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KATIE L. DIXON
RECORDER, SALT LAKE COUNTY, UTAH
DELBERT WM. ATWOOD
2086 MICHIGAN AVE SLC, UT 84108
REC BY: D DANGERFIELD , DEPUTY

FIRST AMENDED

DECLARATION

OF

COVENANTS, CONDITIONS AND RESTRICTIONS

OF

THE TOWNES, A CONDOMINIUM PROJECT

WITNESSETH

WHEREAS, Declarant is the Management Committee of the following described real property situated in Salt Lake City, Salt Lake County, Utah, to-wit:

Parcel No. 1
Beginning at point 66.0 feet south from the southeast corner of Block 9, Sunnyside Park, according to the plat thereof, as recorded in the office of the County Recorder of said County and running thence south 351.39 feet; thence

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west 165.98 feet to Foothill Drive, thence north 33°15' west, along said drive, 252.33 feet; thence north 56°45' east 80 feet; thence north 24°28'40" west 106.16 feet; thence east 281.34 feet to the point of beginning.

Together with the north 33 feet of the vacated street abutting said property on the south.

Parcel No. 2
Beginning at a point 28.72 feet north from the southeast corner of lot 15, block 27, five acre plat "C", big field survey, Salt Lake County, Utah, and running th nce north 57 feet, thence west 165.98 feet to the State highway, thence south 33°15' east along said highway to a point due west of the point of commencement, thence east to the point of beginning.

Together with the south 33 feet of the vacated street abutting said property on the north.

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WHEREAS, Declarant is the Management Committee of certain Townhouse buildings and certain other improvements heretofore or hereafter to be constructed upon said premises; and

WHEREAS, Declarant desires by filing this Declaration and the record of survey map, to submit the above described property and Townhouse buildings and other improvements hereto, to the provisions of the Utah Condominium Ownership Act as a condominium project; and

WHEREAS, Declarant desires and intends to manage said condominium project, including the undivided ownership interests in the common areas and facilities appurtenant to each condominium unit, for various purchasers, subject to the covenants, restrictions and limitations, reserved.

NOW THEREFORE, Declarant declares that all the said property is and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the provisions of

this Declaration which shall run with the land and be a burden and a benefit to all having an interest therein, their successors, assigns, heirs, executors, administrators, grantees, and devisees.

- 1. <u>DEFINITIONS</u>. Some of the terms used herein are defined in this paragraph.
 - (a) Condominium: The entire estate in the real property owned by any owner.
 - (b) Condominium Act: The Utah Condominium Ownership Act, (Title 57, Chapter 8, Utah Code Annotated).
 - (c) Declarant: Management Committee of The Townes.
 - (d) <u>Declaration</u>: This instrument, and subsequent amendments to the Declaration.
 - (e) Management Committee: The governing body of the project.
 - (f) Manager: The Chairman of the Management Committee elected by the Committee, and designated to manage the affairs of the project.
 - (g) Map: Record of survey map recorded herewith.
 - (h) Mortgage: Deed of Trust as well as mortgage.
 - (i) Mortgagee: Beneficiary or holders under Deed of Trust as well as mortgagee.
 - (j) Owner: Any person with an ownership interest in a condominium in the project.
 - (k) Person: Legal entity as well as a natural person.
 - (1) Project: The entire parcel of real property referred to in this Declaration.

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- 2. NAME. The project is submitted to the provisions of the Condominium Act to be known as "THE TOWNES".
- 3. <u>DESCRIPTION OF BUILDINGS</u>. The project consists of ten (10) buildings, each with two stories and each containing two (2) condominium units; and a swimming pool and utility building; and five (5) garage buildings, three with two (2) and two with four (4) units each. The said buildings are constructed of brick veneer, masonry and frame type construction.
- 4. Each condominium unit has an area of approximately 2096 square feet including basement and has six (6) rooms. The condominium unit number and its location is designated below:

Building	Address	Condominium Unit No.
Bullding	and Marketin Augus	1A
1 1	2090 Michigan Avenue 2088 Michigan Avenue	1B
2	2086 Michigan Avenue	2A 2B
2 2	2084 Michigan Avenue	20
3 3	2082 Michigan Avenue	3A 3B
3	2080 Michigan Avenue	, ,
14	2078 Michigan Avenue	4A
4	2076 Michigan Avenue	4B
5	2074 Michigan Avenue	5 A
5 5	2072 Michigan Avenue	5B
6	2070 Michigan Avenue	61
6 6	2068 Michigan Avenue	6B
7	2066 Michigan Avenue	7 A
7	2064 Michigan Avenue	7B
	2062 Michigan Avenue	8A
8 8	2060 Michigan Avenue	8B
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Building	Address	Unit No.
9	2058 Michigan Avenue 2056 Michigan Avenue	9A 9B
10 10	2054 Michigan Avenue 2052 Michigan Avenue	10A 10B

facilities of the project shall be and are all of the land and roofs, foundations, pipes, ducts, flues, chutes, conduits, wires, and other utility installations to the outlets, bearing walls, perimeter walls, columns and girders to the interior surfaces thereof, greens, gardens, service streets, driveway, recreational areas, all installations of power, lights, gas, and water, those common areas and facilities designated as such on the map, excepting however, heating units, air conditioning units, air conditioning equipment, water heaters, gas lamps, individual gas lines from laterals serving ranges, furnaces, water heaters, which said excepted items are part of the condominium unit to which they appertain.

- areas and facilities of the project shall be and are the private patios, decks, and parking spaces which are hereby set aside and reserved for the use of the respective units to which they are attached and/or appurtentant and as designated on the map, to the exclusion of other condominiums.
- 7. CONDOMINIUM UNITS. The condominium units, sometimes called "units" and sometimes called "condominiums" are as designated on map

and in Section (4) and are the elements of the condominium project, which are not owned in common with the owners of the other units. The boundary lines of each unit are the interior surfaces of its perimeter walls, bearing walls, basement floors, top story ceilings, windows and window frames, door and door frames and trim, and includes portions of the building so described and the air space so encompassed and included the individual heating units, air conditioning units, air conditioning equipment, water heaters, gas lamps, individual gas lines from laterals serving ranges, furnaces, water heaters, and barbeques.

- 8. The proportionate share of the separate owners of the respective condominium units in the common area and facilities is based upon the proportionate value that each of the condominiums bears to the total value of the property and is five percent (5%).
- g. The value of each condominium unit is \$87,850.00. The total value of all condominiums is \$1,757,000.00. The value of the property as defined by the Utah Condominium Ownership Act is \$1,907,000.00. The insurance value may be increased from time to time by action of the Management Committee in purchasing additional insurance coverage to keep up with the increasing value of the condominium units or project as a whole.
- 10. <u>VOTING COMMON EXPENSE</u>. The percentage of ownership in the common areas and facilities shall be for all purposes, including voting and the common expenses.

- 11. USE. The buildings and condominium units therein are intended and restricted for the use of single family residences.
- 12. SERVICE OF PROCESS. The person to receive service of process in the cases contemplated by the Act is:

Name: Chairman of the Management Committee c/o Townes Condominiums

2086 Michigan Avenue Salt Lake City, Utah 84108

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- 13. REBUILD, REPAIR, RESTORE OR SELL. Whether to rebuild, repair, restore, or sell the property in the event of damage or destruction of all or part of the property shall be determined by the approval and consent of the unit owners representing not less than three-fourths of the voters in accordance with the percentages assigned herein at any regular meeting of the owners or at a special meeting called for such purposes.
 - 14. <u>RASEMENTS AND ENCROACHMENTS</u>. In the event any portion of the common area and facilities encroaches upon any of the units, a valid easement shall exist for such encroachment and for the maintenance of the same, so long as the encroachment exists. In the event the condominium project is partially or totally destroyed, and then rebuilt, minor encroachments shall be permitted, as required, upon the units and easements for such encroachments and for the maintenance of the same for such period of time as may be reasonably required for the reconstruction or repair of said premises.

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- 15. AMENDMENTS. The condominium owners shall have the right to amend this Declaration and/or the record of survey map upon the approval and consent of three-fourths of the votes of unit owners in accordance with the percentage assigned herein; as set forth in the Utah Condominium Act, which consent and approval shall be duly executed and recorded instruments.
- owners, each shall be entitled to the number of votes in accordance with his/her ownership interest in the common area and facilities as provided herein above. Any owner may attend and vote at such meeting in person or by agent duly appointed in writing signed by the owner and filed with the Management Committee. When there is more than one record owner, any or all such persons may attend any meeting of the owners, but they must act unanimously in order to cast the votes in which they are entitled.

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- 17. MEETINGS OF THE UNITS OWNERS -- QUORUM. The presence at any meeting of owners of a majority of the total votes shall constitute a quorum.
- 18. ANNUAL MEETING OF UNIT OWNERS. The annual meeting of unit owners shall be held the first Monday in August at the project, or at such other time, not more than thirty (30) days before or after such date, as may be designated by written notice of the Management Committee, delivered to the owners not less than ten (10) days prior to the date fixed for such meeting. At the annual meetings, elections will be had to fill vacancies on the Management Committee, a financial

report shall be given and such other business conducted as may be properly presented.

19. SPECIAL MEETINGS OF THE UNIT OWNERS. Special meetings of the unit owners may be called at any time by written notice signed by a majority of the Management Committee, or by the owners having one-third of the total votes, delivered not less than fifteen (15) days prior to the date fixed for the said meetings. Such meetings shall be held on the project and notice thereof shall state the date, time, and matters to be discussed.

- as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered at twenty-four (24) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to each such person at the address given by such person to the Management Committee or Manager for the purpose of service of such notice or to the unit of such person if no address has been given to the Manager. Such address may be changed from time to time by notice in writing to the Management Committee or Management Committee or Manager.
 - 21. MANAGEMENT COMMITTEE-GENERAL. The business and property of "The Townes" shall be managed by a Management Committee consisting of five (5) persons who have ownership in units in said project, to be elected by the owners at the annual meeting of the owners. Each member of the Management Committee shall serve a term of three (3)

years and until successors are elected and qualified, with two (2) members elected one year; two (2) members elected the next year, and one member elected the third year, thus rotating the service and insuring continuity in the Committee. Such Management Committee shall have all the powers, duties, and responsibilities as are now or may hereafter be provided by law, this Declaration and/or any amendments subsequently filed thereto; provided however, that the Management Committee may engage or contract for the services of a Manager or management group or firm and fix and pay a reasonable fee for compensation therefor.

- Decreation and maintenance. The Management Committee shall be responsible for the control, operation and management of the project, in accordance with the provisions of the Utah Condominium Act, this Declaration and such administrative, management and operational rules and regulations as the Committee may adopt from time to time as herein provided, and all agreements and determinations lawfully made and entered into by the Committee. The Committee shall, in this connection, provide for the proper and reasonable control, operation and management of the project and of the maintenance and repair of the common areas and facilities appurtenant thereto.
- 23. <u>COMMITTER VACANCIES</u>. In a case of any vacancy in the Management Committee, the remaining members thereof may elect a successor to hold office until the next annual meeting of the unit owners.

24. OFFICERS. The Management Committee shall appoint or elect from among its membership a Chairman a Vice-Chairman, a Secretary, and a Treasurer. The Chairman of the Committee, or in his/her absence, the Vice Chairman shall preside at all meetings of the Committee and at all meetings of the unit owners. The Secretary shall take and keep minutes of all meetings. He/She shall perform such other services as the Committee may impose upon him/her, and shall receive such compensation as the Committee may fix or approve. The Treasurer shall have custody and control of the funds of the Committee, and shall, when requested by the Chairman to do so, report the state of finances of the Committee at such annual meeting of the unit owners and at any meeting of the Committee. He/She shall perform such other services as the Committee may require of him/her and shall be bonded if required by the Management Committee.

- 25. REGULAR MEETINGS. A regular meeting of the Committee shall be held after the adjournment of each annual unit owners meeting, at a place the Committee shall determine. Regular meetings, other than the annual meeting, shall be held at regular intervals and at such places and at such times as the Committee may from time to time by resolution provide. No special notice need be given of regular meetings of the Committee.
- 26. SPECIAL MERTINGS. Special meetings shall be held whenever called by the Chairman, Vice-Chairman, or by a majority of the Committee. Either written or oral notice of such special meeting shall be given not less than twenty-four (24) hours in advance of

said meeting; provided, however, that by the unanimous consent of the Committee, special meetings may be held without call or notice of any time or place.

27. QUORUM, MANAGEMENT COMMITTEE. A quorum for the transaction of business of any meeting of the Committee shall consist of a majority of the Committee then in office.

- 28. SPECIAL COMMITTERS. The Management Committee by resolution, may designate one or more special committees to consist of two or more persons who have ownership in units, which, to the extent provided in said resolution, shall have and may exercise the powers in said resolution set forth. Such special committees or committees shall have such name or names as may be determined from time to time by the Management Committee. Such special committees shall keep regular minutes of their proceedings and report the same to the Management Committee when required. The Chairman of the Management Committee may appoint persons to fill vacancies on each of said special committees by death, resignation, removal or inability to act for any extended period of time.
 - have the power to adopt and establish by resolution, such building management, and operational rules as the Committee may deem necessary for the maintenance, operation, management and control of the project, and the Committee may, from time to time by resolution, alter, amend and repeal such rules. When a copy of any amendment or alteration

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or provision for any repeal of any rule or rules has been furnished to the owners, such amendment, alteration or provision shall be taken to be part of such rules. Unit owners shall at all times obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision, it being understood that such rules shall apply and be binding upon all unit owners and/or occupants of the project.

- RIGHT OF ENTRY. The Committee and its duly authorized 30. agents shall have the right to enter any and all of the said units in case of emergency originating in or threatening such unit or any other part of the project, whether the owner or occupant thereof is present at the time or not. The Committee and its duly authorized agents shall also have the right to enter into any and all of said units at all reasonable times as required for the purpose of making necessary repairs upon the common areas and facilities of the project, for the purpose of performing emergency installations, alterations, or repairs to the mechanical or electrical devices or installations located therein or thereon, provided, however, such emergency installations, alterations, or repair; are necessary to prevent damage or threatened damage to other units in the project; and provided further, that the unit owner affected by such entry shall first be notified thereof, if available, and if time permits.
- 31. LIMITATIONS ON USE OF UNITS AND COMMON AREA. The units and common area shall be occupied and used as follows:
 - (a) No owner shall occupy or use his unit or permit the

same or any part thereof to be occupied or used for any purpose other than as a private residence for the owner and the owner's family or the owner's lessees or guests.

- (b) There shall be no obstruction of the common area.

 Nothing, including without limitation boats, boat trailers, vans, campers, and motor homes, shall be stored in the common area without the prior consent of the Management Committee.
- (c) Nothing shall be done or kept in any unit or in the common area without the prior written consent of the Management Committee, which will increase the rate of insurance on the common area. No owner shall permit anything to be done or kept in his/her unit or in the common area which will result in the cancellation of insurance on any unit, or any part of the common area, or which would be in violation of any law. No waste will be committed in the common area.

- (d) No sign of any kind shall be displayed to the public view on or from any unit or the common area, without the prior consent of the Management Committee. This is meant to include real estate signs.
- (e) No animals, livestock, or poultry of any kind shall be raised, bred, or kept in any unit or in the common area, except that small dogs, dats, or other household pets may be kept in units, subject to the rules and regulations adopted by the Management Committee.

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- (f) No noxious or offensive activity shall be carried on in any of the units or in the common area, nor shall anything be done therein which may be or become an annoyance or nuisance to the other owners.
- (g) Nothing shall be altered or constructed in or removed from the common area, except upon the written consent of the Management Committee.
- (h) There shall be no violation of rules for the use of the common areas adopted by the Management Committee and furnished in writing to the owners, and the Management Committee is authorized to adopt such rules.
- (i) None of the rights and obligations of the owners created herein, or by the deed creating the condominiums shall be altered in any way by encroachments due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist; provided however, that in no event shall a valid easement for encroachment be created in favor of an owner or owners if said encroachment occurred due to the willful conduct of said owner or owners.
- 32. MAINTENANCE OF UNITS. Each unit owner at his expense shall keep the interior of his unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting, and varnishing

which may at anytime be necessary to maintain the good appearance of his unit. Except to the extent that a Management Committee is protected by insurance against such injury, the owner shall repair all injury or damages to the building or buildings caused by the act, negligence or carelessness of the owner or that of any lessee or sub-lessee or any member of the owner's family or the family of any lessee or sub-lessee, or any agent, employee or guest of the owner, or his lessee or sub-lessee, and all such repairs, redecorating, painting, and varnishing shall be of a quality and kind equal to the original work. In addition to the decorating and keeping the interior of the unit in good repair, the owner shall be responsible for the maintenance or replacement of any plumbing fixtures, refrigerators, air conditioning and heating equipment, dishwashers, disposals, ranges, etc., that may be in or connected with the unit.

No radio or television antenna or aerial shall be installed on the outside of any building contained within the project without prior written consent of the Management Committee.

shall wish to re-sell or lease the same, and shall have received a bona fide offer therefore from a prospective purchaser or tenant, the remaining owners shall each be given written notice thereof together with an executed copy of such offer and the terms thereof. The remaining owners through the Management Committee or a person named by the Committee, shall have the right to purchase or lease the subject condominium upon the same terms and conditions as set forth in the offer therefor, provided written notice of such election

to purchase or lease is given to the selling or leasing owner, and a matching down payment or deposit is provided to the selling or leasing owner during the ten (10) day period immediately following the delivery of the notice of the bona fide offer and copy thereof to purchase or lease.

In the event any owner shall attempt to sell or lease his condominium without affording to the other owners the right of first refusal herein provided, such sale or lease shall be wholly null and void and shall confer no title or interest whatsoever upon the intended purchaser or lessee.

The sub-leasing or sub-renting of said interest shall be subject to the same limitations as are applicable to the leasing or renting thereof. The liability of the owner under these covenants shall continue, notwithstanding the fact that he may have leased or rented said interest as provided herein.

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In no case shall the right of first refusal reserved herein affect the right of an owner to subject his condominium to a Trust Deed, mortgage, or other security instrument.

The failure of or refusal by the Management Committee to exercise the right to so purchase or lease shall not constitute or be deemed to be a waiver of such right to purchase or lease when an owner received any subsequent bona fide offer from a prospective purchaser or tenant.

34. MORTGAGES NOT AFFECTED BY RIGHT OF FIRST REFUSAL. In the event of any default on the part of any owner under any first mortgage made in good faith and for value, which entitled the holder thereof to foreclose same, any sale under such foreclosure, including delivery

of a deed to the first mortgagee in lieu of such foreclosure, shall be made free and clear of the provisions of paragraph 33, and the purchaser (or grantee under such deed in lieu of foreclosure) of such condominium shall be thereupon and thereafter subject to the provisions of this Declaration. If the purchaser following such foreclosure sale (or grantee under deed given in lieu of such foreclosure) shall be the then holder of the first mortgage, or its nominee, and the said holder or nominee may thereafter sell and convey the condominium free and clear of the provisions of paragraph 33, but its grantee shall thereupon and thereafter be subject to all of the provisions of this Declaration.

The transfer of a deceased joint tenants interest to the surviving joint tenant or to the transfer of a descendants interest to a devisee by will or his heirs at law under intestacy laws, shall not be subject to the provisions of paragraph 33.

If an owner of a condominium can establish to the satisfaction of the Management Committee that a proposed transfer is not a sale or lease, then such transfer shall not be subject to the provisions of paragraph 33.

- Upon written request of any prospective transferrer, purchaser, tenant or existing or prospective mortgages of any condominium, the Management Committee shall forewith, or where time is specified, at the end of the time, issue a written and acknowledged certificate in recordable form, evidencing that;
 - (a) with respect to a proposed lease or sale, under

paragraph 33, that proper notice was given by the selling or leasing owner, and that the remaining owners did not elect to exercise their option to purchase or lease;

- (b) with respect to a deed to a first mortgagee or its nominee in lieu of foreclosure, and a deed from such first mortgagee or its nominee, pursuant to paragraph 34, that the deeds were in fact given in lieu of foreclosure and were not subject to the provisions of paragraph 34;
- (c) with respect to any contemplated transfer which is not in fact a sale or lease, that the transfer is not or will not be subject to the provisions of paragraph 33;

such a certificate shall be conclusive evidence of the facts contained therein.

- 36. INSURANCE. The Management Committee shall obtain and maintain at all times insurance of the type and kind as follows:
 - (a) Fire insurance with extended coverage endorsements, for the full insurable replacement value of the units and common areas, which said policy or policies shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees of each unit, if any;
 - (b) A policy or policies insuring the Management Committee, the unit owners and the Manager against any

liability to the public or to the owners of unlts, owners of common areas or their invitees or tenants, incident to the ownership and/or use of the condominium project, and including personal liability exposure of the owners under such insurance shall not be less than \$300,000.00 for each person or each accident, and shall be not less than \$1,000,000.00 for property damage for each occurrence. Such limits and coverage shall be reviewed at least annually by the Management Committee and increased at its discretion. policy or policies shall be issued on a comprehensive liability basis and shall provide cross-liability endorsement wherein the rights of the named insureds under the policy or policies shall not be prejudiced as in respect to his, or her, or their action against another named insured.

- (c) Workmen's Compensation insurance to the extent necessary to comply with any applicable laws.
- (d) Insurance for any such other risks of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium projects similar in construction, design, or use.

The said insurance shall be governed by the following provisions:

(1) All policies shall be written with a company licensed to do business in the State of Utah and holding a rating of "AAA" or better by Best's Insurance Reports.

- (3) In no event shall the insurance coverage obtained and maintained by the Management Committee hereunder, be brought into contribution with insurance purchased by individual owners or their mortgagees.
- (4) Each owner may obtain additional insurance at his own expense, provided, however, that no owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Management Committee, in behalf of all of the owners, may realize under any insurance policy which the Management Committee may have in force on the condominium project at any particular time.
- (5) Each owner shall be required to notify the Management Committee of all improvements made by the owner to his unit, the value of which is in excess of \$1,000.00.
- (6) Any owner who obtains individual insurance policies covering any portion of the condominiums other than presonal property belonging to such owner, shall be required to file a copy of the individual policy or policies with the Management

- (7) The Management Committee shall be required to make every effort to secure policies that will provide for the following:
 - (i) A waiver of subrogation by the insurer as to any claim against the Management Committee, the Manager, the owners, and their respective servants, agents and guest.
 - (ii) That the master policy upon the condominiums cannot be cancelled, invalidated or suspended on account of the conduct of any one or more individual owners.
 - (iii) That the master policy of the condominiums cannot be cancelled, invalidated, or suspended because of the conduct of any officer or employee of the Management Committee, or Manager without prior demand in writing that the Management Committee or Manager cure the defect.
 - (iv) That "no other insurance" clause in the master policy exclude individual owners policies from consideration.
- (8) The annual insurance review which the Management is required to conduct as provided above shall include an appraisal of the improvements in the condominium project by a representative of the insurance carrier writing the master policy.

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in the common areas and facilities of the condominium project are subject to separate assessment and taxation by each assessing unit and special district for all types of taxes authorized by law, and that as a result thereof, no taxes will be assessed or payable against the condominium project as such. Each member will, therefore, pay and discharge any and all taxes which may be assessed against any of said units of which he is the owner, against the percentage of individual interest in the common area and facilities of such unit, and/or against any items of personal property located in or upon any unit of which he is the owner.

38. PAYMENT OF EXPENSES. Each owner shall pay the Management

Ownership Act, each of said units percentage of the undivided interest

37.

It is acknowledged that under the Condominium

38. PAYMENT OF EXPENSES. Each owner shall pay the Management Committee his pro-rata portion of the cash requirement deemed necessary by the Committee to manage and operate "The Townes", a condominium project, and the recreational areas and facilities, if any, upon the terms, at the times and in the manner herein provided without any deduction because of any set-offs or claim which the owner may have against management, or if the owner shall fail to pay any installment within fifteen (15) days after the first day of the month the same becomes due, the owner shall pay interest thereon at the rate of 1.5% per month from the date when such installment shall become due to the date of the payment thereof.

The cash requirements above referred to for each year, or portion of the year, are hereby defined, and shall be deemed to be the

aggregate sum as the Management Committee from time to time shall determine, in its judgment, is to be paid by all the owners of "The Townes", then in existence to enable the Committee to pay all the estimated expenses and outlays of the Committee to the close of such year, growing out of or in connection with the maintenance and operation of such land and buildings and improvements and recreational area and facilities, if any, which sum may include, among other things, the cost of management, special assessments, fire, casualty and public liability insurance, premiums, common areas and facilities, recreational area and facilities, if any, garbage collections, utilities, snow removal, wages, water and sewer charges, legal and accounting fees, management fees, expenses and liabilities incurred by the Management Committee under or by reason of this Declaration, the payment of any deficit remaining from a previous period, the creation of a reasonable contingency or other reserve or surplus fund, as well as all other costs and expenses relating to "The Townes". The Management Committee may, from time to time, up to the close of the year for which such cash requirements have been so filed or determined, increase or diminish the amount previously fixed or determined for each year. The Committee may include in the cash requirements for any year any liabilities or items of expense which accrued or became payable in the previous year, or which might have been included in the cash requirements for a previous year, but were not included therein; and also any sums which the Management Committee may deem necessary or prudent to provide a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

The pro-rata portion payable by the owner in and for each year or portion of year shall be a sum within the limits and on the condition herein above provided, bearing to the aggregate amount of such cash requirements for such year or portion of year, determined as aforesaid, the same ratio as the owner owns an undivided interest in the common area and facilities, and such assessments together with any additional sums accruing under this Declaration shall be payable monthly in advance, or in such payments and installments as shall be required by the Management Committee, and at such times as shall be provided by the Management Committee.

The Management Committee shall have discretionary powers to prescribe the manner of maintaining the operation of "The Townes" and to determine the eash requirements of the Management Committee to be paid aforesaid by the owners under this Declaration. Every such reasonable determination by the Committee, within the bounds of the Condominium Ownership Act, and this Declaration, shall be final and conclusive as to the owners, and any expenditures made by the Committee within the bounds of the Condominium Ownership Act and this Declaration, shall be, as against the owner, deemed necessary and properly made for such purpose.

If the owner shall at any time, let or sub-let the unit and shall default for a period of one (1) month in payment of any management assessments, the Management Committee may, at its option, so long as such default shall continue, demand and receive from any tenant or sub-tenant of the owner occupying the unit, the rent due

or becoming due. Such payment of rent to the Committee shall be sufficient payment and discharge of such tenant or sub-tenant as between such tenant or sub-tenant and the owner to the extent of the amount so paid.

Each monthly assessment and each special assessment shall be separate distinct and personal debts, and obligations of the owner against whom the same are assessed at the time the assessment is made, and shall be collectable as such. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same. The amount of any assessment, whether regular or special, assessed to the owner of any condominium plus interest at the rate of 1.5% per month and costs, including reasonable attorney's fees, shall become a lien upon such unit upon recordation of Notice of Easement as provided in Section 57-8-20 of the Utah Condominium Act.

The said lien for non-payment of common expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only the following:

- (1) tax and special assessment liens on the unit in favor of any assessment unit, and special district, and
- (2) encumbrances on the owners condominium (unit and common areas) recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

A certificate executed and acknowledged by a majority of the Management Committee stating the indebtedness secured by the lien upon any condominium created hereunder, shall be conclusive upon the Management Committee and the owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any owner, or any encumbrancer, or prospective encumbrancer of a condominium upon request at a reasonable fee, not to exceed \$10.00. Unless the request for a certificate of indebtedness shall be complied with within ten (10) days, all unpaid common expenses which become due prior to the date of making such request shall be subordinate to the lien held by the person making the request. Any encumbrancer holding a lien on the condominium may pay any unpaid common expenses payable with respect to such condominium and upon such payment such encumbrancer shall have a lien on such condominium for the amounts paid of the same rank as the lien of his encumbrance.

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Upon payment of a delinquent assessment concerning which a certificate has been so recorded, or other satisfaction thereof, the Management Committee shall cause to be recorded in the same manner as the certificates of indebtedness a further certificate stating the satisfaction and the release of the lien thereof. Such lien for non-payment of assessment may be enforced by sale by the Management Committee or by a bank or trust company or title insurance company authorized by the Management Committee, such sale to be conducted in accordance with the provisions of law applicable to the exercise of powers of sale or foreclosure in Deeds of Trust or mortgages or in

any manner permitted by law. In any foreclosure or sale, the owner shall be required to pay the costs and expenses of such proceedings and reasonable attorney's fees.

In the case of foreclosure, the owner shall be required to pay a reasonable rental for the condominium and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect rent without regard to the value of the mortgage security. The Management Committee or Manager shall have the power to bid in the condominium at the foreclosure or other sale and to hold, lease, mortgage and convey the condominium.

39. MORTGAGE PROTECTION: NOTWITHSTANDING ALL OTHER PROVISIONS HEREOF.

(a) The liens created hereunder upon any condominium shall be subject and subordinate to, and shall not affect the rights of the holder of indebtedness secured by any recorded first mortgage (meaning a mortgage with the first priority over other mortgages) upon such interest made in good faith and for value, provided that after the foreclosure of any such mortgage, there may be a lien created pursuant to paragraph 39 hereof on the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such purchaser as in an owner after, the date of such foreclosure sale, which said lien, if any, claimed, shall have the same

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affect and be enforced in the same manner as provided herein.

- (b) No amendment to the paragraph shall affect the rights of the holder of any such mortgage recorded prior to recordation of such amendment who does not join in the execution thereof;
- (c) By subordination agreement executed by a majority of the Management Committee, the benefits of (a) and (b) above may be extended to mortgages not otherwise entitled thereto.
- 40. INTERPRETATION. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the condominium project. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any provisions hereof.
- 41. SEVERABILITY. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision or portion thereof shall not affect the validity or enforceability of any other provision hereof.

42. <u>EFFECTIVE DATE</u>. This First Amendment Declaration shall take effect upon recording with the Salt Lake County Recorder.

THE TOWNES CONDOMINIUMS MANAGEMENT COMMITTEE

By: Shanny & Hollhy - Chairman _____

State of Utah) : ss.
County of Salt Lake)

On the ARIL, 1989, personally appeared before me SHARON J. HOLBERG, who acknowledged to me that he/she is one of the owners of The Townes Condominiums and a member of the Management Committee thereof and the said instrument was signed on behalf of the owners of The Townes Condominiums and the Management Committee thereof executed the same.

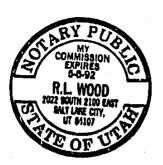
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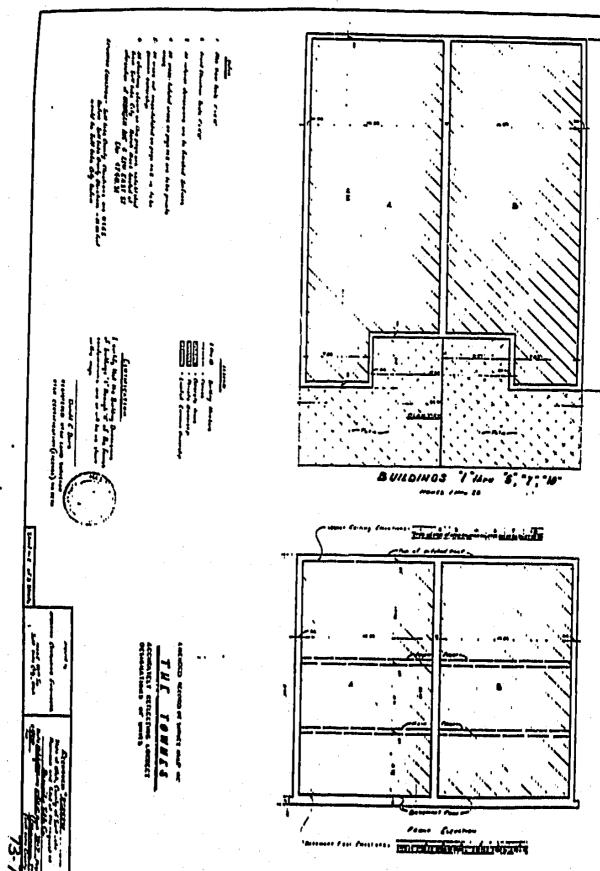
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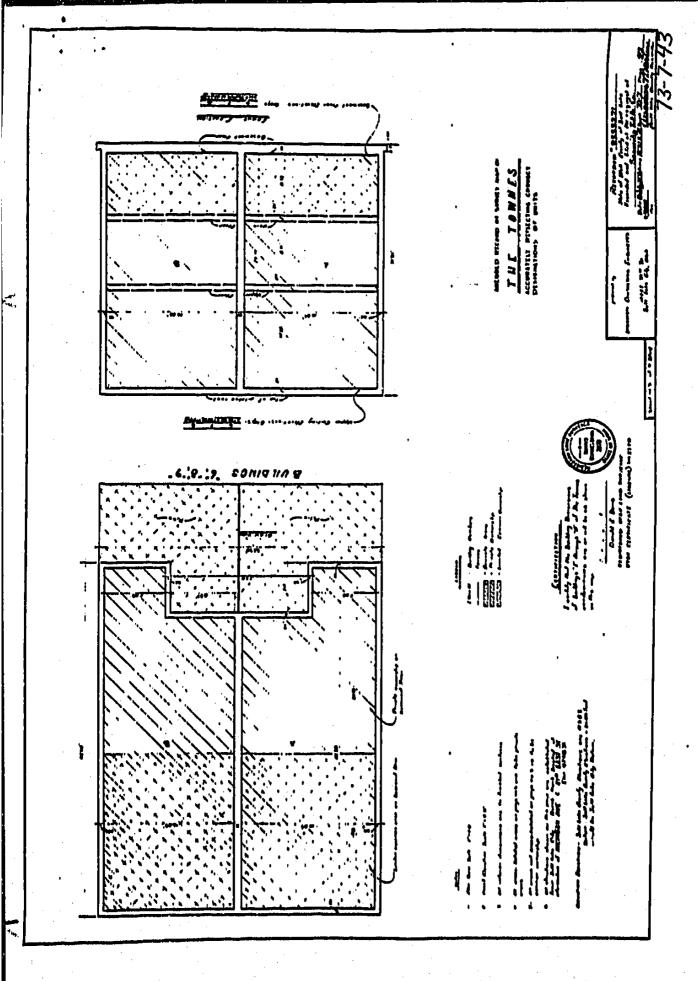
Notary Public

My Commission Expires:

May 8,1992







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APPROVAL OF THE FIRST AMENDMENT TO THE DECLARATIONS OF THE "TOWNES CONDOMINIUMS"

PRESENTED FOR APPROVAL ON MARCH 27, 1989 (75% OF OWNERS REQUIRED FOR VALIDATION)

		$A = ((n))^{-1}$
2052	HENRY AND GABY FRANZ	MU Trans
2054	LINDA COOK	
2056	KAYE K. NEESE	Kage Bullense
2058	DEAN AND TONI BRADSHAW	Klim Komadelpen
2060	F.E. BUNK ROBINSON	- Seleleff
2062	BRUCE AND JOANNE JENSEN	Bruse N. V Jollin Jenson
2064	NEIL ASTLE	
2066	JOYCE SAFFORD	Aug Saffard
2068	DAVID & LOY RASMUSSEN	Kennyaganjuson
2070	ROB REESE	11111000
2072	JOHN 🌲 KAY KELLY	flight ave 1
2074	ELAINE & KEVEN JOHANSEN	Then & Claus Johansu
2076	KENT & GERRY OVIATT	Desaldine K. Snigtt Kent Voca
∠ 2078	SHARON MEXHEXEE HOLLBERG	Sharn Hall by
2080	JERILYN MOINTYRE	July to ordery
2082	ARTHUR & ANN TRIPP	Apply of A Amont 100
2084	DELMA CLEGG	Suma Class
2086	DELBERT & FAYE ATWOOD	Wellout aliviral
2088	DAVID & MARINA WORSLEY	Den Her Worky
2090	DORTHY HENDERSON	Dorah Henlesson
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