

DECLARATION OF CONDOMINIUM  
OF  
CHIMNEY STREET CONDOMINIUMS

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4650  
KATIE L. DIXON  
REGISTERED  
SALT LAKE COUNTY  
UTAH  
JAN 13 4 03 PM '93  
WESTERN STATES TITLE  
REF

THIS DECLARATION is made as of the date hereinafter set forth by THE CONTOUR CORPORATION (hereinafter referred to as the DECLARANT), pursuant to the provisions of the Utah Condominium Ownership Act.

R E C I T A L S

A. Declarant is the owner of that certain tract of land, more particularly described in Article II hereof.

B. Declarant has constructed, or is in the process of constructing, upon said tract a Condominium Project, including certain Units and other improvements. All of such construction has been, or is to be, performed in accordance with the plans and drawings contained in the Record of Survey Map filed for record simultaneously herewith, prepared and certified by Eckoff, Watson & Preator, Utah Registered Land Surveyors.

C. Declarant desires, by filing this Declaration and the Record of Survey Map, to submit said tract and all improvements now or hereafter constructed hereon to the provisions of the Utah Condominium Ownership Act as a Condominium Project to be known as "CHIMNEY STREET CONDOMINIUMS."

D. Declarant intends to sell to various purchasers the Fee Title to the individual Units contained in the Project, together with the undivided ownership interest in the Common Areas and Facilities appurtenant to such Units, subject to the covenants, conditions, restrictions, limitations and easements herein set forth.

NOW, THEREFORE, for the foregoing purposes, Declarant hereby declares and certifies as follows:

ARTICLE I  
DEFINITIONS

When used in this Declaration (including that portion hereof captioned "Recitals" and in the Bylaws attached hereto as Exhibit "C"), the terms used shall have the meaning stated in the Utah Condominium Ownership Act and as follows unless the context otherwise requires.

1. Act shall mean and refer to the Condominium Ownership Act (Title 57, Chapter 8, Utah Code Annotated 1953) as the same may be amended from time to time.

2. Declaration shall mean and refer to the instrument by which the Property is submitted to the provisions of the Act, as it from time to time may be lawfully amended. This Declaration has been drafted to comply with the requirements of the Utah Condominium Act and any ambiguities, omissions, and/or conflicts shall be construed to comply with the provisions of said Act.

3. Map shall mean and refer to the Record of Survey Map filed herewith and captioned "CHIMNEY STREET, A CONDOMINIUM PROJECT."

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4. Property shall mean and refer to the Tract or Entire Tract described in Exhibit "B", the buildings, all improvements and the structures thereon, all easements, rights and appurtenances belonging thereto and all articles of personal property intended for use in connection therewith.

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

(a) The land on which the buildings and other improvements are constructed and submitted by this Declaration to the terms of the Act.

(b) Those Common Areas and Facilities specifically set forth and designated as such in the Map.

(c) That part of the Condominium Project not specifically included in the respective Units as hereinafter defined.

(d) All limited Common Areas and Facilities.

(e) All exterior walkways, streets, yards, gardens, fences, open parking spaces, installation of central services such as power, light, gas, all apparatus and installations existing for common use, such recreational and community facilities as may be provided for.

(f) All other parts of the Project normally in common use or necessary or convenient to its use, existence, maintenance, safety or management.

(g) All Common Areas and Facilities as defined in the Act, whether or not expressly listed herein.

6. Condominium Unit or Units means and refers to one of the living units intended for independent use as defined in the Act and as shown in the Map. Mechanical equipment and appurtenances located within any one Unit or located without said Unit but designated and designed to serve only that Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, fixtures and the like, shall be considered part of the Unit, as shall all decorated interiors, all surfaces of interior structural walls, floors and ceilings, windows and window frames, doors and door frames, and trim, consisting of, inter alia and as appropriate, wallpaper, paint, flooring, carpeting and tile. All pipes, wires, conduits, or other public utility lines or installation constituting a part of the Unit or serving only the Unit, and any structural members of any other property of any kind, including fixtures, and appliances within any Unit, which are removable without jeopardizing the soundness, safety or usefulness of the remainder of the building within which the Unit is situated shall be considered part of the Unit.

7. Management Committee or the Committee shall mean and refer to the Management Committee of the "CHIMNEY STREET CONDOMINIUM".

8. Association of Unit Owners of the Association shall mean and refer to CHIMNEY STREET CONDOMINIUM ASSOCIATION organized for the purposes set forth in this Declaration.

9. Common Expenses shall mean all items, things and sums described in the Act which are lawfully assessed against the Unit Owners in accordance with the provisions of the Act, this Declaration, the By-Laws, such rules, regulations and other determinations and agreements pertaining to the Condominium Project as the Management Committee, the Unit Owners, or the Association as hereinafter mentioned, may from time to time adopt.

10. Mortgage shall mean any mortgage, Deed of Trust, or other security instrument by which a Unit or any part thereof is encumbered.

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11. Mortgagee shall mean any person named as a Mortgagee or beneficiary under or holder of a Deed of Trust.

12. Limited Common Areas and Facilities or Limited Common Areas shall mean those Common Areas designated in the Declaration and shown on the Map as reserved for use of certain Unit(s) to the exclusion of other Units. Limited Common Areas include patios, rear yards and specifically assigned covered parking areas adjacent to Units as shown on the Map.

13. Unit Number shall mean and refer to the number, letter or combination thereof which designates a Unit in the attached Exhibit "A" and on the Map.

14. Unit Owner or Owner shall mean and refer to the person or persons owning a Unit in fee simple and an undivided interest in the fee simple estate of the Common Areas and Facilities in the percentage specified and established in this Declaration. The Declarant shall be deemed to be the Owner of all completed but unsold Units. In the event a Unit is the subject of an executory contract of sale, the Buyer shall, unless the Seller and the Buyer have otherwise agreed and have informed the Management Committee in writing of such agreement, be considered the Unit Owner for all purposes.

15. The Tract or Entire Tract shall mean and refer to the following described tract of land situated in Salt Lake County, State of Utah, together with all appurtenances thereto.

(See Exhibit "B" for Property Description)

This Tract constitutes the entire Condominium Project.

16. Condominium Project or Project shall mean and refer to the CHIMNEY STREET CONDOMINIUM PROJECT.

17. Management Bodies shall mean and refer to the Management Committee and the Association collectively.

18. Expandable Condominium shall mean and refer to this Condominium Project to which Additional Land or an interest in it may be added in accordance with the Declaration and the Act.

19. Additional Land shall mean and refer to and consist of the parcels of real property as described in Exhibit "B" attached hereto.

## ARTICLE II

### SUBMISSION TO THE ACT

Declarant hereby submits to the Provisions of the Act the following described real Property situated in Salt Lake City, State of Utah, to wit:

(See Exhibit "B" for Property Description)

## ARTICLE III

### COVENANTS, CONDITIONS AND RESTRICTIONS

The foregoing submission is made upon and under the following Covenants, Conditions and Restrictions.

1. Description of Improvements. The improvements included in Phase 1 of the Chimney Street Condominium Project are now or will be located on the Tract above described, and all of such improvements are described on the Map. The Map indicates the number of Units which are to be contained in the Buildings which comprise a part of such improvements; the dimensions of the Units, and other significant

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facts relating to such Buildings and Common Areas. Phase 1 will be composed of twenty-two (22) individual living Units to be contained in four (4) Buildings. The Project is composed of rows of 2-2½ story wood frame, aluminum clad townhouses aesthetically arranged around fully landscaped Common Areas. Each Unit will be provided with an individual rear yard and two covered parking spaces adjacent to each Unit. Exterior design options will be available to Unit Owners and each Building will be solar oriented for optimum energy conservation. Units of plan types "C" and "D" will have expansion capabilities in unfinished attic areas contained within the Units.

The four Buildings in Phase 1 will contain 22 Condominium Units and will consist of the following structure types: one 9-plex Building, one 7-plex Building, one 4-plex Building, and one duplex. The 22 Units will be composed of the following plan types: two Plan "A" Units (2 bedrooms, 1½ bath); eight Plan "B" Units (2 bedrooms, 2 baths); six Plan "C" Units (2 bedrooms, 2 baths, attic area); and six Plan "D" Units (3 bedrooms, 2½ baths, attic area). The Units will range in size from 860 square feet to 1,646 square feet. Phase 1 will also include six guest parking spaces, a landscaped park area with tot lot, and an elaborately landscaped Project entrance area.

It is anticipated that Declarant will desire in the future to add additional land and units to the Chimney Street Condominium Project. For expansion provisions, see Sections 31, 32, 33 and 34 of this Declaration.

2. Description and Legal Status of Units. The Map shows the Unit Number of each Unit, its location, dimensions from which its areas may be determined, the Limited Common Areas which are reserved for its use, and the Common Areas of the Project. The individual living Units shall be legally designated and described by letter and/or number.

3. Exhibit "A" Contents. The Exhibit "A" attached to this Declaration and made a part hereof furnishes the following information with respect to each: (a) Unit designation; (b) par value of each Unit based on dollars; and (c) its Appurtenant Undivided Ownership Interest in the Common Areas.

4. Common and Limited Common Areas. The Common Areas contained in the Project are described and identified in Article I hereof and on the Map. Neither the Ownership of Undivided Interest in the Common Areas nor the right of exclusive use of a Limited Common Area shall be separated from the Unit to which it appertains; and even though not specifically mentioned in the instrument of conveyance, such percentage of Undivided Interest and such right of exclusive use shall automatically accompany the conveyance of the Unit to which they relate.

5. Determination of Interest in Common Areas. The proportionate share of the Unit Owners in the Common Areas of the Project is based on the par value that each of the Units bear to the total value of all the Units. The proportionate ownership of the Common Areas shall be for all purposes, including but not limited to, voting and assessment for Common Expenses. The maximum interest for each of the Unit Owners in the Common Areas shall be set forth in the aforesaid Exhibit "A". In the event Phase 1 (22 Units) will be the only phase to be included in the project, then the maximum possible percentage of ownership of the Common Areas and Facilities will range from a minimum of 4.21133% to a maximum of 4.74732%. In the event all eight phases are included in the Project, the percentage of ownership of the Common Areas and Facilities which is appurtenant to any Unit then in the Project shall be reallocated proportionately from a minimum of .44060% to a maximum of .49668%.

6. Holding Title. Title to a Unit may be held or owned by any entity and in any manner in which title to any other real property may be held or owned in the State of Utah, including, but without limitation, joint tenancy or tenancy in common.

7. No Separation. No part of a Unit or of the legal rights comprising ownership of a Unit may be separated from any

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other part thereof during the period of Condominium ownership described herein, so that each Unit, the Undivided Interest in the Common Areas appurtenant to such Unit, and the exclusive right to use and occupy the Limited Common Areas appurtenant to each Unit, shall always be conveyed, devised, encumbered, and otherwise effect only together and may never be separated from one another. Every gift, devise, bequest, transfer, encumbrance or other disposition of a Unit or any part thereof, shall constitute a gift, devise, bequest, transfer, encumbrance, or conveyance, respectively, of the entire Unit, together with all appurtenant rights created by law or by this Declaration.

8. No Partition. The Common Areas shall be owned in common by all the Owners of Units, and no Unit Owner may bring action for partition thereof.

9. Use of Common Areas and Limited Common Areas. Subject to the limitations contained in the Declaration, any Unit Owner shall have the non-exclusive right to use and enjoy the Common Areas and shall have the exclusive right to use and enjoy the Limited Common Areas designated herein (and on the Map) for exclusive use by such Unit Owner.

10. Unit Maintenance. Each Owner shall at his own cost and expense maintain, repair, paint, repaint, tile, wax, paper or otherwise refinish and decorate the interior walls and trim the interior surfaces of the walls, ceilings, floors and windows and doors forming the boundaries of his Unit and all walls, ceilings, floors, windows and doors within such boundaries. In addition to decorating and keeping the interior of his Unit in good repair and in a clean and sanitary condition, he shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heater, heating equipment, air conditioner, lighting fixtures, refrigerator, dishwasher, disposal equipment, range or other appliances or fixtures that may be in or connected with his Unit.

11. Maintenance of Limited Common Areas. Each Owner shall at his own cost keep the Limited Common Areas designed for use in connection with his Unit, in a clean, sanitary and attractive condition at all times.

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

13. Access for Repair of Common Areas. Some of the Common Areas are or may be located within the Units or may be conveniently accessible only through the Units. The Owners of the other Units shall have the irrevocable rights, to be exercised by the Committee as their agent, to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Areas located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Areas or another Unit or Units. The Committee shall also have such rights independent of the Agency relationship. Damage to the interior of any part of the Unit or Units resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Areas or as a result of emergency repairs within another Unit at the instance of the Committee or of Unit Owners, shall be an expense of all the Unit Owners and assessed proportionately; provided, that if such damage is the result of negligence of the Owner of the Unit, then such Owner shall be financially responsible for all such damage. Amounts owing by Owners pursuant hereto shall be collected by the Committee by assessment concerning the CHIMNEY STREET CONDOMINIUM PROJECT above referred to.

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

15. Easement to Management Committee. The Management Committee shall have non-exclusive easements to make such use of the Common Areas as may be necessary or appropriate to perform the duties and functions which they are obligated or permitted to perform pursuant to this Declaration.

16. Easement for Utility Services. There is hereby created a blanket easement upon, across, over and under the Tract above described in Article II for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to, water, sewers, gas, telephones, electricity, and other utility services.

17. Legal Description of a Unit. Each conveyance or contract for the sale of a Unit and every other instrument affecting title to a Unit may describe that Unit by the letter and number shown on the Map with the appropriate reference to the Map and to this Declaration, as each shall appear on the Records of the County Recorder of Salt Lake County, Utah, and in substantially the following form:

Unit \_\_\_\_\_ shown in the Record of Survey Map for the Chimney Street Condominiums appearing in the Records of the County of Salt Lake, in Book \_\_\_\_\_ Page \_\_\_\_\_ of Plats, and as defined and described in the Declaration of Condominium, appearing in such Records in Book \_\_\_\_\_ Page \_\_\_\_\_ of Records. This conveyance is subject to the provisions of the aforesaid Declaration of Chimney Street Condominiums.

Such description will be construed to describe the Unit, together with an Undivided Interest in and to the Common Areas as the same is established and identified in the Declaration and Map referred to herein above, the referenced Declaration of Condominium providing for periodic alteration both in the magnitude of said Undivided Ownership Interest and in the composition of the Common Areas and Facilities to which said interest relates, and to incorporate all the rights incident to Ownership of a Unit and all the limitations of such Ownership as described in this Declaration.

18. Status and General Authority of Committee.

(a) Except as hereinafter provided, the Condominium Project shall be managed, operated, and maintained by the Management Committee as agent for the Unit Owners. The Committee shall, in connection with its exercise of any of the powers hereinafter provided, constitute a legal entity capable of dealing in the Committee's name. The Management Committee shall have, and is hereby granted, the following authority and powers:

(1) The authority with the consent of the Unit Owners or of any other person(s) to grant or create on such terms as it deems advisable, utility and similar easements over, under, across and through the Common Areas.

(2) The authority to execute and record, on behalf of all Unit Owners, any amendments to the Declaration or the Map which has been approved by the vote or consent necessary to authorize such amendment.

(3) The power to sue and be sued.

(4) The authority to enter into contracts relating to the Common Areas and other matters over which it has jurisdiction,

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so long as any vote or consent of the Unit Owners necessitated by the subject matter of the agreement has been obtained.

(5) The power and authority to convey or transfer any interest in real property, so long as the vote or consent necessary under the circumstances have been obtained.

(6) The power and authority to purchase, or otherwise acquire, and accept title to, any interest in real property so long as such action has been authorized by any vote or consent which is necessary under the circumstances.

(7) The power and authority to add any interest in real property obtained pursuant to Subparagraph 6 above to the Project, so long as such action has been authorized by the necessary vote or consent.

(8) The authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Committee in carrying out its function or to insure that the Project is maintained and used in a manner consistent with the interests of the Unit Owners.

(9) The Power and authority to perform any other acts and to enter into any other transactions, subject to the rights of the Home Owners Association, which may be reasonably necessary for the Management Committee to perform its functions as agent for the Unit Owners. Any instrument executed by the Management Committee relating to the Common Areas of the Project that recites facts which, if true, would establish the Committee's power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.

(b) Composition of Committee, Election, Vacancy.

The Management Committee shall be composed of seven (7) members, with three (3) Committee members elected for one year term, three (3) members for two year term, and one member for three year term. Members shall serve on the Committee until their successors are elected. Only Unit Owners or spouses of Unit Owners and officers, directors, agents and employees of Owners other than individuals shall be eligible for Committee Membership. At the annual meeting each Unit Owner may vote his percentage of Undivided Ownership Interest in favor of as many candidate or Committee Memberships as there are seats on the Committee to be filled; provided, however, that until the happening of two events, namely either title to Units representing seventy-five percent (75%) of the votes of Unit Owners shall have been conveyed by Declarants to the purchasers thereof, or the expiration of five (5) years after the first conveyance of title to any Unit purchase, whichever shall first occur, the Declarants alone shall have the right (the Right) to select the Management Committee or act as the Management Committee themselves. However, Declarants may waive the Right at any time prior to the occurrence of either or both of the aforesaid events by (i) notifying Unit Owners in writing of such waiver of the Right, and (ii) filing for record in the Office of the Salt Lake County Recorder a written notice of waiver of the Right, whereupon Unit Owners shall promptly hold a meeting to elect a new Management Committee, it being established hereby that the control of the Unit Owners in the Management Committee shall automatically vest thirty (30) days following the date such waiver is recorded by Declarants. In the event a Committee seat which was filled by a Declarant becomes vacant, Declarants have the right to select a replacement member to sit on the Committee for the balance of the term associated with the vacated seat. In all other cases of vacancy,

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the remaining Committee members shall elect a replacement to sit on the Committee until the expiration of the term for which the member being replaced was elected.

(c) Rights and Duties. The Management Committee, subject to the rights and duties of the Association, this Declaration, and By-Laws regarding Project maintenance as provided herein shall be responsible for the general management of the Project. It is understood that the Committee has the obligation to maintain the Common Areas of CHIMNEY STREET CONDOMINIUMS. However, and notwithstanding anything contained herein to the contrary, in the event of the failure or refusal of the Committee to maintain all the Common Areas of this Project as contemplated in this Declaration, then the Association shall maintain the same.

(d) Right of Delegation to Manager. The Management Committee may carry out any of its functions which are capable of delegation through a manager. The Manager so engaged shall be responsible for managing the Common Areas and shall, to the extent permitted by law and the terms of the agreement with the Management Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself.

(e) Payment of Services, Etc. The Management Committee may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Management Committee shall determine to be necessary or desirable for the proper operation of its function in the Project, whether such Committee or by any person or entity with whom it contracts. The Management Committee may obtain and pay for the operation of the Project or the enforcement of this Declaration. It is recognized that the Committee may arrange with other persons to furnish snow removal, ground maintenance and other common services to the Project whether such personnel are furnished or employed directly by the Management Committee.

(f) Personal Property Ownership and Use. The Management Committee may acquire and hold for the use and the benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interests in the Common Areas. Such interest shall not be transferable except with the transfer of a Unit. A transfer of a Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto, and such beneficial interest may in no event be reserved, by the transferor of a Unit. Each Owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Unit under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosure.

(g) Rules and Regulations. The Management Committee may make reasonable rules and regulations governing the operation and use of the Common Areas and of other matters over which it has jurisdiction, which rules and regulations shall be consistent with the rights and duties established in this Declaration and By-Laws. The Management Committee may suspend any Owner's voting rights at the meeting of Unit Owners during any period or such periods during which such Owner fails to comply with such rules and regulations, or with any other obligations of such Owners under this Declaration. The Management Committee may also take judicial action against any Owner to enforce compliance with such rules and regulations or other



obligations or to obtain damages for noncompliance, all to the extent provided by law.

(h) Capital Improvements. There shall be no structural alterations, capital additions to, or capital improvements of the Common Areas requiring expenditure in excess of \$3,000.00 without the prior approval of Unit Owners holding a majority of the voting power.

(i) The Management Committee may exercise any other right or privilege given to it expressly by this Declaration or by law and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

19. CHIMNEY STREET CONDOMINIUM ASSOCIATION. The conveyance of each Unit and its proportionate share of the Common Areas shall be subject to the covenants, conditions, restrictions, easements, charges and liens as contained in the CHIMNEY STREET CONDOMINIUM DECLARATION and any supplements or amendments thereto recorded in the office of the County Recorder of Salt Lake County, Utah, prior to the conveyance of any Unit. The CHIMNEY STREET CONDOMINIUM DECLARATION, provides, inter alia, that all Unit Owners in the CHIMNEY STREET CONDOMINIUM shall, upon becoming same, automatically become members of the CHIMNEY STREET CONDOMINIUM ASSOCIATION which shall maintain and administer certain facilities, maintain Common Areas in the Project, and enforce the covenants and restrictions as imposed in this Declaration and collect and disburse the assessments and charges created herein through its Management Committee elected by the Unit Owners as prescribed herein. With respect to the Common Areas in the Project, it is the sole and ongoing responsibility of the CHIMNEY STREET CONDOMINIUM ASSOCIATION to undertake the maintenance, upkeep and repair of said Common Areas, it being understood that this responsibility is not and shall not be borne by the City of West Valley or any other governmental agency or body.

20. Assessments.

(a) Agreement to Pay Assessments. Each Owner of a Unit by the acceptance of a deed or contract therefor, whether or not it be so expressed in the deed or contract, shall be deemed to covenant and agree with each other and with the Management Committee to pay annual assessments made by them for the purposes provided in this Declaration, and special assessments for capital improvements and other matters as provided in this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided hereunder.

(b) Basis of Assessments. The total annual assessments against all Units shall be based upon advance estimates of cash requirements by the Management Committee to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Areas and/or the Common Properties, which estimates may include among other things, expenses of management, taxes and special assessments levied by governmental authorities until the Units are separately assessed as provided herein; premiums for all insurance which the Management Committee is required or permitted to maintain pursuant hereto; common lighting, water charges, repair and maintenance of the Common Areas; wages for employees of the Management Committee, legal and accounting fees, any deficit remaining from a previous period, the creation of a reasonable contingency reserve, surplus and/or sinking fund, and any other expenses and liabilities which may be incurred by the Management Committee for the benefit of the Owners or by reason of this Declaration.

(c) Apportionment of Expenses. Expenses attributable to the Common Areas and to the Project as a whole shall be apportioned among all Units in proportion to their respective Undivided Interest in the Common Areas assessable by the Management Committee provided, however, that for this purpose Declarant shall be deemed to own only the Undivided Interest in the Common Areas based upon Units which have been completed but not conveyed by Declarant.

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(d) Method, Payment of Assessments, Etc. Annual assessments shall be made on a calendar year basis. The Committee shall give written notice to each Owner as to the amount of the annual assessment with respect to his Unit not less than thirty (30) days nor more than sixty (60) days prior to the beginning of the next calendar year, provided, however, that the first annual assessment shall be for the balance of the calendar year remaining after the day fixed by the Committee as the date of commencement of the assessment. Each annual assessment shall be due and payable in monthly installments. Each monthly assessment shall bear interest at the rate of twelve (12) percent (12%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date. Such monthly assessment becomes payable upon the date the Unit owner purchases his Unit whether by conveyance of title or entering into a contract of sale and purchase, and thereafter each monthly payment shall be due and payable on the first day of each and every month in advance.

(e) Special Assessments. In addition to the annual assessments authorized hereunder, the Management Committee may levy in any assessment year special assessments, subject to the provisions of Paragraph 18(h) above, payable over such period as the Management Committee may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Common Areas of the Project or any other part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration. This paragraph shall not be construed as an independent source of authority for the Management Committee to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other paragraphs hereof. Any amount assessed pursuant thereto shall be assessed to Owners in proportion to their respective Undivided Interest in the Common Areas. Declarant's interest in the Common Areas shall be determined on the same basis set forth in Subparagraph (c) above. Notice in writing of the amount of such special assessment and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. A special assessment shall bear interest at the rate of twelve percent (12%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such dates.

(f) Liens for Unpaid Assessments. All sums assessed to any Unit pursuant to this section, together with interest thereon as provided herein, shall be secured by a lien on such Unit in favor of the Management Committee, which lien shall inure to the benefit of any successor to the Management Committee or Association, including, but not limited to, the City of West Valley or any other governmental body having jurisdiction over the Project. Such lien shall be superior to all other liens and encumbrances on such Unit, except only for:

- (1) governmental assessment authority; and
- (2) encumbrances on the interest of the Unit owner recorded prior to the date notice of the lien provided for herein is recorded, which by law would be a lien prior to subsequently recorded encumbrances.

All other lienors acquiring liens on any Unit after this Declaration shall have been recorded shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instrument creating such liens.

To evidence a lien for sums assessed pursuant to this Section, the Management Committee may prepare a written notice of lien setting forth the amount of the assessment, the due date, the amount remaining unpaid, the name of the Owner of the Unit,

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and a description of the Unit. Such notice shall be signed by the Management Committee and may be recorded in the Office of the County Recorder of Salt Lake County, Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by foreclosure by the Management Committee in the same manner in which mortgage or trust deed on real property may be foreclosed in Utah. In any such foreclosure, the owner shall be required to pay the cost and expenses of such proceeding, the cost and expenses of filing the notice of lien, and all reasonable attorney's fees. All such costs, expenses and fees shall be secured by the lien being foreclosed. The lien shall also secure, and the owner shall also be required to pay to Management Committee any assessments against the Unit which shall become due during the period of foreclosure. The Management Committee shall have the right and the power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale to acquire, hold, convey, lease, rent, or transfer, use and otherwise deal with the same as the owner thereof.

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

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

The Management Committee shall report to any encumbrancer of a Unit any unpaid assessments remaining unpaid for longer than thirty (30) days after the same shall have become due; provided, however, that such encumbrancer first shall have furnished to the Management Committee written notice of such encumbrance.

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

(h) Information Concerning Unpaid Assessments. Upon payments of a reasonable fee not to exceed Ten Dollars (\$10.00) and upon written request of any Owner or mortgagee, prospective mortgagee or prospective purchaser of a Unit, the Management Committee shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Unit; the amount of the current yearly assessment and the portion thereof which has theretofore been paid; credit for advance payments of prepaid items, including but not limited to, an Owner's share of prepaid insurance premiums, and such statement shall be conclusive upon such Management Committee in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within ten (10) days, all unpaid assessments which became due prior to the lien of the mortgagee which became due prior to the date of making such request shall be subordinate to the lien of the mortgagee which acquired its interest subsequent to requesting such statement. When a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligation of the purchaser shall be released automatically if the statement is not furnished within the ten (10) day period provided herein and thereafter an additional written request is made by such purchaser and is not complied with within ten (10) days, and the purchaser subsequently acquires the Unit.

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(i) Purchaser's Obligation. Subject to the provisions of Subparagraph (h), a purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

(j) Collection by Management Committee. It is recognized that the Committee under this Declaration will maintain the Common Areas of the Project except as otherwise contained therein. It is further recognized that the Management Committee of the Project is authorized to levy assessments for the purposes of performing functions it is authorized to perform within the Project. With respect to the Units in the Project, the Management Committee shall be authorized to collect from the Unit Owners and enforce liability for the payment of assessments levied pursuant to this Declaration.

21. Use of Condominium.

(a) Single Family Housing Use. Each of the Units in the Project is intended to be used for single family residential housing and is restricted to such use.

(b) Restrictions Concerning Common Areas. There shall be no obstructions of the Common Areas by the Owners, their tenants or invitees without the prior written consent of the Management Committee. The Management Committee may by rules and regulations prohibit or limit the use of the Common Areas as may be reasonably necessary for protecting the interests of all the Owners or protecting the Units or the Common Areas. Nothing shall be kept or stored on any part of the Common Areas without the prior written consent of the Management Committee, except as specifically provided herein. Nothing shall be altered on, constructed in, or removed from the Common Area, except upon consent of the Management Committee.

(c) Miscellaneous Restrictions. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would result in the cancellation of the insurance of the Project or any part thereof or increase of the rate of the insurance on the Project or any part thereof over what the Management Committee, but for such activity, would pay, without the prior written consent of the Management Committee. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any governmental body. No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Management Committee and the other Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees; provided, however, that any invitee of the Declarants shall not under any circumstances be deemed to be an invitee of any other Owner. No noxious, destructive or offensive activity shall be carried on in any Unit or in the Common Areas or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project.

(d) Animals. No livestock or poultry of any kind shall be raised, bred, or kept in any Unit or in the Common Areas, except that household pets may be kept in Units, subject to strict observances of rules and regulations adopted by the Management Committee.

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

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(f) Restrictions on Alterations. No structural alterations to any Unit shall be made by any Owner without the prior written notice of the Management Committee.

(g) Declarant's Right to Sell Units. Notwithstanding anything contained herein to the contrary, until the Declarants have completed and sold all of the Units, neither the Unit Owners who have purchased Units from the Declarants nor the Management Bodies or either of them, shall interfere with the completion of the contemplated improvements and sale of the remaining Units. The Declarants may make such use of the unsold Units and the Common Areas as may facilitate such completion and sale, including but not limited to, the maintenance of a sales office, the showing of the Units, the recreational facilities and the display of signs.

22. Insurance Bond. The Management Committee shall secure or cause to be secured and maintained at all times the following insurance and bond coverage.

(a) A policy or policies of fire and casualty insurance with extended coverage endorsement, for the full insurable replacement value of the entire Project. Such policy or policies shall be made payable to the Committee and all persons holding an interest in the Project or any of the Units, as their interests may appear.

(b) An appropriate fidelity bond coverage for any person or entity handling funds of the Management Committee, including, but not limited to, employees of the professional managers, the amount of such coverage to be equal to the estimated maximum of funds, including reserve funds, in the custody of the owners' association or the management agent at any given time during the term of the fidelity bond, but not less than a sum equal to 3 months' aggregate assessments on all units plus reserve funds, said bond to name the association as an obligee.

(c) A policy or policies insuring the Committee, the Manager, and the Unit Owners against any liability incident to the ownership, use or operation of the Project or of any Unit which may arise among themselves, to the public, and to any invitees or tenants of the Project or of the Unit Owners. Limits of liability under such insurance shall not be less than \$300,000.00 for any person injured, \$1,000,000.00 for all persons injured in any one accident, and \$1,000,000.00 for property damage resulting from one occurrence. Such policies shall be issued on a comprehensive liability basis and shall provide a cross liability endorsement pursuant to which the rights of the named insureds as between themselves are not prejudiced.

(d) The following additional provisions shall apply with respect to insurance:

(a) In addition to the insurance described above, the Committee shall secure and at all times maintain insurance against such risks as are or hereafter may be customarily insured against in connection with condominium projects similar to the Project in construction, nature and use.

(b) The Committee shall have the authority to adjust losses.

(c) Insurance secured and maintained by the Committee shall not be brought into contribution with insurance held by the individual Unit Owners or their mortgagees.

(d) Each policy of insurance obtained by the Committee shall, if possible, provide: A waiver of the insurer's subrogation rights with respect to the Committee, the Manager, the Unit Owners, and their respective servants, agents, and guests; that it cannot be cancelled, suspended, or invalidated due to the conduct of any member, officer, or employee of the Committee or of the Manager without prior written demand that the defect be cured; that any

"no other insurance" clause therein shall not apply with respect to insurance held individually by the Unit Owners.

(e) Any Unit Owner may obtain additional insurance at his own expense, so long as such additional insurance does not have the effect of decreasing the amount which may be realized under any policy maintained by the Committee. Any Unit Owner who individually obtains insurance covering any portion of the Project shall supply the Committee with a copy of his policy within thirty (30) days after he acquires such insurance.

(f) Notwithstanding anything herein contained to the contrary, insurance coverages must be in such amounts and meet other requirements of the Federal National Mortgage Association and the Veterans Administration.

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

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

(b) If less than 75 percent or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and upon approval of at least 50 percent of the affected Unit Owners, all affected Owners shall be assessed for any deficiency on the basis of their respective percentages of Undivided Interest in the Common Areas and Facilities.

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

(d) If 75 percent or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Committee are insufficient to accomplish restoration, and if the Unit Owners do not, within 100 days after the destruction or damage and by a vote of at least 75 percent, elect to repair or reconstruct the affected improvements, the Management Committee shall promptly notify the Veterans Administration and obtain approval thereof, and the Management Committee shall promptly record with the Salt Lake County Recorder a notice setting forth such facts. Upon the recording of such notice, the provisions of Subsection (1) through (4) of Section 57-8-31, Utah Code Annotated (1953) shall apply and govern the rights of all parties having an interest in the project or any of the Units.

Any reconstruction or repair which is required to be carried out by this Paragraph 23 shall be accomplished at the instance and direction of the Management Committee. Any determination which is required to be made by this Paragraph 23 regarding the extent of the damage to or destruction of Project improvement, shall be made by three (3) MAI appraisers selected by the Management Committee. The decision of any (2) such appraisers shall be conclusive.

24. Amendments. Except as provided below, the vote of at least 2/3 of the Undivided Ownership Interest in the Common Areas and Facilities shall be required to amend this Declaration or the Record of Survey Map. Any amendment so authorized shall be

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accomplished through the recordation of any instrument executed by the Management Committee. In such instrument the Committee shall certify that the vote required by this Paragraph for Amendment has occurred.

(a) Until Units representing 75% of the Undivided Ownership Interest in the Project have been sold, Declarants shall have and are hereby vested with, the right to amend this Declaration or the Record of Survey Map. Such right shall obtain without regard to the subject matter of amendment, so long as the amendment involved is consistent with law.

25. Consent Equivalent to Vote. In those cases in which the Act or this Declaration required the vote of a stated percentage of the Project's Undivided Ownership Interest for the authorization of approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who collectively hold at least the necessary percentage of Undivided Ownership Interest.

26. Service of Process. Service of Process shall be received by Contour Development Corporation in Salt Lake City, telephone 801/561-9224. He shall serve as agent for service of process in cases authorized by the Act. The Management committee shall, however, have right to appoint a successor or substitute process agent. Such successor or substitute agent and his address shall be specified by an appropriate instrument filed in the Office of the County Recorder of Salt Lake County, State of Utah.

27. Mortgage Protection. Notwithstanding anything to the contrary in the Declaration:

(a) An adequate reserve fund for replacement of the Common Areas must be established and shall be funded by regular monthly payments rather than by special assessments.

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

(c) Any mortgage holder which comes into possession of the Unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage or deed (or assignment in lieu of foreclosure, shall be exempt from any provisions relating to sale or lease of the Units in the Project.

(d) Any management agreement for the Project shall be terminable by the Management Committee for cause upon thirty (30) days written notice thereof, and the term of any such agreement shall not exceed one year, renewable by agreement of the parties for successive one year periods.

(e) In the event of substantial damage to or destruction of any Unit or any part of the Common Areas, the institutional holder of any first mortgage on a Unit shall be entitled to timely written notice of any such damage or destruction. No Unit Owner or other party shall be entitled to priority over such institutional holder with respect to the distribution to such Unit of any insurance proceeds.

(f) If any Unit or portion thereof of the Common Areas or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the institutional holder of any first mortgage on a Unit shall be entitled to timely written notice of any such proceeding or proposed acquisition and no Unit Owner or other

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party shall have priority over such institutional holder with respect to the distribution to such Unit of the proceeds of any award or settlement.

(g) With the exception of a lender in possession of a Unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Unit Owner shall be permitted to lease his Unit for transient or hotel purposes or for less than thirty (30) days. No Unit Owner may lease less than the entire Unit. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and By-Laws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing.

(h) Each holder of a first mortgage lien on a Unit who comes into possession of a Unit by virtue of foreclosure of the mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of any unpaid claims or assessments and charges against the Unit which accrue prior to the time such holder comes into possession of the Unit, except for claims for a pro-rata share of such assessments or charges resulting from a pro-rata reallocation of such assessments or charges to all Units in the Project, including the mortgaged Unit.

(i) Any holder of the mortgage is entitled to written notification from the Management Committee of any default by the mortgagor of such Unit in the performance of such mortgagor's obligation under the Declaration which is not cured within thirty (30) days.

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

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

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

(2) Change the pro-rata interest on obligations of any Unit for (i) purposes of levying assessments or charges or allocating distribution of hazard insurance proceeds or condemnation awards and for (ii) determining the pro-rata share of ownership of each Unit in the appurtenant Common Areas.

(3) Partition or subdivide Unit.

(4) Make any material amendment to the Declaration or to the By-Laws of the Management Committee, including but not limited to, any amendment which would change the percentage interest of the Unit Owners in the Common Area except as provided in Paragraph 24.

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

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

(7) Terminate professional management and assume self-management of the Project.

(1) Mortgage protection, notwithstanding all other provisions hereto: (a) the liens created hereunder upon any Unit shall be subject and subordinate to and shall not affect the rights of the holder of the indebtedness secured by any recorded first mortgage (meaning a mortgage or trust deed with first priority over other such mortgages) upon such interest made in good faith and for value, provided that after the foreclosure or trust deed termination of any such document, there may be a lien created pursuant to paragraph (h) hereof of the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such purchaser as an Owner after the date of such foreclosure sale, which said lien, if any claimed, shall have the same effect and be enforced in the same manner as provided herein; (b) no amendment to this paragraph shall affect the rights of the holder of any such mortgage recorded prior to the recordation of such amendment that is not joined in the execution thereof; (c) by subordination agreement executed by a majority of the Management Committee, the benefits of (a) and (b) may be extended to mortgages not otherwise entitled thereto.

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

29. Enforcement. Each Unit Owner shall comply strictly with the provisions of this Declaration and with the administrative rules and regulations drafted pursuant thereto as the same may be lawfully amended from time to time and with the decisions adopted pursuant to this Declaration and the administrative rules and regulations, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee or Manager on behalf of the Unit Owners, or in a proper case, by an aggrieved Unit Owner.

30. Indemnification of Management Committee. Each member of the Management Committee shall be indemnified and held harmless by the Unit Owners against all costs, expenses, and liabilities whatsoever (excluding fraudulent and/or criminal actions) including, without limitation, attorney's fees, reasonably incurred by him in connection with any proceeding to which he may become involved by reason of his being or having been a member of said Committee.

A. Notwithstanding any provision of this Declaration to the contrary, any proceeding, suit or action as may be deemed necessary to recover a money judgment respecting any assessments levied or fixed by the Management Committee shall be maintained on behalf of the Association at the instance and suit of the Management Committee. Further, in the event of any conflict between the duties and/or rights of either Management Body appearing to have been created or in fact resulting pursuant to the terms of this Declaration notwithstanding anything to the contrary, the duties and/or rights of the Management Committee shall be considered superior.

B. Covenants to Run With Land: Compliance. This Declaration and all the provisions hereof shall constitute covenants to run with them; and/or equitable servitudes, as the case may be,

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and shall be binding upon and inure to the benefit of Declarant, all parties who hereafter acquire any interest in a Unit or in the Project, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. Each Owner or occupant of a Unit shall comply with, and all interest in all Units shall be subject to, the terms of the Act, the terms of this Declaration, the Bylaws, and the provisions of any rules, regulations, agreements, instruments, and determinations contemplated by this Declaration, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Committee on behalf of Unit Owners, or in a proper case, by an aggrieved Unit Owner. By acquiring any interest in a Unit or in the Project, the party acquiring such interest consents to, and agrees to, be bound by each and every provision of this Declaration.

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

31. Provisions for Expansion. Declarant hereby explicitly reserves an option to expand the Project and to add additional Units to the Project in the future, and any such expansion shall be in accordance with the Utah Condominium Ownership Act, Title 57, Chapter 8, Utah Code Annotated (1953), and VA Regulations concerning expandable condominiums. The following conditions shall apply to exercise of said option.

A. Subject only to the prior written approval of the Veterans Administration, there is hereby granted unto Declarant and Declarant hereby reserves the absolute right and option to expand the Project at any time (within the limits herein prescribed) and from time to time by adding to the Project the Additional Land or a portion or portions thereof.

B. Notwithstanding any provision of the Act or this Declaration which might be construed to the contrary, such right and option may be exercised without obtaining the vote or consent of any other person (including any Unit Owner) and shall be limited only as provided in this Declaration and, specifically, in the first sentence of Paragraph A above.

C. No expansion of the Project shall adversely affect the rights of the Veterans Administration, the Association, the Committee, any Mortgagee, or any Owner in any Unit or the Common Areas and Facilities created hereunder. Further, any Mortgages, unpaid taxes, assessments, liens, or other encumbrances affecting the Additional Land or any portion or portion thereof shall not attach to or otherwise encumber any portion or portions of the subject Property, including, but not limited to, the Units, Buildings, and Common Areas and Facilities. All taxes, assessments, mechanic's liens or any other liens arising in connection with Declarant's ownership of and construction of improvements upon the Additional Land as described in Exhibit "B" outside of Phase 1 shall not adversely affect the rights of the Unit Owners of Phase 1, and any such charges which would be applicable to Units outside of Phase 1 or to the additional land, shall be paid or otherwise satisfactorily provided for by Declarant prior to the time of the inclusion of any Units outside of Phase 1 in the Project.

D. The Declarant's right to expand the Project shall cease after five (5) years from the date of recordation of this document and is subject to the prior written consent of the Veterans Administration. There are no circumstances which will terminate the Declarant's option to expand the Project prior to the expiration of the time limit specified herein above.

E. The Project may be expanded under the provisions of this Declaration and of the Act and shall be deemed to have occurred at such time as an Amendment to this Declaration, duly executed and acknowledged by the Declarant, and a new or supplemental Record of Survey Map containing the information in Section 32 below has been recorded with respect to the portion of the Additional Land concerned.

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F. All of the Additional Land need not be added to the Project if any of such is added. Rather, a portion or portions of the Additional Land may be added to the Project at any time (within the limits herein prescribed) and from time to time.

G. Except for the limitations and requirements set forth in the following item (H), there are no limitations or requirements relative to the size, location or configuration of any given portion of the Additional Land which can be added to the Project or relative to the order in which particular portions of the Additional Land can be added to the project, and no assurances are made in that regard.

H. Assuming that the entirety of the Additional Land is added to the Project, the maximum number of Units which may be created on the Additional Land is one hundred eighty-eight (188) and the maximum number of buildings in which those Units may be located is twenty-seven (27). The maximum number of Units per acre which may be created on any such portion of the Additional Land added to the Condominium Project shall not exceed in number or density that permitted by the applicable zoning ordinance.

I. Any building or other structure erected on any such portion of the Additional Land shall be substantially identical in architectural style as the structures within the Phase 1 Project. Any such building or other structure shall be architecturally compatible and shall be constructed in a good and workmanship manner and shall, in general, be constructed from the same principal materials as those composing the buildings in Phase 1. The aggregate floor space of any Unit (computed by measurements running from the interior surfaces of the walls surrounding the Unit, taking into account all finished and unfinished areas at each separate level, story, or floor contained within or making up a Unit, and not excluding areas underlying interior partitions, utilized in stairwells, and the like) contained in such a building may range from a minimum of approximately 860 square feet to a maximum of approximately 1,646 square feet. The overall configuration of any such Unit shall be reasonable in light of the total floor area thereof and the configuration of the building within which it is contained.

J. In addition to the buildings created on a portion of the Additional Land added to the Project, the significant improvements made to such portion may include asphalt roadways, open parking spaces, covered parking spaces, concrete sidewalks or walkways, storage areas, fences, concrete patios and porches, outdoor lighting, landscaping, recreational vehicle (RV) parking, park areas, tot lots, and other related improvements. All of the mentioned improvements may be of the type and in the location reasonably determined to be appropriate by the Declarant, so long as such determination is not inconsistent with any limitation imposed by this Declaration.

K. In conjunction with the addition to the Project of a portion of the Additional Land, Declarant shall have the right to create Limited Common Areas within such portion. As provided in Phase 1, each Unit added on a portion of the Additional Land will have Limited Common Areas which will include patios, private rear yards and specifically assigned covered parking areas adjacent to the Units. The size, type and total number of Limited Common Areas created within each portion of the Additional Land which is added to the Project shall be proportionate to the number and nature of Units created within the portion of the Additional Land concerned.

L. In conjunction with the addition to the Project of a portion of the Additional Land, Declarant shall have the right to reserve, in the instruments through which the addition is accomplished, reasonable rights-of-way and/or easements for purposes of enabling access to, furnishing utilities to, and facilitating or enabling development of, such of the Additional Land as has then not been added to the Project.

M. Each Unit created on any portion of the Additional Land which is added to the Project shall be used only for single family residential housing.

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N. Any expansion(s) of the Project through the addition thereto of the Additional Land or portions thereof and through the creation of additional Units shall be such that the percentage of undivided Owner's interest in the Common Areas and Facilities which at any point in time is appurtenant to any Unit then in the Project shall be reallocated. Each Unit Owner shall be entitled to an Undivided Interest in the Common Areas and Facilities proportionate to the par value of such Unit. As such, in the event Phase 1 (22 Units) becomes the only phase to be included in the Project, then the maximum possible ownership of the Common Areas and Facilities will range from a minimum of 4.21133% to a maximum of 4.74732% (See Exhibit "A"). In the event all eight phases are included in the Project as now proposed, the maximum number of Units will be two hundred ten (210). In such event, the percentage of ownership of the Common Areas and Facilities which is appurtenant to any Unit then in the Project shall be reallocated proportionately from a minimum of .44060% to a maximum of .49668%.

O. The Declarant shall purchase (at Declarant's own expense) a general liability insurance policy in an amount to be determined by the Administrator of Veterans Affairs of the Veterans Administration to cover any liability to which Owners of previously sold Units are exposed as a result of further Condominium Project development and expansion.

P. The Chimney Street Condominium Project may not be amended or merged with a successor Condominium regime without the prior written approval of the Administrator of Veterans Affairs of the Veterans Administration.

32. Procedure for Expansion. The supplements to this Declaration and the Survey Map by which addition to the Project of any portion of the Additional Land is accomplished shall be executed by Declarant, shall be in recordable form, must be filed for record in the Office of the County Recorder of Salt Lake County, State of Utah, on or before five (5) years from the date that this Declaration is recorded, and when taken together shall contain the following information for that portion of the Additional Land which is being added to the Project.

A. Data sufficient to identify this Declaration and the Record of Survey Map.

B. The legal description of the portion of the Additional Land being added to the Project.

C. A description of the Buildings located or to be located on the portion of the Additional Land concerned and of all other significant improvements located or to be located on such portion.

D. The Unit Number of each Unit being created within the portion of the Additional Land concerned and any other data necessary for the proper identification thereof.

E. A description of any Limited Common Areas being created within the portion of the Additional Land concerned, together with a designation of the Unit to which each is appurtenant.

F. Such rights-of-way and/or easements as are being reserved by Declarant pursuant to item (L) of the foregoing Section 31.

G. An amended Exhibit "A" to this Declaration setting forth the percentage of undivided Owner's interest which, after addition of that portion of the Additional Land concerned, shall appertain to each Unit in the Project.

H. The Survey Map information required to be furnished by Section 57-8-13(2) of the Act.

I. The Declarant's covenant that it has obtained written approval from the Administrator of the Veterans Administration to add that portion of the Additional Land which is being added to the Project.

J. Such other matters as may be necessary, desirable, or appropriate and as are not inconsistent with any limitation imposed by this Declaration.

Upon the recordation of the supplements contemplated above, the revised schedule of undivided Owner's interest contained therein shall automatically become effective for all purposes and shall completely supersede any similar schedule which was contained in any Declaration or supplement previously recorded in connection with the Project or any portion of the Additional Land. Upon recordation of such supplements, they shall automatically supplement this Declaration, the Survey Map, and any supplements previously recorded. At any point in time, the Declaration and Survey Map for the Project shall consist of this Declaration and the Survey Map initially effective hereunder, as amended and expanded by all supplements theretofore recorded pursuant to the terms hereof.

33. Proposed Project Phasing. At the time of recordation of this Declaration, the proposed phasing of the Additional Land and Units to be added to the Chimney Street Condominium Project is anticipated as follows:

	<u>Number of Units</u>	<u>Number of Buildings</u>
Phase 1	22	4
Phase 2	30	5
Phase 3	22	4
Phase 4	28	3
Phase 5	36	5
Phase 6	27	4
Phase 7	22	3
Phase 8	23	3
Project Total	210	31

Such parts of or interest in a portion of the Additional Land which is added to the Project as do not become Units shall be and remain Common Areas and Facilities. Until such time as any given portion of the Additional Land added to the Project has been fully developed and improved in the manner contemplated by the instruments through which such portion was added, unless Declarant gives its prior written consent thereto, no easement, right-of-way, or similar matter affecting any part of such portion shall be granted or created, no improvement to or work on any part of such portion shall occur, and no other action shall be taken with respect to such portion which would or might impair Declarant's ability to exercise its rights concerning the same.

34. No Obligation to Expand. Except to the extent specifically indicated herein, this Declaration is not intended and shall not be construed so as to impose upon Declarant any obligation respecting, or to restrict Declarant in any way, with regard to:

- A. The addition to the Project of any or all of the Additional Land.
- B. The creation or construction of any Unit, Building, or other improvement.
- C. The carrying out in any particular way or within any particular time of any development or addition to the Project which may be undertaken.
- D. The taking of any particular action with respect to the subject Property, the Project, or any portion of the Additional Land.

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Except to the extent specifically indicated herein, no covenant, restriction, limitation, representation, or commitment in this Declaration concerning anything that is or is not to occur, apply, or be done on or relative to the Additional Land or any portion thereof shall be binding as to such of the Additional Land as is never added to the Project.

35. Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural; the plural, the singular; and the use of any gender shall include all genders.

36. Severability. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

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

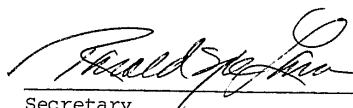
38. All Amenities (i.e. parking, recreation and service areas) are a part of the Project and are covered by the mortgage at least to the same extent as are the Common Elements.

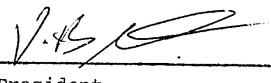
39. Effective Date. This Declaration shall take effect upon recording in the Office of the County Recorder of Salt Lake County, Utah.

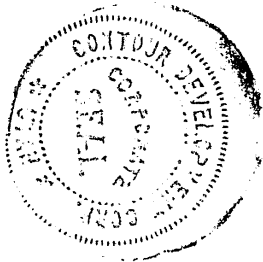
Notwithstanding any provisions to the contrary of any paragraph of the DECLARATION OF CONDOMINIUM of CHIMNEY STREET CONDOMINIUMS or any paragraph of the BYLAWS OF CHIMNEY STREET CONDOMINIUM ASSOCIATION, the Management Committee is and shall be the sole and only body that shall have the power to assess the Unit Owners the fees and costs of management.

IN WITNESS WHEREOF, the undersigned, being the Declarant has caused this instrument to be executed and its seal to be affixed hereto on the 11<sup>th</sup> day of January, 1983.

THE CONTOUR CORPORATION  
"Declarant"

  
Secretary  
Ronald Y.K. Lam

By:   
President  
V. Blaine Turner

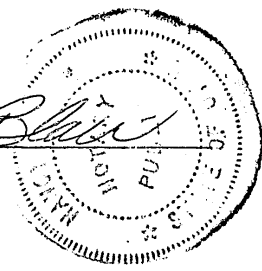


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NOTARIAL VERIFICATION

On this 11<sup>th</sup> day of January, 1983, personally  
appeared before me V. Blaine Thurman,  
who being duly sworn, did say that he is President  
\_\_\_\_\_, and that the foregoing instrument was signed  
by him in his capacity as President.

V. Blaine Thurman  
NOTARY PUBLIC



Residing at: West Lake County  
My Commission Expires: 5/25/85

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EXHIBIT "A"

PHASE 1

<u>Unit Number</u>	<u>Par Value</u>	<u>Appurtenant Undivided Interest in Common Areas</u>
1	520	4.36241%
2	550	4.61409%
3	550	4.61409%
4	580	4.86577%
5	520	4.36241%
6	520	4.36241%
7	580	4.86577%
8	550	4.61409%
9	490	4.11073%
10	490	4.11073%
11	550	4.61409%
12	580	4.86577%
13	520	4.36241%
14	580	4.86577%
15	520	4.36241%
16	520	4.36241%
17	550	4.61409%
18	550	4.61409%
19	580	4.86577%
20	520	4.36241%
21	580	4.86577%
22	520	4.36251%
	<hr/>	<hr/>
		100%

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EXHIBIT "B"

DESCRIPTION

Beginning at a point that is 32.0225 feet North and 1236.9692 West from the Southeast corner of Section 29, Township 1 South, Range 1 West, Salt Lake Base and Meridian; thence N 00° 05' 10" W 213.000 feet; thence, S 89° 57' 17" W 169.480 feet; thence, N 50° 00' 00" W 36.790 feet; thence, N 00° 05' 10" W 246.699 feet; thence, S 89° 57' 17" W 220.000 feet; thence, N 00° 05' 10" W 70.000 feet; thence, N 89° 57' 17" E 128.000 feet; thence, S 00° 05' 10" E 18.000 feet; thence, N 89° 57' 17" E 92.000 feet; thence, N 00° 05' 10" W 756.854 feet; thence, S 89° 59' 14" E 600.499 feet; thence, S 01° 20' 00" W 619.400 feet; thence, S 05° 45' 00" W 109.030 feet; thence, S 00° 05' 10" E 344.910 feet; thence, S 89° 57' 17" W 177.811 feet; thence, S 00° 05' 10" E 6.011 feet; thence, S 89° 57' 17" W 162.630 feet; thence, S 00° 05' 10" E 213.000 feet; thence, S 89° 57' 17" W 36.000 feet; to the point of beginning. The "CHIMNEY STREET" development contains 14.959 acres.

PHASE 1

That portion of the South one-half (S½) of the Southeast Quarter (SE¼) of Section 29, Township 1 South, Range 1 West, Salt Lake Base and Meridian, described as follows:

BEGINNING at a point that is West 1051.270 feet and North 480.539 feet from the SE corner of Section 29, Township 1 South, Range 1 West, Salt Lake Base and Meridian, and running thence South 89°57'17" West 190.000 feet; thence South 12°00'00" West 35.788 feet; thence South 89°57'17" West 186.507 feet; thence North 00°05'10" West 70.000 feet; thence South 89°57'17" West 220.000 feet; thence North 00°05'10" West 70.000 feet; thence North 89°57'17" East 128.000 feet; thence South 00°05'10" East 18.000 feet; thence North 89°57'17" East 92.000 feet; thence North 00°05'10" West 126.000 feet; thence North 89°57'17" East 110.000 feet; thence North 00°05'17" West 10.000 feet; thence North 89°57'17" East 144.000 feet; thence South 00°05'10" East 98.000 feet; thence North 89°57'17" East 130.000 feet; thence South 00°05'10" East 125.000 feet to the point of beginning.

SUBJECT TO AND TOGETHER WITH a right of way over: Beginning 330 feet West of the Southeast corner of the Southwest Quarter of the Southeast Quarter of said Section 29, and running thence North 588 feet; thence East 25 feet; thence South 378 feet; thence West 2 feet; thence South 210 feet; thence West 23 feet to the place of beginning.

SITUATE in Salt Lake County, State of Utah

ADDRESS: 3439 South 3450 West, West Valley City, Utah 84119

EXHIBIT "C"

BY-LAWS

OF

CHIMNEY STREET CONDOMINIUM ASSOCIATION

ARTICLE I

PLAN OF OWNERSHIP

Section One: Ownership. The Project located on property legally described as:

(See EXHIBIT "B" for Property Description)

is known as CHIMNEY STREET and is located in West Valley City, Salt Lake County, State of Utah. Said property is hereby submitted to the provisions of Utah Code Annotated 57-8-1 et seq. (1953)

Section Two: By-Laws Applicability. The provisions of these By-Laws are applicable to the Project. (The term therefore "Project" as used herein shall include the land.)

Section Three: Personal Application. All present or future Owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the Project in any manner are subject to the regulations set forth in these By-Laws.

The mere acquisition or rental of any of the family Units of the Project or the mere act of occupancy of any of the family Units will signify that these By-Laws are accepted, ratified, and will be complied with.

ARTICLE II

VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

Section One: Voting: Voting shall be on a percentage basis and the percentage of the vote to which the Owner is entitled is the percentage assigned to the family Unit or Units in the Declaration.

Section Two: Majority of Owners. As used in these By-Laws the term "majority of Owners" shall mean those Owners holding sixty-six percent (66%) of the votes in accordance with the percentage assigned in the Declaration.

Section Three: Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "majority of Owners" as defined in the preceding paragraph of this Article, shall constitute a quorum.

Section Four: Proxies: Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE III

ADMINISTRATION

Section One: Association Responsibilities. The Owners of the Units will constitute the CHIMNEY STREET Condominium Association hereinafter referred to as the Association, who will have the responsibility of approving the annual budget and electing a Management Committee who will administer the Project, establish and collect monthly assessments, and arrange for the management of the Project.

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Section Two: Place of Meeting. Meeting of the Association shall be held at such suitable place convenient to the Owners as may be designated by the Management Committee.

Section Three: Annual Meetings. The first annual meeting of Association shall be held on January 19, 1984. Thereafter, annual meetings shall be held on the third Thursday of January each succeeding year. At such meetings there shall be elected by ballot a Management Committee in accordance with the requirements of Section Five of Article IV of these By-Laws. The Owners may also transact such other business of Association as may properly come before them.

Section Four: Special Meetings. It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Management Committee or on a petition signed by at least thirty-three percent (33%) of the Owners and having been presented to the Secretary, or at the request of the Federal Housing Commissioner or his duly authorized representative. No business shall be transacted at a special meeting except as stated in the notice unless by consent of 4/5 of the Owners present, either in person or by proxy.

Section Five: Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting stating the purpose thereof as well as the time and place of the meeting, to each Owner of record, at least five (5) but not more than ten (10) days prior to such meeting. The mailing of notice in the manner provided in this section shall be considered notice served.

Section Six: Adjourned Meetings. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present either in person or by proxy may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

Section Seven: Order of Business. The order of business at all Association meetings shall be as follows:

- (a) Roll Call
- (b) Proof of notice of meeting or waiver of notices
- (c) Reading of minutes of preceding meeting
- (d) Reports of officers
- (e) Report of Federal Housing Administration Representative or Veterans Administration Representative, if present
- (f) Report of Committees
- (g) Election of Inspectors of Election
- (h) Election of Management Committee
- (i) Unfinished Business
- (j) New Business

#### ARTICLE IV

##### MANAGEMENT COMMITTEE

Section One: Number and Qualifications. Association's affairs shall be governed by a Management Committee composed of seven (7) Members, all of whom must be Owners of Units in the Project.

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Section Two: Powers and Duties. The Management Committee shall have the powers and duties necessary for the administration of Association's affairs and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the Owners.

Section Three: Other Duties. In addition to duties imposed by these By-Laws, or by resolutions of Association, the Management Committee shall be responsible for the following:

- (a) Care, upkeep and surveillance of the Project and Common Areas and Facilities.
- (b) Collection of monthly assessments for the Owners.
- (c) Designation and dismissal of the personnel necessary for the maintenance and operation of the Project, the Common Areas and Facilities, and the restricted Common Areas and Facilities.

Section Four: Management Agent. The Management Committee may employ for Association a management agent at a compensation established by the Committee to perform such duties and services as the Committee shall authorize, including, but not limited to, the duties listed in Section Three of this Article.

Section Five: Election and Term of Office. At the first annual meeting of Association the term of office of three (3) Committee Members shall be fixed for one (1) year. The term of office of three Members shall be fixed at two (2) years, and the term of office of one Member shall be fixed at three (3) years. At the expiration of the initial term of office of each respective Member, his successor shall be elected to serve a term of three (3) years. The Members shall hold office until their successors have been elected and hold their first meeting.

Section Six: Vacancies. Vacancies in the Management Committee caused by any reason other than the removal of a Member by a vote of Association shall be filled by vote of a quorum of the remaining Members, and each person so elected shall be a Member until a successor is elected at Association's next meeting.

Section Seven: Removal of Committee Members. At any regular or special meeting duly called, any one or more of the Members may be removed with or without cause by a majority of the Owners, and a successor may then and there be elected to fill the vacancy thus created. Any Member whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

Section Eight: Organization Meetings. The first meeting of the newly elected Management Committee shall be held within ten (10) days of election at such place as shall be fixed by the Members at the meeting at which such Members were elected, and no notice shall be necessary to the newly elected Members in order legally to constitute such meeting, provided a majority of the whole Committee shall be present.

Section Nine: Regular Meetings. Regular meetings of the Management Committee may be held at such time and place as shall be determined from time to time, by a majority of the Members but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Management Committee shall be given to each Member personally or by mail, telephone, or telegraph, at least three (3) days prior to the day named for such meeting.

Section Ten: Special Meetings. Special meetings of the Management Committee may be called by the President on three (3) days notice to each Member, given personally, by mail, telephone, or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Management Committee shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) Members.

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

Section Twelve: Management Committee's Quorum. At all meetings of the Management Committee, a majority of the Members shall constitute a quorum for the transaction of business, and the acts of the quorum shall be the acts of the Management Committee. If, at any meeting of the Management Committee, there be less than a quorum present, the Members present may adjourn the meeting and the meeting shall automatically be held the following day at the same time. At any such meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

Section Thirteen: Fidelity Bonds. The Management Committee shall require that all officers and employees of Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premium of such bonds shall be paid by the Association.

#### ARTICLE V

##### OFFICERS

Section One: Designation. The principal officers of Association shall be a President, Vice-President, a Secretary and a Treasurer, all of whom shall be elected by and from the Management Committee. The Members may appoint an assistant Treasurer, and an assistant Secretary, and such other officers as in their judgment may be necessary. The offices of Treasurer and Secretary may be filled by the same person.

Section Two: Election of Officers. The officers of the Association shall be elected annually by the Management Committee at the organization meeting of each new Committee and shall hold office at the pleasure of the Committee.

Section Three: Removal of Officers. On an affirmative vote of a majority of the members of the Management Committee, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Management Committee, or at any special meeting of the Committee called for such purpose.

Section Four: President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Management Committee. He shall have all of the general powers and duties that are usually vested in the office of President of an Association, including, but not limited to, the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of Association's affairs.

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Section Five: Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor Vice-President is able to act, the Management Committee shall appoint some other member of the Committee to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed on him by the Management Committee.

Section Six: Secretary. The Secretary shall keep the minutes of all meetings of the Management Committee and the minutes of all meetings of Association; he shall have charge of such books and papers as the Management Committee may direct; and he shall in general, perform all duties incident to the office of Secretary.

Section Seven: Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to Association. He shall be responsible for the deposit of all money and other valuable effects in the name, and to the credit of, Association, in such depositories as may from time to time be designated by the Management Committee.

#### ARTICLE VI

##### OBLIGATION OF OWNERS

Section One. Assessments. All Owners are obligated to pay monthly assessments imposed by Management Committee to meet all Project communal expenses, which may include a liability insurance policy premium and an insurance premium for a policy to cover repair and reconstruction work in case of hurricane, fire, earthquake, or other hazard. The assessments shall be made pro-rata according to the value of the Unit owned, as stipulated in the Declaration. Such assessments shall include monthly payments to a general operating reserve and a reserve fund for replacements. Assessments shall be subject to change.

Each Unit Owner shall pay his or her own electrical, sewer, water, gas and other utility costs.

##### Section Two: Maintenance and Repair.

- (a) Every Owner must perform promptly all maintenance and repair work within his own Unit which, if omitted, would affect the Project in its entirety or in a part belonging to other Owners, being expressly responsible for the damages and liabilities that his failure to do so may engender.
- (b) All the repairs of internal installations of the Unit, such as water, light, gas, power, sewage, telephones, air conditioning, sanitary installations, doors, windows, lamps, and all other accessories belonging to a Unit Area shall be at the Owner's expense.
- (c) An Owner shall reimburse the Committee for any expenditure incurred in repairing or replacing any Common Area or Facility damaged through his fault and such expenditure shall be added to and become an assessment to which the lot of such Owner is subject.
- (d) Each Unit Owner is responsible for the interior maintenance of his unit.

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- (e) Exterior Maintenance. In addition to maintenance upon the Common Areas, the Committee shall provide exterior maintenance upon each lot which is subject to assessment hereunder, as follows: paint, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces. In the event that the need for maintenance or repair of a Unit or the improvements thereon is caused through the willful or negligent acts of the family, guests, or invitees of the Owner of the Unit needing such maintenance and repair, the cost of such exterior maintenance shall be added to and become a part of the assessment to which such Unit is subject.

Section Three: Use of Family Units--Internal Changes.

- (a) All Units shall be utilized for residential purposes only.
- (b) An Owner shall not make structural modification or alteration in or to the outside of his Unit or installations located therein or cause to be placed or erected on the Common Property any out buildings without previously notifying the Management Committee in writing. The Management Committee shall have the obligation to answer within twenty (20) days, and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

Section Four: Use of Common Areas and Facilities.

- (a) The Common Areas may be scheduled with the Secretary of the Management Committee for use by guests for purposes such as family reunions, etc. All such use by guests must be scheduled with the Secretary. During times when the Common Areas are not scheduled they are available to members of the Association on a first come first served basis.
- (b) Owners and guests using the Common Areas are responsible for cleaning up any litter as a result of such use.

Section Five: Right of Entry.

- (a) An Owner shall grant the right of entry to the Management agent or to any other person authorized by the Management Committee of Association in case of emergency originating in or threatening his Unit, whether the Owner is present at the time or not.
- (b) An Owner shall permit other Owners, or their representatives, when so required, to enter his Unit for the purpose of installing, altering, or repairing mechanical or electrical services, provided that the requests for entry are made in advance and that such entry is at a time convenient to the Owner. In case of emergency, such right of entry shall be immediate.

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Section Six: Rules of Conduct.

- (a) No resident of the Project shall post any advertisements or posters of any kind in or on the Project except as authorized by the Management Committee in which event any and all signs shall be displayed in a tasteful manner.
- (b) Residents shall exercise care in making noises or using musical instruments, radios, television, and amplifiers that may disturb other residents. Keeping domestic animals will be in accordance with Municipal Sanitary Regulations.
- (c) Hanging of garments, rugs, and the like, from the windows or from any of the facades of the Project is prohibited.
- (d) Dusting and shaking out of rugs and the like, from windows, or by beating on the exterior part of the Project is prohibited.
- (e) Throwing of garbage or trash outside of the installations provided for such disposal in the service area is prohibited.
- (f) No Owner, resident, or lessee shall install wiring for electrical or telephone installation, television and antennae, machines, air conditioning units, or the like, on the exterior of the Project or that protrude through the walls or the roof of the Project except as authorized by the Committee.
- (g) It is expressly agreed upon by the Chimney Street Homeowners Association that at no time in the future from the date of recordation of the Homeowners Associations Declarations shall any owner or owners association make alterations or improvements to the drainage and site retention plans as approved by the West Valley City Public Works Department under the provisions of sections 7-5-8.5 and 7-5-11 and any other pertinent sections of the West Valley City Flood Control, Storm Drainage and Water Quality Ordinance of 1982, so as to result in excess waters from storm or flood draining into the City-County Drainage System. All proposed alterations or improvements of any nature to the system shall require prior approval by West Valley City Public Works Department.

ARTICLE VII

METHOD OF AMENDING BY-LAWS

Section One: These By-Laws may be amended by Association in a duly constituted meeting for such purpose, and no amendment shall take effect unless approved by Owners representing at least seventy-five percent (75%) of the total value of all Units in the Project as shown in the Declaration.

ARTICLE VIII

MORTGAGES

Section One: Notice to Management Committee. An Owner who mortgages his Unit shall notify the Management Committee of the name and address of his mortgagee; and the Management Committee shall maintain such information in a book entitled "Mortgagee of Unit."

ARTICLE IX

COMPLIANCE

These By-Laws are set forth to comply with the requirements of the Utah Code Annotated. In case there is any conflict between

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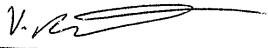


these By-Laws and the Utah Code Annotated, the provisions of the Utah Code Annotated will supersede and apply.

Adopted and executed by the Declarant as of the date the Declaration is dated.

THE CONTOUR CORPORATION

By:



V. Blaine Turner  
President

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