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DECLARATION OF COVENANTS, CONDITIONS,  
RESTRICTIONS AND RESERVATIONS OF EASEMENTS  
OF BRIDGEWOOD MANOR, A CONDOMINIUM PROJECT

THIS DECLARATION OF CONDOMINIUM OF BRIDGEWOOD MANOR CONDOMINIUM, hereinafter referred to as "Declaration", is made and set forth the date executed below by T.C.P. Company, Timmy Clark, Julie Clark, Harold E. Babcock, and Betty S. Babcock, pursuant to the Utah Condominium Ownership Act.

RECITALS

A. The Declarant is the owner of the following described real property (hereinafter referred to as "Real Property") situated in Davis County, Utah, and more particularly described as follows: See Attached Exhibit "A".

B. The Real Property consists of the land above described, together with certain residential buildings and other improvements heretofore constructed, or hereafter to be constructed upon said land.

C. The land, the buildings, and all improvements thereon shall hereinafter collectively be referred to as "Project". All construction on the Project 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.

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

E. Declarant intends, by filing this Declaration and said Record of Survey Map, to submit the Project to the provisions of the Utah Condominium Ownership Act, as the same may be amended from time to time, as a condominium project known as the "BRIDGEWOOD MANOR, a Utah Condominium Project".

- Abstracted
- Indexed
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DECLARATION

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

A. Definitions. The terms used herein shall have the meaning stated in the Utah Condominium Ownership Act and as follows unless the context otherwise requires:

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

2. Project. The term "Project" shall mean and refer to the entire parcel of Real Property, together with all buildings and other improvements thereon and appurtenances thereto referred to in this Declaration;

3. Map. The term "Map" shall mean and refer to the Record of Survey Map of BRIDGEWOOD MANOR, A Utah Condominium

Project filed for record simultaneously herewith by the Declarant;

4. Declaration. The term "Declaration" shall mean and refer to this Declaration.

5. The term "Common Areas and Facilities" or simply the "Common Areas", shall mean and refer to:

(a) The above described land; as defined and delineated on the Map;

(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 foundations, columns, girders, beams, supports, main walls, exterior retaining walls, roofs, exterior walkways, service streets, yards, gardens, fences, all open parking spaces, installations of central services such as power, light, gas, all apparatuses and installations existing for common use, such community facilities as may be provided for, and all other parts of the Real Property necessary or convenient to its existence, maintenance and safety of the Common Areas or normally in common use;

(e) All Common Areas and Facilities as defined in the Act, whether or not expressly listed herein; and all other parts of the Project normally in common use, or necessary or convenient to the use, existence, maintenance, safety or management of the other Common Areas.

6. Unit. The term "unit" means that part of the Project owned in fee simple by Unit Owners intended for independent use as defined in the Act and as shown on the Map. The boundary lines of each Unit are the interior surfaces of its perimeter walls, lower floors, upper ceilings, windows and window frames, door and door frames, and trim, and includes both the portions of the building so described and the air space so encompassed, together with all fixtures and appliances therein contained.

7. Building. The term "Building" shall mean and refer to a structure containing or to contain Units.

8. Unit Owner. The term "Unit Owner" or "Owner" shall mean and refer to any person or entity, including the Declarant, at any time owning a Condominium Unit including a proportionate share of the Common Areas as defined herein. The term "Unit Owner" or "Owner" shall not refer to any mortgagee as herein defined, unless such mortgagee has acquired title pursuant to foreclosure proceedings, administrative sale proceedings, or any other proceeding or deed in lieu of foreclosure.

9. Common Expenses. The term "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 and regulations, and other determinations and agreements pertaining to the Project as the Association shall from time to time adopt; including, but not limited to, monthly assessments for maintenance and repair of the Common Areas and replacement of any elements of the Common Areas that must be replaced on a periodic basis.

10. Association. The term "Association" shall refer to the BRIDGEWOOD MANOR HOMEOWNERS ASSOCIATION, consisting of

all Unit Owners acting as a group in accordance with this Declaration and the By-laws of the Association, a copy of which is attached hereto as Exhibit "B".

11. Mortgage. The term "Mortgage" shall mean and include both the Mortgage on any Unit and a Deed of Trust on any Unit.
12. Mortgagee. The term "Mortgagee" shall mean and include a Mortgagee under a Mortgage as described above.
13. First Mortgage. The term "First Mortgage" shall mean and include a Mortgage as defined above which holds a lien position first and prior on any Unit to that of any other Mortgage.
14. First Mortgagee. The term "First Mortgagee" shall mean and include a Mortgage or beneficiary under a First Mortgage as the latter term is defined above.
15. Limited Common Areas. The words "Limited Common Areas and Facilities" or sometimes simply "Limited Common Areas" shall mean those Common Areas designated herein or in the Map as reserved for the use of the particular Units to which they are adjacent, attached, pertinent, and/or designated to the exclusion of the other Units. The only Limited Common Areas of Project consist of two (2) parking spaces assigned to each Unit in the bank of parking in front of the Building where the Unit is located. The parking stalls assigned with the Unit have been assigned a letter corresponding with the letter of the Unit as shown on the Map.
16. Building Number. The term "Building Number" shall mean and refer to the number, letter, or combination thereof which designates a Building in the attached Exhibit "D" and on the Record of Survey Map.
17. Management Committee. The term "Management Committee" shall mean the Management Committee defined hereinafter and elected by the Homeowners Association to represent it in certain areas.
18. Manager. The term "Manager" shall mean the person, persons, corporation, or other entity engaged by the Management Committee to manage the affairs of the Project, if any.

## II

### SUBMISSION TO CONDOMINIUM OWNERSHIP

The Declarant hereby submits the above described land, buildings, and other improvements constructed thereon or hereafter to be constructed hereon, together with all appurtenances thereto, to the provisions of the Act as a Condominium Project to be known as "BRIDGEWOOD MANOR, A Condominium Project". RESERVED from the foregoing submission, however, are all easements, rights-of-way, and powers reasonable necessary to enable Declarant to have ingress and egress over, across, through, and under said Common Areas as may be reasonably necessary for Declarant: (i) to construct and complete each of the Buildings and all of the other improvements described in this Declaration or in the Survey Map, and to do all things reasonably necessary or proper in connection therewith; and (ii) for the purpose of making repairs required pursuant to the Declaration, contracts of sale to Unit purchasers, or otherwise required by law, or necessary to protect the Project and/or Declarant's interest therein. Also reserved to the Declarant are easements, rights-

of-way, and all other rights necessary for Declarant to maintain facilities in the Common Areas which are identified in the Declaration and reasonably necessary to market the Units, including, but not necessarily limited to, sales and management offices, model Units, parking areas, and advertising signs. ALL OF THE FOREGOING IS SUBJECT TO: all liens for current and future taxes, assessments, and charges imposed or levied by governmental or quasi-governmental authorities; all Patent reservations and exclusions; any mineral reservations of record and rights incident thereto; all instrument of record which affect the above-described Real Property or any portion thereof, including, without limitation, any Mortgage or Deed of Trust; all visible easements and rights-of-way; all easements and rights-of-way of record; any easements, rights-of-way, encroachments, or discrepancies shown on or revealed by the Survey Map or otherwise existing; an easement for each and every pipe, line, cable, wire, utility line, or similar facility which traverses or partially occupies the above-described Real Property at such time as construction of all Project improvements is complete; and all easements necessary for ingress to, egress from, maintenance of, and replacement of all such pipes, lines, cables, wires, utility lines, and similar facilities.

Declarant hereby declares that the Project and every part is held and shall be held, conveyed, devised, leased, granted, encumbered, used, occupied, and otherwise affected in any manner, subject to the provisions hereof. All provisions hereof shall be deemed to run with the land as covenants running with the land, or as equitable servitudes, as the case may be, and shall bind all persons hereafter acquiring or owning any interest in the Project however such interest may be obtained.

### III

#### THE BUILDINGS AND FACILITIES

A. The Project (in addition to the recreational facilities and other facilities and improvements provided therefor) consists of Ten (10) residential buildings containing a total of Forty (40) Units as shown in the Map.

The residential buildings and the number of Units contained therein are as follows:

<u>BUILDING DESIGNATION</u>	<u>LEVEL</u>	<u>NUMBER OF UNITS PER BUILDING</u>
1, 2, 3, 4, 5, 6, 7, 8, 9, 10	Each Unit has First & Second Level	Each Building has Four (4) Units, Designated (A) (B) (C) (D)

The exterior of said Buildings are partially brick and the balance is aluminum siding, with asphalt shingle roof 4/12 pitch.

B. All other details involving the respective descriptions and locations of the Buildings, Units, the number of stories, number of Unit and other like details are shown on the Map which is filed of record simultaneously herewith.

C. The Common Areas are as shown on the Map and as defined above.

D. The Map shows the Unit Number of each Unit, its location, dimensions from which its area may be determined, the limited Common Areas which are preserved for its use, and the Common Areas of the Project.

NATURE AND INCIDENCE OF CONDOMINIUM OWNERSHIP

A. Division of Common Areas.

The Project is hereby divided into forty (40) Condominium Units, each consisting of a fee simple interest in a Unit and a 2.5 undivided fee simple interest in the Common Areas in accordance with the attached Exhibit "C". Such undivided interest in the Common Areas are hereby declared to be appurtenant to the respective Units. The proportionate share of the Unit Owners to the Common Areas has been arrived at by allocating an absolutely equal undivided interest in the Common Areas to each Unit.

B. Bridgewood Manor Homeowners Association.

All Unit Owners in the Project shall, upon becoming the same, automatically become members of the Bridgewood Manor Homeowners Association, which will maintain and administer certain facilities of the Project, shall maintain the Common Areas of the Project, shall enforce the covenants and restrictions as imposed in this Declaration, and shall collect and disperse assessments and charges created in this Declaration.

C. Title to Unit.

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.

D. No Separation of Interests.

No part of a Unit or of the legal rights comprising ownership of a Unit may be separated from any other part thereof during the period of condominium ownership prescribed herein, so that each Unit, the undivided interest in the Common Areas appurtenant to such Unit, the membership in the Association appurtenant to the Unit, and the exclusive right to use and occupy the Limited Common Area appurtenant to such Unit, shall always be conveyed, devised, encumbered, and otherwise affected only together and may never be separated from one another. Every gift, devise, bequest, transfer, encumbrance, conveyance 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.

E. Ownership of Common Areas.

The Common Areas shall be owned in common by all the Owners of Units and no Unit Owner may bring any action for partition thereof, except as provided by law.

MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

A. Membership.

Membership in the Association shall be appurtenant to the Unit in which the Owner has the necessary interest. Neither membership in the Association nor any of the votes attributable to a membership shall be separated from the Unit to which the same appertains.

B. Voting Rights.

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Subject to the rights reserved in Declarant set forth below, the Association shall have one (1) class of voting membership which shall have, with respect to each Unit in which the interest required for membership is held, one (1) vote. Neither the issuance nor the holding of membership certificates or shares of stock shall be necessary to evidence membership in the Association. However, the Association is authorized to issue memberships if it deems such to be advisable or appropriate.

C. Multiple Ownership.

In the event there is more than one (1) Owner of a particular Unit, the vote relating to such Unit shall be exercised as such Owners may determine among themselves. A vote cast at any Association Meeting by any of such Owners, whether in person or by proxy, shall be conclusively presumed to represent the intentions of all Owners of a particular Unit and presumed to be the vote attributable to the Unit concerned unless objection is immediately made by another Owner of the same Unit. In the event such an objection is made, the vote attributable to such Unit shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

VI

EASEMENTS

A. Enjoyment of Common Areas.

Subject to the limitations contained in this Declaration, any Unit Owner shall have the nonexclusive right to the use and enjoyment of the Common Areas, and shall have the exclusive right to use and enjoy the Limited Common Areas designated herein for the exclusive use of such Unit Owner.

B. Encroachment Easements.

If any part of the Common Areas shall encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same shall exist. If any part of a Unit shall encroach upon the Common Areas, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance of the same shall exist. Such encroachment shall not be considered to be encumbrances either on 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 on the property, by error in the Map, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

C. Easements for Common Areas Repair.

Some of the Common Areas, are or may be located within the Units or may be conveniently assessable only through the Units. The Association and the Owners of the other Units shall have the irrevocable right, to be exercised by the Management 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 assessable therefrom or for making emergency repairs therein necessary to prevent damage to the Common Areas or to another Unit or Units. The Management Committee shall also have such right independent of any agency relationship. Damage to the interior of any part of a Unit or Units resulting from the maintenance, repair, emergency repair or replacement of any of the Common Areas or as a

result of emergency repairs within another Unit or the instance of the Management Committee or of the Association shall be a common expense; provided, however, that if such damage is the result of the intent or negligence of the Owner of a Unit, then such Owner shall be financially responsible for all of such damage. Such damage for which the Owner is responsible shall be repaired and the property shall be restored substantially to the same condition as existed prior to damage, and amounts owing by such Owners for these acts shall be collected by the Association by way of special assessment as provided herein.

D. Easements of Ingress and Egress.

Each Owner shall have the right to ingress and egress over, upon, and across the Common Areas necessary for access to his Unit, and each Owner shall have the right to the horizontal and lateral support of a Unit, and such right shall be appurtenant to and pass with the title to each Unit.

E. Association Easements.

The Association, shall have a nonexclusive easement to make such use of the Common Areas as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration.

F. Easements for Utility Services.

There is hereby created a blanket easement upon, across, over, and under the Common Areas for ingress, egress, insulation replacing, repairing and maintaining all utilities, including but not limited to, water, sewers, gas, telephones, electricity, and other utility services.

G. Conveyances Subject to Easements.

All conveyances of Units hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve such easements as are given under this Declaration even though no specific reference to such easements may appear in any such conveyance.

VII

RESTRICTIONS OF USE OF COMMON AREAS

Each Owner's right and easement of use and enjoyment concerning the Common Areas created hereby shall be subject to the following:

A. The right of the Association, without vote, and by the Management Committee and the Declarant to suspend an Owner's right to the use and enjoyment of any amenities included in the Common Areas for any period during which an assessment on such Member's Unit remains unpaid, and for a period not exceeding sixty (60) days for any infraction by such Member of the provisions of the Declaration or of any rules or regulations promulgated by the Association; provided, however, that there may be no limitation in the right of a Unit Owner to have ingress and egress to his Unit in the Common Areas.

B. The right of the Association, without vote, and by the Management Committee to impose reasonable limitations on the number of guests per Member who at any given time are permitted to use the Common Areas.

C. The right of any governmental or quasi-governmental body having jurisdiction over the Common Areas to access and rights of ingress and egress over and across any street, parking

area, walkway, or open area contained within the Common Areas for purposes of providing police and fire protection, transporting school children, and providing any other governmental or municipal service.

D. The right of the Association, upon at least a 75% vote of the membership, or the Declarant to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for such municipal, governmental and/or noncommercial purposes and subject to such conditions as may be agreed to by the Declarant or by the Owners, provided that no such dedication or transfer by the Association shall be effective unless written notice of the proposed agreement and action thereunder is sent to every Owner at least thirty (30) days in advance of any action taken unless an instrument signed by every Owner has been recorded, agreeing to such dedication, transfer, purpose or condition.

E. The right of the Association, upon a 100% vote, to borrow money for the purpose of improving the Common Areas and to mortgage the Common Areas, or any part thereof, to carry out such improvements.

### VIII

#### MANAGEMENT COMMITTEE

##### A. Authority and Powers of Management Committee.

Except as hereinafter provided, the Project shall be managed, operated, and maintained by the Management Committee as agent for the Association. The Committee, in connection with its exercise of any of the powers hereinafter provided, shall take such action and execute instruments in the Association's name. The Management Committee shall have, and is hereby irrevocably granted, by the Association and the Unit Owners therein as their agent and on their behalf the following authority and powers:

1. The authority and responsibility to manage the business, property and affairs of the Association and enforce the provisions of the Declaration, the By-laws and any rules and regulations adopted by the Association governing the property.
2. The authority to grant or create on such terms as it deems advisable, utility easements over, under, across, and through the Common Areas.
3. The authority to execute and record, on behalf of all of the Unit Owners, any amendments to the Declaration or the Map which has been approved by the vote or consent of the Unit Owners necessary to authorize such amendment.
4. The power to sue and process suits when the Association is defendant in behalf of the Association.
5. The authority to enter into contracts relating to the Common Areas and other matters over which it has jurisdiction, so long as a 51% vote or consent of the Unit Owners has been obtained, at a special meeting called as provided in the By-laws, unless otherwise specified herein.
6. Subject to any limitations set forth herein, 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.
7. The power, in the name of the Association, 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 a 90% vote or consent which is necessary under the circumstances.

8. The authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Committee and/or Association in carrying out its functions 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 on behalf of the Association, 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 for value relies upon said instrument.

B. Composition of Committee, Election, Vacancy.

The Management Committee shall be composed of five members, each serving for a three-year term except that at the first election one Committee member shall be elected for a one-year term, two (2) members for a two-year term and two (2) members for a three-year term. Members shall serve on the Committee until their successors are elected. Only Unit Owners of Units shall be eligible for Committee membership. At the annual meeting each Unit Owner may cast one vote in favor of as many candidates or Committee memberships as there are seats on the Committee to be filled; provided, however, that until title to Units representing seventy-five percent (75%) of the votes of Unit Owners shall have been conveyed by Declarant to the purchasers thereof the Declarant alone shall have the right to select the Management Committee, which shall consist of three persons, who need not be members of the Association, until these Units have sold as provided in the By-laws; such right shall automatically terminate two years after the recording of this Declaration without regard to whether 75% of the Units have been sold. However, Declarant may waive the Right at any time prior to the conveyance of Units representing 75% of the votes of Unit Owners by (i) notifying Unit Owners in writing of such waiver of the Right, and (ii) filing for record in the office of the Davis 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 Declarant. In the event a Committee seat which was filled by the Declarant becomes vacant, Declarant shall 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, 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; removal of any member of the Committee may be accomplished upon a 51% vote of the Unit Owners.

C. 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.

D. Payment for Services, Etc.

The Management Committee may, on behalf of the Association, 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 functions in the Project. The Management Committee may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration from Association funds. It is recognized that the Committee shall arrange for snow removal, garbage removal, ground maintenance and other common services to the Project.

E. Personal Property Ownership and Use.

The Management Committee as agent for the Association may acquire and hold in the name of the Association 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 interests 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 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 foreclosed Unit.

F. Rules and Regulations.

The Management Committee may make reasonable rules and regulations governing the operations 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. The Management Committee may, in behalf of the Association, suspend any Owner's voting rights at the meeting of the Unit Owners during any period or 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 in behalf of the Association, against any Owner to enforce compliance with such rules and regulations or other obligations or to obtain damages for noncompliance, all to the extent permitted by law.

G. Eligibility for Committee, and Members of First Committee.

With the exception of the Declarant's principals, only Unit Owners shall be eligible to be on the Management Committee. Until the first annual meeting of the Association is held, the members of the Committee, although numbering less than five (5) shall be Timmy Clark as Chairman, and Julie Clark as Secretary/Treasurer.

IX

ASSESSMENTS

A. Assessment Covenant.

Declarant, for each Unit owned by it within the Project, and for and as the Owner of the Project and every part thereof,

hereby covenants, and each Owner of any Unit by the acceptance of a Deed therefor, whether or not it be so expressed in the Deed, shall be deemed to covenant and agree with each other and with the Association to pay to the Association annual Common Assessments made by the Association for the purposes provided in this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided hereunder.

B. Common Assessments.

The total annual Common Assessments against all Units shall be based upon advance estimates of cash requirements by the Association to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Areas or furnishing utility services to the Units, which estimates may include, among other things, expenses of Management; grounds maintenance, 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 and heating; water charges; trash collection; sewer service charges; repairs, replacement and maintenance of Common Areas; wages for Management Committee employees; legal and accounting fees; any deficit remaining from a previous period; the creation of a reasonable contingency reserve, surplus and/or sinking fund; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration.

C. Apportionment of Assessments.

Assessments, whether Common or Special, attributable to the Common Areas and to the Project as a whole shall be apportioned among all Units in proportion to their respective undivided interests in the Common Areas. For this purpose Declarant shall be considered to own only the undivided interest in Common Areas based upon Units not conveyed by Declarant.

D. Annual Common Assessments.

Annual Common Assessments shall be made on a calendar year basis. The Management Committee shall give written notice to each Owner as to the proposed budget and the amount of the Annual Assessment with respect to this 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 date fixed by the Management Committee as the date of commencement of the Project. Each Common Assessment shall be due and payable in monthly installments on the 1st day of each and every month and no separate notices of such monthly installments shall be required. Each monthly assessment shall bear interest at the rate of eighteen percent (18%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date.

E. Special Assessments.

In addition to the Annual Common Assessments authorized hereunder, the Association may levy in any, upon a majority vote of the Association, assessment year a Special Assessment, payable over such a period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expense incurred or to be incurred as provided in this Declaration. Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to their respective undivided interests in the Common

Areas. Declarant's interest in the Common Areas shall be determined on the same basis as set forth in subparagraph C. Notice in writing of the amount of such Special Assessments and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. A special Assessment shall bear interest at the rate of eighteen percent (18%) per annum from the date it becomes due and payable if not within thirty (30) days after such date.

F. Assessment Liens.

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 Association. Such lien shall be superior to all other liens and encumbrances on such Unit, except only for: (i) valid taxes and special assessment liens on the Unit in favor of any governmental assessing authority; and (ii) 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, including but not limited to a prior Mortgage secured by the Veterans Administration. All other lienors acquiring liens on any Unit after this Declaration shall have been recorded in said records shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

To evidence a lien for sums assessed pursuant to this section, the Management Committee may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Unit and a description of the Unit. Such a notice shall be signed by the Management Committee and may be recorded in the office of the County Recorder of Davis County, Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial foreclosure by the Management Committee on behalf of the Association in the same manner in which Mortgages on Real Property may be foreclosed in Utah. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of filing the notice of lien and all 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 the Management Committee, any assessments against the Unit which shall become due during the period of foreclosure. The Management Committee shall on behalf of the Association have the right and power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof.

A release of lien shall be executed by the Management Committee and recorded in the office of the County Recorder of Davis County, Utah, upon payment of all sums 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 payment such encumbrancer 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 for Assessments.

The amount of any Annual or Special Assessment against any Unit shall be the personal obligation of the Owner thereof to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Management Committee without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of his Unit. A sale or transfer of a Unit by its Owner will not extinguish a lien for unpaid assessments on the Unit; but the personal obligation for the unpaid assessment shall not pass to the successor or successors in title of interest unless assumed by them or required by applicable law, but shall remain the personal obligation of the Unit Owner selling or transferring.

H. Unpaid Assessment Notice to Mortgagees.

Upon payment of a reasonable fee not to exceed Ten Dollars (\$10.00) and upon written request of any Owner of any 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 advanced payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums, and such statement shall be conclusive upon the 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 of account due prior to the making such request shall be subordinate to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligations of the purchaser shall be released automatically if the statement is not furnished within a 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.

I. Joint and Several Liability.

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 purchaser for such assessments.

X

USE OF CONDOMINIUM UNITS

A. Single Family Dwelling.

Each of the forty (40) Units in the Project is intended to be, and shall be used exclusively, as a single family residential dwelling.

B. Obstruction of Common Areas.

There shall be no obstruction of the Common Areas by the Owners and/or their guests 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, with the exception of limiting the right of ingress and egress to the Unit Owners.

C. Damage and Storage.

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 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 in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement 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 Association harmless against all loss resulting from any such damage or waste caused by him or his invitees; provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee of any other Owner. 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 any person at any time lawfully residing in the Project.

D. Pets.

The Management Committee may by rules and regulations prohibit or limit the raising, breeding, or keeping of animals in a Unit or in the Common Areas or any part thereof; provided, however, that the Owner or Owners of a Unit may maintain two (2) household domestic pets in the Unit unless seventy-five percent (75%) of all Unit Owners in the Project otherwise direct when a pet is deemed to be a nuisance to the Project.

E. Obedience of Rules and Regulations.

No Owner shall violate the rules and regulations for the use of the Units and of the Common Areas as adopted from time to time by the Management Committee.

F. Maintenance.

Each Owner shall keep the interior of his Unit, including, without limitation, interior walls, windows, glass, ceilings, floors and permanent fixtures and appurtenances thereto, in a clean, sanitary, and attractive condition, and in a good state of repair. Each Unit Owner shall have the exclusive right at his sole cost and expense to maintain, repair, paint, re-paint, tile, wax, paper or otherwise refinish and decorate the interior surfaces of the walls, ceilings, floors, and doors forming the boundaries of his Unit and all walls, ceilings, floors, 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, range, or other appliances or fixtures that may be in, or connected with, his Unit.

G. Structural Alterations.

No structural alterations to any Unit shall be made, and no plumbing, electrical, or similar work within the Common Areas shall be done, by any Owner without the prior written consent of the Management Committee, except emergency repair.

H. Non-Interference with Declarant.

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Notwithstanding anything herein to the contrary, until the Declarant has completed and sold all of the Units, neither the Unit Owners who have purchased Units from the Declarant nor the Management Committee shall interfere with the completion of the contemplated improvements and sale of the Units. The Declarant 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, and the display of signs.

XI

INSURANCE

A. Hazard Insurance.

The Management Committee, on behalf of, and in the name of the Association shall at all times maintain in force hazard insurance meeting the following requirements:

1. A multi-peril type policy covering the entire Condominium Project (both Units and Common Areas and Facilities) shall be maintained. As a minimum, such policy shall provide fire and extended coverage insurance (as well as all other coverage of the kinds and in the amounts commonly required by private institutional mortgage investors for projects similar in construction, location, and use) on a replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based upon replacement cost).

2. If a steam boiler is or comes to be in operation in the Project, there shall be maintained boiler explosion insurance evidenced by the standard form of boiler and machinery insurance policy. Said insurance shall, as a minimum, provide coverage in the amount of Fifty Thousand Dollars (\$50,000.00) per accident per location.

3. If the Project is or comes to be situated in a locale identified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, a "blanket" policy of flood insurance on the Condominium Project shall be obtained and maintained. The minimum amount of coverage afforded by such policy shall be the lesser of the maximum limit of coverage available under said Act or the aggregate of the unpaid principal balances of the Mortgages affecting the individual Units.

4. The name of the insured under each policy required to be maintained hereunder, shall be in form and substance essentially as follows: "Association of Unit Owners of the Bridgewood Manor Condominium Project for the use and benefit of the individual Owners."

5. Each such policy shall include the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the Project is located, which clause either shall be paid to the Association or Unit Owners of the use and benefit of Mortgagees as their interest may appear or shall be otherwise endorsed to fully protect the interests of Mortgagees. In addition, the Mortgagee clause shall provide that the insurance carrier shall notify each Mortgagee named at least ten (10) days in advance of the effective date of any reduction in or cancellation of the policy.

B. Fidelity Insurance or Fidelity Bond.

The Management Committee on behalf of and in the name of the Association shall at all times while such state of affairs

exists maintain in force fidelity coverage against dishonest acts on the part of Managers, trustees, employees, Committee members, or volunteers responsible for handling funds belonging to or administered by the Management Committee or Association of Unit Owners. The fidelity bond or insurance shall name the Association as the insured and shall be written in an amount sufficient to afford the protection reasonably necessary, but in no event less than one and one-half times the Project's estimated annual operating expenses and reserves. An appropriate endorsement to the policy shall be secured to cover persons who serve without compensation if the policy would not otherwise cover volunteers.

C. Liability Insurance.

The Management Committee on behalf of and in the name of the Association shall at all times maintain in force a comprehensive policy of public liability insurance covering all of the Common Areas and Facilities. Such insurance shall include a "Severability of Interest" endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of other Owners, the Management Committee, or the Association of Unit Owners. The scope of coverage shall be such as to include all coverage in the kinds and amounts required by private institutional mortgage investors for projects similar in construction, location, and use. Coverage for personal injury and/or property damage shall be for at least One Million Dollars (\$1,000,000.00) per occurrence.

D. General Requirements Concerning Insurance.

Each insurance policy maintained pursuant to the foregoing subparagraphs shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a financial rating by Best's Insurance Reports of Class VI or better. No such policy shall be maintained where: (i) under the terms of the carrier's charter, bylaws, or policy, contributions may be required from, or assessments may be made against, a Unit Owner, a Mortgagee, the Management Committee, or the Association of Unit Owners; (ii) by the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled from collecting insurance proceeds.

E. Additional Coverage.

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

F. Annual Review.

The Management Committee shall make an annual review of all insurance to determine its adequacy, provided that no insurance coverage as set forth is decreased.

XII

CASUALTY DAMAGE OR DESTRUCTION

A. Binding Effect.

Title to each Unit is hereby made subject to the terms and conditions hereof which bind the Declarant and all subsequent



Owners, whether or not it be so expressed in the Deed by which any Owner acquires his Unit.

B. Management Committee As Agent of Owners.

All of the Owners irrevocably constitute and appoint the Management Committee their true and lawful agent in their name, place, and stead for the purpose of dealing with the Project upon its damage or destruction as hereinafter provided.

C. Authority of Management Committee.

As attorney-in-fact, the Management Committee shall have full and complete authorization, right, and power to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of a Unit Owner which may be necessary or appropriate to exercise the powers herein granted. Repair and reconstruction of the improvements as used in the succeeding subparagraphs means restoring the Project to substantially the same condition in which it existed prior to damage, with each Unit and the Common Areas having substantially the same vertical and horizontal boundaries as before.

D. Management Committee's Duties Re: Mortgage Purchase.

In the event any Mortgagee should not agree to rebuild, the Association shall have the option to purchase such Mortgage by payment in full of the amount secured thereby if eighty percent (80%) of the Owners are in agreement to rebuild. The Association shall obtain the funds for such purpose by special assessments under this Declaration. This does not, however, constitute a right of first refusal, and any person may so purchase said mortgage before the Association has consummated such a purchase.

E. Repair or Reconstruction of Damage.

As soon as practicable after any damage to or destruction of a portion of the Project, the Management Committee shall cause each of three (3) MAI appraisers to determine the percentage of damage or destruction. The percentage which governs application of provisions of this subparagraph shall be the average of the two closest figures. After determining the percentage of damage, the Management Committee shall diligently pursue to completion the repair and reconstruction of the part of the Project damaged or destroyed, if the Project is damaged or destroyed to the extent of seventy-five percent (75%) or less than the value thereof. The Management Committee may take all necessary or appropriate action to effect repair or reconstruction, as attorney-in-fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith. Such repair or reconstruction shall be substantially in accordance with the original plans and specifications of the Project or may be in accordance with any other plans and specifications approved by an eighty percent (80%) vote of the Owners. The Owners may approve, provided that in such latter event the number of cubic feet and the number of square feet of any Unit may not vary by more than five percent (5%) from the number of cubic feet and the number of square feet for such Unit as originally constructed pursuant to such original plans and specifications, and the location of the buildings shall be substantially the same as prior to damage or destruction. The same easements for encroachments as declared in this Declaration above shall and do hereby apply under the provisions of this paragraph. In the event the Project is destroyed or damaged to the extent of more than seventy-five percent (75%) of the value thereof and the Unit Owners do not, at a meeting within one hundred (100) days after the damage or destruction and by a vote of at least eighty percent (80%) of the undivided interest in the Common Areas, determine to restore the premises, the Manage-

ment Committee shall record a notice setting forth such facts. Thereupon the provisions of subsection (k) through (4) of §57-8-31, Utah Code Annotated, shall apply and shall govern the rights of all parties. Notwithstanding anything to the contrary, contained herein, however, the Project shall be restored, irrespective of the extent of damage, if insurance proceeds are alone sufficient for such purpose.

F. Purpose of Insurance Proceeds; Special Assessments.

The proceeds of any insurance collected shall be available to the Management Committee on behalf of the Association for the purpose of repair or reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair or reconstruction, the Association may levy in advance a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair or reconstruction. Such assessment shall be allocated and collected as provided in that paragraph. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair or reconstruction.

G. Disposition of Insurance Proceeds, Etc.

The insurance proceeds held by the Management Committee for the Association and the amounts received from the assessments provided for in paragraph F immediately above constitute a fund for the payment of costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for cost of reconstruction or repair shall be made from the insurance proceeds. If there is a balance of proceeds after a Special Assessment after payment of all costs of such repair or reconstruction, such balance shall be distributed to the Unit Owners or their Mortgagees, as their interests may appear, in proportion to the contributions each Owner made pursuant to the assessments the Association made under said paragraph F above. If there is an excess of insurance proceeds after reconstruction, the same shall be distributed to the Unit Owners and Mortgagees as their interest appear.

XIII

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, 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 together with taxes and assessments due in the appurtenant undivided interest in the Common Areas.

XIV

MORTGAGE PROTECTION

A. From and after the time a Mortgagee makes written request to the Association therefor, the Committee shall notify such Mortgagee in writing in the event that the Owner of the Unit encumbered by the Mortgage held by such Mortgagee neglects for a period of sixty (60) or more days to cure any failure on his part to perform any of his obligations under this Declaration.

B. The lien or claim against a Unit for unpaid assessments or charges levied by the Association pursuant to this

Declaration or the Act shall be subordinate to the Mortgage affecting such Unit, and the Mortgagee thereunder which comes into possession of or which obtains title to the Unit shall take the same free of such lien or claim for unpaid assessments or charges, but only to the extent of assessments or charges which accrue prior to the foreclosure of the Mortgage, exercise of a power of sale available thereunder, or deed or assignment in lieu of foreclosure. No assessment, charge, lien, or claim which is described in the preceding sentence as being subordinate to a Mortgage or as not to burden a Mortgagee which comes into possession or which obtains title shall be collected or enforced by either the Management Committee or the Association from or against a Mortgagee, a successor in title to a Mortgagee, or the Unit affected or previously affected by the Mortgage concerned. However, no foreclosure or similar action or proceeding shall relieve the Mortgagor from his personal obligation for such liens, charges, or assessments.

C. Unless at least seventy-five percent (75%) of the Mortgagees (based upon one vote for each Mortgage) and Owners (other than Declarant) of the individual Units have given their prior written approval, the Association of Unit Owners shall not be entitled, by act, omission or otherwise:

1. To abandon or terminate the Condominium Project or to abandon or terminate the arrangement which is established by this Declaration and the Record of Survey Map;
2. To partition or subdivide any Unit;
3. To abandon, partition, subdivide, encumber, sell, or transfer all or any part of the Common Areas and Facilities (except for the granting of easements for utilities and similar purposes consistent with the intended use of the Common Areas);
4. To use hazard insurance proceeds resulting from damage to any part of the Condominium Project (whether to Units or to the Common Areas) for purposes other than the repair, replacement, or reconstruction of such improvements, except as provided in this Declaration concerning destruction;
5. To change the pro rata interests or obligations of any Unit which apply for: (i) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condominium awards and for (ii) determining the pro rata share of ownership of each Unit of the Common Areas and Facilities.

D. The Association shall not: (i) alter the provisions of this Article XIV hereof in such a way as to diminish the insurance protection required to be afforded to the parties designed to be protected thereby; or (ii) fail to maintain the insurance coverage described in Article XI.

E. Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Management Committee, of the Association, or of the Condominium Project.

F. The Association shall establish an adequate reserve and in no event less than the combined amount of two (2) months assessments for all of the Units to cover the cost of reasonably predictable and necessary major repairs and replacements of the Common Areas and Facilities and shall cause such reserve to be funded by regular monthly or other periodic assessments against the Units rather than by Special Assessments. Such reserve shall be established by Declarant prior to the sale of twenty-five percent (25%) of the Units.

G. Any agreement for professional management of the Condominium Project which may be entered into by the Association

of Unit Owners, and any contract (to which the Association is a party) providing for services by Declarant, shall call for a term not exceeding three (3) years and shall provide that either party with or without cause and without payment of any termination fee, may terminate the same upon not in excess of thirty (30) days written notice.

H. From and after the time a Mortgagee makes written request to the Association therefor, the Committee or the Association shall notify such Mortgagee in writing in the event that there occurs any damage or loss to, or taking or anticipated condemnation of: (i) the Common Areas involving an amount in excess of, or reasonably estimated to be in excess of, Ten Thousand Dollars (\$10,000.00); or (ii) the Unit encumbered by the Mortgage held by such Mortgagee, if the amount involved in such damage, loss, or taking is in excess of, or reasonably estimated to be in excess of, One Thousand Dollars (\$1,000.00). Said notice shall be given within ten (10) days after the Association learns of such damage, loss, taking or anticipated condemnation.

I. No provision of this Declaration gives or may give a Unit Owner or any other party priority over any rights of Mortgagees pursuant to their respective Mortgages in the case of a distribution to Unit Owners of insurance proceeds or condemnation awards for loss to or taking of Units and/or Common Areas and Facilities.

J. Any Mortgagee which obtains title to the Unit encumbered by its Mortgage pursuant to the remedies provided for in said Mortgage, pursuant to foreclosure of said Mortgage, pursuant to exercise of a power of sale available under said Mortgage, or pursuant to deed or assignment in lieu of foreclosure, and all Unit Owners shall be exempt from and shall in no way be governed by or subject to any "right of first refusal" which may be contained in or provided for in this Declaration.

K. In the event another provision or clause of this Declaration deals with the same subject matter as is dealt with in any provision or clause of this Article XIV, the provision or clause which results in the greatest protection and security for a Mortgagee shall control the rights, obligations, or limits of authority, as the case may be, applicable to the Management Committee and Association of Unit Owners with respect to the subject concerned.

L. No amendment to this Article which has the effect of diminishing the rights, protection, or security afforded to Mortgagees shall be accomplished or effective unless all of the Mortgagees of the individual Units have given their prior written approval to such amendment. Any amendment to this Article XIV shall be accomplished by an instrument executed by the Management Committee and filed for record in the office of the Davis County Recorder. In any such instrument, an officer of the Management Committee shall certify that any prior written approval of Mortgagees required by this Article XIV as a condition to amendment has been obtained.

#### XV

#### ENFORCEMENT

Each Unit Owner shall comply strictly with the provisions of this Declaration and with the rules and regulations promulgated pursuant hereto as the same may be lawfully amended from time to time, 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 in behalf of, and in the name of the Association, or, in a proper case, by an aggrieved Unit Owner.

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, including without limitation, attorneys 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.

XVII

MISCELLANEOUS

A. Name 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.

B. Severability.

If any of the provisions of this Declaration of 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 this Declaration, and the application of any such provision, paragraph, sentence, clause, phrase, or word in any other circumstances shall not be affected thereby.

C. 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.

D. Applicability of Act and Effective Date.

The provisions of the Act shall apply to the Project except to the extent that they are inconsistent with the provisions of this Declaration, where permissible by law. This Declaration shall take effect upon recording in the office of the County Recorder of Davis County, Utah.

E. Duty of Owner to Pay Taxes on Unit.

As provided above, it is understood that under the Act, each Unit and its percentage interest in the Common Areas, in the Project is subject to separate assessment and taxation of each taxing authority and the special districts 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 his Unit.

F. Amendment.

Amendment of this Declaration, subject to the Mortgagee protection provisions above, may be made by the Unit Owners at any time, and from time to time, upon the approval of ninety percent (90%) of the Unit Owners for the first twenty (20) years of the Project, and upon the approval of seventy-five percent (75%) of the Unit Owners for the remainder of the life of the Project. The Map may also be so amended. Such approval will be by recorded notice.

G. Interest, Costs, and Attorneys' Fees.

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The Common Expenses which become a lien on any Unit pursuant to this Declaration shall include not only the assessment, but interest, costs, and attorneys' fees incident to the assessment and actions to recover the same.

H. Relinquishment of Declarant's Special Rights.

Declarant shall relinquish all special rights expressed or implied under which the Declarant may, either directly or indirectly, control, direct, modify, or veto any action of the Association, majority of Unit Owners, and the Management Committee, and shall pass to the Unit Owners within the Project not later than the earlier of the following the occur:

1. One hundred twenty (120) days after the date by which seventy-five percent (75%) of the Units have been conveyed to Unit purchasers, or

2. Five (5) years from the time the first conveyance of a Unit is accomplished.

I. Leasing Restrictions.

All leases of a Unit shall be in writing and subject to the Declaration and By-laws. Unit Owners are prohibited from leasing their Units for less than an initial term of thirty (30) days.

J. Action Against the Association.

All Unit Owners shall have the right of action against the Association and the Management Committee for failure to comply with the provisions of the Declaration and By-laws, and other instruments, rules, and regulations duly enacted by the Association or for failure to comply with decisions of the Association which are made pursuant to authority granted said Association and/or the Management Committee in the aforesaid documents.

K. Right of Declarant to Amend.

Notwithstanding anything in this Declaration to the contrary, with the exception of the Mortgagee protection provisions and paragraph immediately above, Declarant is hereby given the right to amend the Declaration and Map, after first having obtained the Veterans Administration approval so long as that organization is insuring any loans on any Unit in the Project, to reasonably facilitate obtaining lending on the Units and the Project as a whole, and to satisfy any governmental or quasi-governmental lending-related entity, including, but not limited to, the Veterans Administration, the Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Association, to facilitate the reasonable improvement of the Project as Declarant shall deem appropriate.

XVIII

RESERVES

In addition to the reserves above set forth, the Association shall, at the outset, maintain such working capital funds, and other reserves and in such kinds and amounts as the Veteran Association shall require.

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IN WITNESS WHEREOF, Declarant has affixed its signature hereto this 3 day of Sept, 1981.

T.C.P. Company

By: *T.C.P. Timmy Clark*  
Timmy Clark

*Timmy Clark*  
Timmy Clark

*Julie Clark*  
Julie Clark

*Harold E. Babcock*  
Harold E. Babcock

*Betty S. Babcock*  
Betty S. Babcock

STATE OF UTAH            )  
                                  ) ss.  
County of Davis

On this 3rd day of September, 1981, personally appeared before me Timmy Clark, on behalf of T.C.P. Company, a sole proprietorship and individually, Julie C. Clark, Harold E. Babcock and Betty S. Babcock, who being by me duly sworn, did say that they acknowledged to me they executed the foregoing deed.

*Leroy Spriggs*  
Notary Public

My Commission expires: June 1983      Residing at: Fruit Heights, Utah



A part of the N.W. 1/4 of Section 1, T4N, R2W, SLB & M, U.S. Survey: Beginning at a point on the North Line of Center Street; said point being 1512.64 ft. S 0°13'20" W along the Section Line and 603.43 ft. N 89°51'20" E along the North line of Center Street from the N.W. corner of said Section 1, running thence N 0°13'20" E 116.00 ft., thence S 89°51'20" W 20.00 ft., thence N 0°13'20" E 9.00 ft., thence S 89°51'20" W 10 ft., thence 0°13'20" E 9.00 ft. thence S 89°51'20" W 236.63 ft., thence N 0°13'20" E 130.00 ft., thence S 89°51'20" W 17.55 ft., thence N 0°13'20" East 103.00 ft., thence N 89°51'20" E 290.75 ft., thence S 0°13'20" W 103.00 ft., thence N 89°51'20" E 75.93 ft., thence S 0°13'20" W 264.00 ft., thence S 89°51'20" W 82.50 ft., to the point of beginning. Contains 1.98 acres.



BY-LAWS  
OF THE  
BRIDGEWOOD MANOR HOMEOWNERS ASSOCIATION

ARTICLE I

NAME, OFFICE AND APPLICABILITY

Section 1: Name.

The name of the Association is BRIDGEWOOD MANOR HOMEOWNERS ASSOCIATION (the "Association").

Section 2: Principal Office.

The principal office of the Association shall be in Davis County, State of Utah.

Section 3: Applicability.

The provisions of these By-laws are applicable to the Condominium Project known as "BRIDGEWOOD MANOR," as Utah Condominium Project, located in Clearfield City, Davis County, State of Utah. All present and future owners, tenants, sub-tenants, employees and any other persons that might use all or any portion of the Project or any improvements thereon, in any manner, are subject to these By-laws, the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements (the "Declaration") applicable to the Project as recorded in the office of the Davis County Recorder, State of Utah, and all rules and regulations adopted and promulgated by the Governing Board, a Management Committee, pursuant to the By-laws. The

mere acquisition or rental of any Unit within the Property, or the mere act of occupancy of any Unit within the Property, shall constitute a conclusive presumption that these By-laws have been accepted, ratified, approved and will be complied with by any such actor.

## ARTICLE II

### MEMBERS

#### Section 1: Eligibility for Membership and Voting Rights.

A. All persons or entities who are Owners of the Units within the Project shall be members of the Association and there shall be one (1) vote per Unit. In the case of persons or entities purchasing any such Unit or contract, the contract purchaser will be deemed the Owner. Any person or entity ceasing to be a Unit (or co-Unit Owner, as the case may be) shall cease to be a member of the Association and shall relinquish all rights and privileges of membership. Persons or entities who hold an interest in any Unit solely as security for payment of indebtedness or the performance of any obligation shall not be members of the Association unless such persons or entities become a fee simple owner of a Unit. The memberships of the Association shall be appurtenant to and may not be separated from ownership of the Units as aforesaid. When the ownership of one of the Units is vested in more than one person or entity, each such person or entity shall be considered a member of the Association, but such members shall have only one vote per Unit owned, which vote may be cast as such joint or co-owners determine among themselves. The Declarant shall have one vote per Unit owned whether the Unit is complete or not. A vote cast by

one of the co-owners of a Unit shall, unless notice is given to the Association or Committee, be deemed a vote of all the owners of a Unit. If the co-owners of a Unit dispute which way the Unit vote will be cast and cannot reach a unanimous decision, no vote shall be cast for the Unit.

Section 2: Annual and Special Assessments.

Subject to the provisions of the Declaration, the Management Committee may, on a calendar year basis, determine amount of the Common Assessments payable to the Association by all members and set, from time to time, Special Assessments as set forth in the Declaration.

Section 3: Non-Profit Assessments.

The Association is a non-profit association and none of the assessments shall inure to the personal benefit of the members.

Section 4: Property Rights.

Any person ceasing to be an Owner of a Unit shall cease to be a Member of the Association and shall automatically relinquish all rights and privileges of membership, and all rights and claims in and to the Property of the Association, and of such member's interest in such property shall vest in the Association and its members absolutely.

ARTICLE III

MEETINGS OF MEMBERS

Section 1: Annual Meeting.

The first annual meeting of the members of the Association following the adoption of these By-laws shall be held on August 6, 1981, at the hour of 6:00 p.m. for the purposes of

electing Committee Members and for the transaction of such other business as may come before the meeting. Thereafter, the annual meeting of the Members of the Association shall be held on the first Thursday in the month of August of each year, beginning with the year 1982 at the hour of 6:00 p.m., for the purpose of electing Committee Members and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Utah, such meeting shall be held on the next succeeding work day. If the election of the Committee shall not be held on the day designated herein for any annual meeting or at any adjournment thereof, the Management Committee shall cause the election to be held at a special meeting of Members as soon thereafter as conveniently may be.

Section 2: Special Meetings.

Special meetings of the Members of the Association may be called by the President, the Vice-President, and two (2) Committee Members, or not less than twenty-five percent (25%) of the Members of the Association.

Section 3: Place of Meetings.

The Committee may designate any place within Davis County, State of Utah, as the place of meeting for any annual meeting or for any special meeting called by the Committee. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be at its principal office as above set forth; but if all the Members shall meet at any time or place, either within or without the State of Utah, and consent to the holding of a meeting, such meeting shall be valid without

call or notice, and at such meeting any Association action may be taken.

Section 4: Notice of Meetings.

Written or printed notice stating the place, day and hour of any meeting of Members shall be delivered either personally or by mail, by or at the discretion of the Officers or persons calling the meeting, to each Member not less than ten (10) days before the date of such meeting. In case of a special meeting or when required by statute or by these By-laws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail, addressed to the Member at his, her or its address as it appears on the records of the Association, with postage thereon fully prepaid.

Section 5: Informal Action by Members.

Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

Section 6: Quorum.

The members entitled to vote present in person or represented by proxy shall constitute a quorum at any meeting of members. Any member entitled to vote may vote by proxy executed in writing by such Member or by such Member's duly authorized attorney in fact. No proxy shall be valid after eleven months

from the date of its execution, unless otherwise provided in the proxy. A signature card of the Members shall be kept by the Management Committee and compared against the proxy to check the accuracy of signatures of the proxy. The vote of a majority of the votes entitled to be cast by the Members with voting rights present or represented by proxy at a meeting at which a quorum was initially present shall be necessary for the election of Committee Members and the adoption of any matter voted on by the Members, unless a greater proportion is required by law.

Section 7: Voting by Mail.

Where Committee Members are to be elected, such election may be conducted by mail in such manner as the Management Committee shall determine.

ARTICLE IV

MANAGEMENT COMMITTEE

Section 1: General Powers.

Pursuant to the laws of the State of Utah, the Declaration and the provisions of these By-laws, the affairs of the Association shall be managed by its Management Committee consisting of five (5) Members. Committee Members must be Members of the Association or residents of the State of Utah. However, until three (3) Units of the Project have been sold, the Committee shall consist of three (3) Members who do not have to be Members of the Association so long as they are residents of the State of Utah.

Section 2: Tenure and Qualifications.

All Members shall be elected for terms as set forth in the Declaration.

Section 3: Officers of the Committee.

The President, Vice-President, and the Secretary/Treasurer of the Association shall also be the President, Vice-President, and Secretary/Treasurer respectively of the Committee.

Section 4: Regular Meetings.

A regular annual meeting of the Committee shall be held without other notice than this By-law, immediately after and at the same place as the annual meeting of the Members. The Committee may provide by resolution the time and place, either within or without the State of Utah, for the holding of additional regular meetings of the Committee without other notice than such resolution.

Section 5: Special Meetings.

Special meetings of the Committee may be called by or at the request of the Association or any two (2) Members of the Committee. The person or persons authorized to call special meetings of the Committee may fix any place, either within or without the State of Utah, as the place for holding any special meeting of the Committee called by them.

Section 6: Notice.

Notice of any special meeting of the Committee shall be given at least three (3) days previous thereto by written notice personally or sent by mail or telegram to each Committee Member as his address as shown by the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed with postage thereon prepaid. If notice be given by

telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Committee Member may waive notice of any meeting. The attendance of a Committee Member at any meeting shall constitute a waiver of notice of such meeting, except where a Committee Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Committee need be specified in the notice or waiver of notice of such meeting.

Section 7: Quorum.

A majority of the Committee shall constitute a quorum for the transaction of business at any meeting of the Committee; but if less than a majority of the Committee Members are present at said meeting, a majority of the Members present may adjourn the meeting from time to time without further notice. The act of a majority of the committee Members present at a meeting at which a quorum is present shall be the act of the Governing Board, unless the act of a greater number is required by law. Until three (3) Units have been sold in the Project, a quorum shall consist of 100% of all Committee Members, only.

Section 8: Vacancies.

Any vacancy occurring in the Committee for any reason shall be filled as set forth in the Declaration.

Section 9: Compensation.

Being a Committee Member is a non-paying responsibility, and no compensation, other than reimbursement for out-



of-pocket expenses incurred in Committee business, shall be paid a Committee Member for his services rendered on the Committee.

ARTICLE V

INFORMAL ACTION BY MEMBERS

Any action required by law to be taken at a meeting of the Committee, or any action which may be taken at a meeting of Members of the Association, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members.

ARTICLE VI

OFFICERS

Section 1: Officers.

The Officers of the Association shall be a President, Vice-President, and Secretary/Treasurer. No two offices may be held by the same person. An officer of the Association must be a Unit Owner; provided, however, until three (3) Units have been sold, an officer may be one other than a Member of the Association so long as he/she is a resident of the State of Utah.

Section 2: Election, Appointment, and Term of Office.

The President, Vice-President, and Secretary/Treasurer of the Association shall be elected at the annual meeting of Members. If such election may be held as soon thereafter as conveniently may be. Each officer so elected shall hold office until the next annual meeting of the Members and until his or her successor shall have been duly elected and qualified.

Notwithstanding anything in this Section 2 to the contrary, until such time as three (3) Units in the Project have been sold, the Officers of the Association shall be:

President - Timmy Clark  
Vice-President - Harold E. Babcock  
Secretary/Treasurer - Julie Clark

Section 3: Removal.

Any Officer of the Association, whether elected or appointed, may be removed as set forth in the Declaration.

Section 4: Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled as set forth in the Declaration.

Section 5: Duties.

A. The President shall be the principal executive Officer of the Association and shall in general supervise and control all of the business and affairs of the Association, subject to the direction of the Committee. He or she may sign, upon the limitations set forth in the Declaration, all documents in behalf of the Committee; to preside over the meetings of Members and of the Committee; and in general perform all duties incident to the office of President and such other duties as from time to time may be assigned to him or her by the President of the Committee.

B. The Vice-President shall act in the place of the President at all meetings and occasions when the President is unavailable; assist the President in his duties as the President shall direct; and in general, perform all duties incident to the office of the Vice-President as the Committee shall from time to time direct.

C. The Secretary/Treasurer shall, if required by the Association, give a bond for the faithful discharge of his or

her duties in such a sum and with such surety or sureties as the Committee shall determine; to be responsible for all funds and securities of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever; deposit all such monies in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these By-laws; and in general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or the Committee.

The Secretary/Treasurer shall keep the minutes of the meetings of the Members and of the Committee in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-laws or as required by law; act as the custodian of the Association records and of the seal of the Association and see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these By-laws.

#### ARTICLE VII

##### RULES

Pursuant to the laws of the State of Utah, the Declaration and these By-laws, the Committee by resolution may adopt, publish, and enforce, on behalf of the Association, rules applicable to all Members of the Association and their guests, which rules have to do with the management, maintenance, preservation and architectural control of the Project.

ARTICLE VIII

721

CONTRACTS, CHECKS, DEPOSITS & REFUNDS

Section 1: Contracts.

The Committee may authorize any Officer or Officers, agent, or agents of the Association, in addition to the Officers so authorized by these By-laws, to enter into any contract or execute and deliver any instrument in the name of and or confined to specific instances; subject, however, to the limitations of the Declaration.

Section 2: Checks, Drafts, and Related Documents.

Unless otherwise provided by resolution of the Committee, all checks, drafts, or orders for payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by the Treasurer and countersigned by the President.

Section 3: Deposits.

All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Committee may select.

ARTICLE IX

INDEMNIFICATION OF MEMBERS, OFFICERS, EMPLOYEES OR AGENTS

Section 1: Authorization for Indemnification.

Any person made a part to, or involved in, any civil, criminal, investigative or administrative action, suite, or proceeding, regardless of whether any such action, suit or proceeding is by or in the right of the Association or other-

wise, by reason of the fact that such person, such person's testator or intestate representative, is or was a Member, Officer, or employee or agent of the Association and served as such at the request of the Association, may be indemnified by the Association against expenses reasonably incurred by such person, or imposed on such person, in connection with the defense of such action, suit or proceedings, or in connection with or resulting from any appeal therein.

Section 2: Expenses.

As used in this Article, the term "expenses" shall include all obligations incurred for the payment of money, including without limitation, attorneys fees, judgments, awards, fines, penalties, and amounts paid in satisfaction of judgments or settlement or any such action, suit or proceedings, except amounts paid to the Association.

Section 3: Determination of Indemnification.

A determination as to whether any Member, Officer, employee, or agent of the Association shall be indemnified as authorized by this Article, as well as the amount of any such indemnification shall be made as follows:

- (a) An order of the Court of administrative body or agency having jurisdiction of any such action, suit, or proceeding; or
- (b) An order of any Court having jurisdiction over the Association; or
- (c) A resolution adopted by a majority of a quorum of the Committee without counting in such majority or

quorum any Members who have incurred expenses in connection with any such action, suit, or proceedings; or

(d) In the event there is no quorum of Committee Members who have not incurred expenses in connection with any such action, suit, or proceedings, then by resolution adopted by a majority of the Members of the Association who have not incurred any such expenses.

#### ARTICLE X

##### FISCAL YEAR

The fiscal year of the Association shall begin on the first day of August and end on the last day of July.

#### ARTICLE XI

##### MISCELLANEOUS

###### Section 1: Notice of Encumbrances.

Any Mortgagee, as defined in the Declaration shall be entitled to the notices defined in the Declaration.

###### Section 2: Conflicting Provisions.

In case any of these By-laws conflict with any provisions of the laws of the State of Utah and Declaration such conflicting provisions shall be void.

###### Section 3: Membership Book.

The Association shall keep and maintain at its principal office a book containing the name and address of each Member of the Association. The termination or transfer of ownership of any Unit in the Project or the termination of any membership for any other reason, shall be recorded in such book, together with the date of any such termination or transfer.

ARTICLE XII

724

AMENDMENTS TO BY-LAWS

Subject to the provisions of the Declaration, these By-laws may be amended or repealed and new By-laws may be adopted by a majority of the Committee Members present at any regular or special meeting of the Committee, provided, however, that By-laws pertaining to the qualifications, voting rights, and property rights of Members of the Association shall not be amended or repealed unless such change is ratified by at least a majority of the votes which Members present or represented by proxy at the duly called meeting of the Members of the Association.

ARTICLE XIII

BOOKS AND RECORDS

The Association shall keep correct and complete books and records of account, and shall also keep minutes of the proceedings of its Members and Committee, and shall keep at the registered or principal office of the Association a record giving the names and addresses of the Members of the Association. All books and records of the Association may be inspected by any Member, or his agent or attorney, for any proper purpose at any reasonable time.

CERTIFICATION

I hereby certify that the foregoing is a true and correct copy of the By-laws adopted by the Association at a meeting on August 6, 1981.

Julius J. Clark  
Secretary

## EXHIBIT C

<u>Unit Number</u>	<u>Percent of Undivided Fee Simple Interest in Common Areas</u>
1A	2.5
1B	2.5
1C	2.5
1D	2.5
2A	2.5
2B	2.5
2C	2.5
2D	2.5
3A	2.5
3B	2.5
3C	2.5
3D	2.5
4A	2.5
4B	2.5
4C	2.5
4D	2.5
5A	2.5
5B	2.5
5C	2.5
5D	2.5
6A	2.5
6B	2.5
6C	2.5
6D	2.5
7A	2.5
7B	2.5
7C	2.5
7D	2.5
8A	2.5
8B	2.5
8C	2.5
8D	2.5
9A	2.5
9B	2.5
9C	2.5
9D	2.5
10A	2.5
10B	2.5
10C	2.5
10D	2.5



EXHIBIT D

726

Building Units

- 1A
- 1B
- 1C
- 1D
  
- 2A
- 2B
- 2C
- 2D
  
- 3A
- 3B
- 3C
- 3D
  
- 4A
- 4B
- 4C
- 4D
  
- 5A
- 5B
- 5C
- 5D
  
- 6A
- 6B
- 6C
- 6D
  
- 7A
- 7B
- 7C
- 7D
  
- 8A
- 8B
- 8C
- 8D
  
- 9A
- 9B
- 9C
- 9D
  
- 10A
- 10B
- 10C
- 10D