall perform such other duties as the Board of Trustees may require.

5.9 Compensation. No officer shall receive compensation for any services rendered to the Association as an officer; provided, however, that an officer may be reimbursed for expenses incurred in performance of his or her duties as an officer to the extent such expenses are approved by the Board of Trustees and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in his or her capacity as an officer.

ARTICLE VI

COMMITTEES

6.1 Designation of Committees. The Board of Trustees may, from time to time, by resolution designate such committees as it may deem appropriate in carrying out its duties, responsibilities, functions, and powers. The membership of each such committee designated hereunder shall include at least one Trustee. No committee member shall receive compensation for services rendered to the Association as a committee member; provided, however, that a committee member may be reimbursed for expenses incurred in performance of his or her duties as a committee member to the extent such expenses are approved by the Board of Trustees and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in his or her capacity as a committee member.

6.2 Proceedings of Committees. Each committee designated hereunder by the Board of Trustees may appoint its own presiding and recording officers and may meet at such places and times and upon such notice as such committee may from time to time determine. Each such committee shall keep a record of its proceedings and shall regularly report such proceedings to the Board of Trustees.

6.3 Quorum and Manner of Acting. At each meeting of any committee designated hereunder by the Board of Trustees, the presence of members constituting at least a majority of the authorized membership of such committee (but in no event less than two members) shall constitute a quorum for the transaction of business, and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such committee. The members of any committee designated by the Board of Trustees hereunder shall act only as a committee, and the individual members thereof shall have no powers as such.

6.4 Resignation and Removal. Any member of any committee designated hereunder by the Board of Trustees may resign at any time by delivering a written resignation to the President, the Board of Trustees, or the presiding officer of the committee of which he or she is a member. Unless otherwise specified, such resignation shall take effect upon delivery. The Board of Trustees may at any time, for or without cause, remove any member of any committee.

6.5 Vacancies. If any vacancy shall occur in any committee designated by the Board of Trustees hereunder, due to disqualification, death, resignation, removal, or otherwise, the remaining members shall, until the filling of such vacancy, constitute the then total authorized membership of the committee and, provided that two or more members are remaining (at least one of which is a Trustee), may continue to act. Such vacancy may be filled at any meeting of the Board of Trustees.

ARTICLE VII

INDEMNIFICATION

7.1 Indemnification - Third-Party Actions. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a Trustee or officer of the Association, or is or was serving at the request of the Association as a director, trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, if he acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by an adverse judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in

good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Association or with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his or her conduct was unlawful.

7.2 Indemnification - Association Actions. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he or she is or was a Trustee or officer of the Association, or is or was serving at the request of the Association as a director, trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association; provided, however, that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability and in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

7.3 Determinations. To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Sections 7.1 or 7.2 hereof, or in defense of any claim, issue, or matter therein, he or she shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him or her in connection therewith. Any other indemnification under Sections 7.1 or 7.2 hereof shall be made by the Association only upon a determination that indemnification of the person is proper in the circumstances because he or she has met the applicable standard of conduct set forth respectively in Sections 7.1 or 7.2 hereof. Such determination shall be made either (a) by the Board of Trustees by a majority vote of disinterested Trustees or (b) by the members by the affirmative vote of at least fifty-one percent (51%) of the total votes of the Association at a meeting duly called for such purpose.

7.4 Advances. Expenses incurred in defending a civil or criminal action, suit, or proceeding as contemplated in this Article may be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon a majority vote of a quorum of the Board of Trustees and upon receipt of an undertaking by or on behalf of the person to repay such amount or amounts unless it ultimately be determined that he is entitled to be indemnified by the Association as authorized by this article or otherwise.

7.5 Scope of Indemnification. The indemnification provided for by this article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision in the Association's Articles of Incorporation, Bylaws, agreements, vote of disinterested members of Trustees, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. The indemnification authorized by this article shall

apply to all present and future Trustees, officers, employees, and agents of the Association and shall inure to the benefit of the heirs and personal representatives of all such persons and shall be in addition to all other rights to which such persons may be entitled as a matter of law.

7.6 Insurance. The Association may purchase and maintain insurance on behalf of any person who was or is a Trustee, officer, employee, or agent of the Association, or who was or is serving at the request of the Association as a trustee, director, officer, employee, or agent of another corporation, entity, or enterprise (whether for profit or not for profit), against any liability asserted against him or her or incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under the laws of the State of Utah, as the same may hereafter be amended or modified.

7.7 Payments and Premiums. All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this article shall constitute expenses of the Association and shall be paid with funds from the Common Expense Fund referred to in the Declaration.

ARTICLE VIII

FISCAL YEAR AND SEAL

8.1 Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January each year and shall end on the 31st day of December next following; provided, however, that the first fiscal year shall begin on the date of incorporation and end on the following December 31.

8.2 Seal. If the Board of Trustees desires, it may by resolution provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation, the nonprofit nature of the Association, and the words "Corporate Seal."

ARTICLE IX

RULES AND REGULATIONS

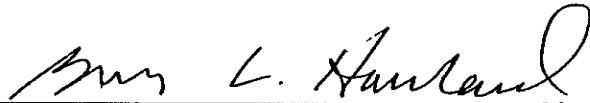
9.1 Rules and Regulations. The Board of Trustees may from time to time adopt, amend, repeal, and enforce reasonable rules and regulations governing the use and operation of the Project; provided, however, that such rules and regulations shall not be inconsistent with the rights and duties set forth in the Articles of Incorporation, the Declaration, or these Bylaws. At all times after the Declarant turns over control of the Project to the Trustees the regulations relating to the use of Units or access to them must be approved by a majority of the Trustees.

ARTICLE X

AMENDMENTS

10.1 Amendments. Except as otherwise provided by law, by the Articles of Incorporation, by the Declaration, or by the Bylaws, these Bylaws may be amended, modified, or repealed and new bylaws may be made and adopted by the members upon the affirmative vote or at least two-thirds (2/3^{rds}) of the total votes of the Association; provided, however, that such action shall not be effective unless and until a written instrument setting forth (a) the amended, modified, repealed, or new bylaw, (b) the number of votes cast in favor of such action, and (c) the total votes of the Association, shall have been executed and verified by the current President of the Association and recorded in the office of the County Recorder of Weber County, State of Utah.

IN WITNESS WHEREOF, the undersigned, constituting all of the Trustees of the Association, have executed these Bylaws on the 12 day of January, 2000.



Gary L. Howland



Dennis Calton



Whitney Cluff

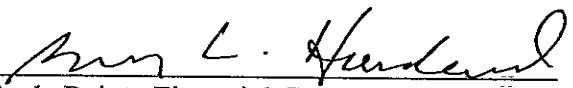
E# 1686386 BK2054 PG2988

OWNERS' CONSENT

On this 12 day of January, 2000, the undersigned, as the Declarant and owner of the land upon which the Project is located, do hereby consent to these Bylaws in accordance with the provisions of the Utah Condominium Ownership Act.

VICTORIAN ESTATES, L.L.C., AKA VICTORIAN
ESTATES, L.C.
A UTAH LIMITED LIABILITY COMPANY

By



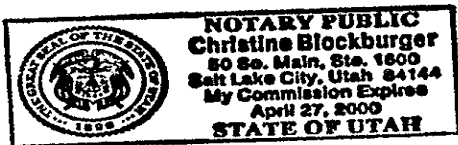
Eagle Pointe Financial Group, Inc., its
Manager, through Gary L. Howland,
President

E# 1686386 BK2054 PG2989

ACKNOWLEDGMENTS

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

On the 12 day of January, 2000, personally appeared before me Gary L. Howland, who is personally known to me and who duly acknowledged that he is the President of Eagle Pointe Financial Group, Inc., the Manager of Victorian Estates, L.L.C., aka Victorian Estates, L.C., and that it and he are duly authorized to execute the foregoing Declaration and did so voluntarily for its stated purpose.



Christine Blockburger
Notary Public

Et 1686386 BK2054 PG2990