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THIRD AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
LUNDON STREET CONDOMINIUMS

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THIRD
AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
FOR LONDON STREET CONDOMINIUMS

THIS DECLARATION is made this 16th day of August, 1995, by the London Street Condominium Homeowners Association, herein referred to as "Declarant."

RECITALS:

A. On January 9, 1985, Brookland Management and Development Group, the "declarant" created the London Street Condominium Project by filing for record in the office of the Recorder of Salt Lake County, Utah an instrument entitled "Declaration of Covenants, Conditions, and Restrictions for London Street, Inc." (hereinafter referred to as "the Original Declaration") as Entry No. 4037032 in Book 5621 beginning at Page 666.

B. On December 9, 1985, Brookland Management and Development Group amended the Original Declaration by restating the same in a document entitled "Amended and Restated Declaration of Covenants, Conditions, and Restrictions for London Street Inc." (hereinafter referred to as "the Amended Declaration") as Entry No. 4142441 in Book 5694 beginning at Page 942 and Amended and Restated as Entry No. 4174332 in Book 5716 beginning at Page 1222.

C. On March 21, 1986, Brookland Management and Development Group exercised the right reserved to the declarant in the Original Declaration in Article II, Section 2 Subsection C, to unilaterally expand the Project by filing for record in the office of the Recorder of Salt Lake County, Utah: (1) an instrument entitled First Supplement to Declaration of Condominium for London Street, Inc. (hereinafter referred to as the "First Supplement") as Entry No. 4248890 in Book 5769 beginning at Page 1566, and (2) an instrument styled "Record of Survey Map of #70 London Street Condominium Project, Phase II" (hereinafter referred to as the "Phase II Map") as Entry No. 4248889 in Book 86-5 of Plats, at Page 78. The First Supplement and the Phase II Map added to the Project certain real property (hereinafter referred to as the "Added Parcel").

D. On September 23, 1990, Declarant acquired all of the interest of Brookland Management and Development Group with respect to the Project, including but not limited to the rights of the declarant in the Original Declaration.

E. On August 5, 1991, Declarant caused the Project to be contracted pursuant to Section 57-8-13.8 of the Utah Code Annotated by withdrawing the Added Parcel and Declarant expanded the Project pursuant to Article II, Section 2, Subsection G of the Original Declaration by filing for record in the office of the Recorder of Salt Lake County, Utah: (1) an instrument entitled Amendment to First Supplement to Declaration of Condominium for London Street, Inc. (hereinafter referred to as the "Amended First Supplement") as Entry No. 5106798 in Book 91-8 beginning at Page 116, and (2) an instrument styled "Amendment Plat A #70 London Street Phase 2" (hereinafter referred to as the "Amendment Plat A Map"). The Amended First Supplement and the Amendment Plat A Map added to the Project a certain portion of the withdrawn real property (hereinafter referred to as the "Second Added Parcel").

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F. On January 23, 1992, Declarant expanded the Project pursuant to Article II, Section 2, Subsection G of the Original Declaration and the Amended Declaration by filing for record in the office of the Recorder of Salt Lake County, Utah: (1) an instrument entitled Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for London Street Condominiums (hereinafter referred to as the "Second Supplement") as Entry No. 5187129 in Book 6401 beginning at Page 129, and (2) an instrument styled "Amendment Plat A # 70 London Street Phase 2" (hereinafter referred to as the "Amendment Plat B Map"). The Second Supplement and the Amendment Plat B Map added the remaining portion of the withdrawn real property to the project (hereinafter referred to as the "Third Added Parcel"). The original real property contained in the Project, together with the Second Added Parcel and the Third Added Parcel, constitute the entire Project, the legal description of which is set forth in Exhibit "A" which is attached hereto and incorporated herein by this reference.

G. Pursuant to Article II, Section 2, Subsection F of the Original Declaration as amended, Declarant desires to modify the Original Declaration as amended and by completely restating the Original Declaration as amended in the following form, which complete restatement shall be referred to as "the Restated Declaration".

H. Attached to this Restated Declaration and made a part hereof by this reference is a document entitled "Certificate of Consent" which certifies to the written consent of at least sixty-seven percent (67%) of the total allocated votes in the Owners Association and at least 51% of the Eligible Mortgage Holders signifying that the said Owners or Eligible Mortgage Holders approve of this Restated Declaration.

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

ARTICLE I DEFINITIONS

The following terms used in these covenants, conditions and restrictions shall be applicable to this Declaration and also to any supplemental declaration recorded pursuant to Article II hereof and are defined as follows:

Section 1. Architectural Committee shall mean and refer to the Management Committee which shall administer and approve structural modifications to the Limited Common Area and Common Area in the Project.

Section 2. Articles of Incorporation or Articles shall mean and refer to the Articles of Incorporation of the London Street Homeowners Association, as filed with the State of Utah.

Section 3. Assessments shall mean and refer to all common expenses incurred to operate and maintain the Project, including sums designated for the Reserve Accounts, which are assessed against and all the Unit Owners are obligated to pay.

Section 4. Association or Owner's Association shall mean and refer to London Street Homeowner's Association, an incorporated association made up of all Unit Owners acting as a group in accordance with this Restated Declaration, or the said Association's successors and assigns.

Section 5. By-Laws shall mean and refer to the By-Laws of London Street Homeowners Association, a copy of which is attached to and incorporated in this Declaration by reference as Exhibit "E".

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Section 6. Capital Improvement shall mean and refer to non-recurring expenses (as opposed to day-to-day items) to repair, maintain and replace significant fixed assets in the Project, such as entry and exit areas, roads, green space, sidewalks, and recreational facilities or amenities intended to restore, enhance, improve or ameliorate the utility, value or beauty of the Common Areas or Facilities.

Section 7. Committee shall mean and refer to The Management Committee of London Street.

Section 8. Common Areas shall mean and refer to all real property in the Project in which the Association owns an interest for the common use and benefit of the Members, their lessees, guests and invitees, including but not limited to the following items:

- (a) The real property and interests in real property submitted hereby, including the entirety of the Tract and all improvements constructed thereon, but excluding the Individual Units and the Dwelling Units or other improvements constructed thereon;
- (b) All Common Areas and Facilities designated as such in the Survey Maps;
- (c) All Limited Common Areas and Facilities designated as such in the Survey Maps;
- (d) All installations for and all equipment connected with the furnishing of Project utility services such as telephone, electricity, gas, water, and sewer;
- (e) The Project outdoor grounds, lighting, perimeter fences, landscaping, sidewalks, open parking spaces, and roads;
- (f) All portions of the Project not specifically included within the Individual Units; and
- (g) All other parts of the Project normally in common use or necessary or convenient to its use, existence, maintenance, safety, operation or management.

Section 9. Community shall mean and refer to the real property and interests in the real property described in this Declaration, and such additions thereto as may be made by the Association, from time to time.

Section 10. Community Wide Standard shall mean and refer to the standard of conduct, maintenance, or other activity generally prevailing in the Community and other first class subdivisions in the county. This standard may be more specifically determined by the Management Committee.

Section 11. Conveyance shall mean and refer to conveyance of a fee simple title to any Unit.

Section 12. Declarant shall mean and refer to the London Street Condominiums Homeowners Association, a Utah corporation, its successors and assigns.

Section 13. Declaration shall mean and refer to this Third Amended and Restated Declaration of Covenants, Conditions and Restrictions for London Street Condominiums.

Section 14. Deed of Trust shall mean the conveyance of any Unit or other portion of the property to secure the performance of an obligation.

Section 15. Eligible Insurer shall mean and refer to an insurer or governmental guarantor of a mortgage or trust deed who has requested notice in writing of certain matters from the Association in accordance with this Declaration.

Section 16. Eligible Mortgagee shall mean and refer to a mortgagee, beneficiary under a trust deed or lender who has requested notice in writing of certain matters from the Association in accordance with this Declaration.

Section 17. Eligible Votes shall mean and refer to those votes available to be cast on the issue at hand. A vote which is for any reason suspended is not available to be cast.

Section 18. Family shall mean and refer to a group of persons related to each other by blood, legally related to each other by marriage or adoption, or living together by mutual consent, who maintain a common household in a Unit.

Section 19. Guest shall mean and refer to a temporary visitor, any person whose presence within the Project is approved by or is at the request of a particular Owner, including but not limited to lessees, tenants and the family, employees, licensees or invitees of Owners, tenants or lessees.

Section 20. Improvement shall mean and refer to all existing structures and appurtenances to the Property of every kind and type, including but not limited to all buildings, the swimming pool, clubhouse, fixtures, walkways, plumbing and electrical systems, heating and air-conditioning systems, utility systems, roads, walkways, driveways, parking areas, storage facilities, fences, walls, stairs, landscaping, trees, shrubs, bushes, recreational facilities and amenities.

Section 21. Land shall mean and refer to the real property subject to this Declaration.

Section 22. Limited Common Area shall mean and include those portions of the Common Area reserved for the use of the owners of certain Units to the exclusion of the other owners. Limited Common Area shall include backyards adjacent to and contiguous with said Units.

Section 23. Majority shall mean and refer to those eligible votes of Owners or other groups as the context may indicate totaling more than fifty (50%) percent of the total eligible number.

Section 24. Management Committee shall mean the Committee as provided in this Restated Declaration, charged with and having the responsibility and authority to operate and maintain the Property.

Section 25. Manager shall mean and refer to the person or entity appointed or hired to assist in the operation and management of the Project.

Section 26. Map shall mean and refer to the Record of Survey Map as amended.

Section 27. Member shall mean and refer to every person or entity who holds membership in the Association.

Section 28. Mortgage shall mean and refer to both a first mortgage or first deed of trust on any Unit, but does not mean or refer to a uniform real estate contract, land sales contract or other similar executory contract.

Section 29. Mortgagee shall mean and refer to a mortgagee under a first mortgage or a beneficiary under a first deed of trust on any Unit, but does not mean or refer to a seller under a uniform real estate contract, land sales contract or other similar security instrument.

Section 30. Notice and Hearing shall mean and refer to the procedure which gives an Owner notice of an alleged violation of the Declaration, By-Laws or administrative Rules and Regulations for a

hearing before the Committee or its designated agent.

Section 31. Owner or Unit Owner shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Unit which is a part of the Property, including contract buyers, but excluding those having such interest merely as security for the performance of an obligation. An Owner shall have title to the Unit he has purchased, and shall have the rights to the Common Areas as described in Article IV. A Unit may be held and owned by more than one person as joint tenants, or as tenants in common, or in any other real property tenancy relationship recognized under the laws of the State of Utah.

Section 32. Permanent Resident shall mean and refer to anyone who resides in a Unit for more than four consecutive weeks or for more than eight weeks in any calendar year.

Section 33. Person shall mean and refer to a natural person, a corporation, a partnership, trust, limited liability company or other legal entity.

Section 34. Phase shall mean and refer to two or more Units including the corresponding membership in the Association, which will be or has been made subject to the provisions of this Declaration either by recording this Declaration or by recording a supplement thereto.

Section 35. Project shall mean and refer to the London Street Condominium Project.

Section 36. Property shall mean and refer to the land or real estate, and appurtenances, submitted by this Declaration to the Utah Condominium Ownership Act (the "Act").

Section 37. Record of Survey Map shall mean and refer to the "Record of Survey Map or Maps of the London Street Planned Residential Development" on file with the Salt Lake County Recorder.

Section 38. Single Family Residence shall mean and refer to both the architectural design and use of a Unit in which a single family resides.

Section 39. Survey Map shall mean and refer to the Record of Survey Map.

Section 40. Tract shall mean and refer to the real property subject by this Declaration to the terms of the Act.

Section 41. Unit shall mean and refer to each residential dwelling unit, and its appurtenant percentage of undivided interest in the common elements as herein provided, which lies within the following boundaries:

(a) Horizontal (Upper and Lower):

(i) The upper horizontal boundary of each unit located on the Property is the plane formed by the uppermost, unexposed surface of the wallboard or other material composing a part of the ceiling enclosing the uppermost story of the Unit.

(ii) The lower horizontal boundary of each Unit located on the Property is the plane formed by the finished surface of the concrete slab.

(b) Vertical (Parametric or Lateral): The vertical boundaries of each Unit located on the Property are the planes formed by the unexposed surface of the wallboard or other surface comprising the interior walls enclosing a unit.

(c) Notwithstanding the description of the boundaries set forth above, the boundaries shall be deemed to be extended to include within the Unit the following: all portions of the plumbing, heating, electrical, and air conditioning systems (including furnaces, compressors, components, pipes, wires, conduits, ducts, and the like) serving only that individual Unit; all windows, glass surfaces, and doors (including frames) serving the Unit; and all portions of any covered veranda, patio, or balcony serving the Unit, whether or not such veranda, patio, or balcony is enclosed. Where two Units are adjoining, each Unit shall extend to the center of each common wall or to the center of the air space between walls where double wall construction is used.

Each unit shall be conveyed as a separately designated and legally described freehold estate subject to the Act and this Declaration. The units are depicted on the Record of Survey Map or Maps.

ARTICLE II THE PROJECT

Section 1. Property. The following property, located in Salt Lake County, State of Utah, is hereby resubmitted pursuant to the Act. See: Exhibit "A" attached hereto and incorporated herein by this reference.

Section 2. Description of Improvements.

A. There have been constructed upon the Property a number of Units with basements which have been constructed of concrete, lumber, rock, stucco, gypsum and other materials consistent with local building codes and procedures.

B. In addition, the other significant improvements to the Property shall include the following:

1. Swimming pool
2. Club house
3. Parking areas
4. Fencing
5. Landscaping

C. Attached to this Declaration as Exhibit "B" is the following information with respect to each Unit:

1. Unit number; and
2. Percentage of undivided ownership interest in the Common Area.

D. Purpose. All Units are intended to be used for residential housing and are restricted to such use. No Unit shall be used, occupied, or altered in violation of law, so as to detract in the appearance or value from any other Unit, so as to create a nuisance, or so as to interfere with the rights of any Unit Owner or in any way which would increase the cost of any insurance covering the Project.

E. Service by Process. The name of the person to receive service of process is the President of the Association. The name and business address of the current President of the Association is:

Ezio (Val) Valentini
596 East Thatcher Way
Midvale, Utah 84047

Such registered agent may be changed by the Association at any time and from time to time.

F. Amendment. Unit Owners shall have the right to amend this Declaration. This right shall be exercised as follows:

1. Amendments of a material nature must be agreed to by Unit Owners representing at least 67% of the total allocated votes in the Association and at least 51% of the Eligible Mortgagees.

2. Amendments of a material nature include amendments relating to the following:

- a. Voting;
- b. Assessments, assessment liens, or subordination of liens;
- c. Reserves for maintenance, repair, and replacement of the common areas and facilities;
- d. Insurance or fidelity bonds;
- e. Rights to use of the Common Areas or Facilities;
- f. Responsibility of maintenance and repair of several portions of the Project;
- g. Expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project subject to all applicable restrictions contained in this Agreement;
- h. The boundaries of any Unit;
- i. The interest in the Common Areas and Facilities or Limited Common Areas;
- j. Convertibility of Units into Common Areas or of Common Areas into Units;
- k. Leasing of Units;
- l. Imposition of any right of first refusal or similar restriction of the right of any Unit Owner to sell, transfer, or otherwise convey his Unit;
- m. Express benefits or right of mortgagees, eligible mortgagees, or eligible insurers or guarantors; and
- n. The requirement that the Project be professionally managed rather than self managed.

Section 3. Name of Project. The name of the project shall be "Lundon Street Condominiums."

ARTICLE III
BYLAWS OF UNIT OWNERS ASSOCIATION

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Unit shall be a Member of the Association. The terms and provisions set forth in this Declaration are binding upon all owners of all Units and all Members in the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership for each Unit owned. Membership shall be appurtenant to and may not be separated from the fee ownership of any Unit which is subject to assessment by the Association. Ownership of such Unit shall be the sole qualification for membership.

Section 2. Transfer. The membership held by any Owner of a Unit shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of such Unit, and then only to the purchaser or mortgagee of such Unit. Any attempt to make a prohibited transfer is void, and will not be reflected upon the books and records of the Association. In the event the owner of any Unit should fail or refuse to transfer the membership registered in his name to the purchaser of such Unit, the Association shall have the right to record the transfer upon the books of the Association.

Section 3. Voting Rights. Each of the Members shall be entitled to one (1) vote for each Unit owned. When more than one person holds such interest in any Unit, all such persons shall be members; however, the vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than (1) vote be cast with respect to any Unit.

Section 4. Meetings.

A. Annual Meeting. The annual meeting of members shall be held on the second Tuesday of June of each year, at a time and place established by the Committee for the purpose of electing the Committee Members and for the transaction of such other business as may come before the Committee.

B. Special Meetings. Special meetings may be called by the President or by the Management Committee, and shall be called by the President at the request of not less than fifty percent (50%) of all Members entitled to vote at the meeting.

C. Place of Meeting. The Management Committee may designate any place within Salt Lake County, Utah, as the place of the meeting for any annual meeting or for any special meeting called by the Management Committee. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the Club House.

D. Notice of Meeting. Written or printed notice of special meeting stating the place, day, and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered no less than ten (10) nor more than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the President, Secretary, or the officer or person calling the meeting, to each Member of record entitled to vote at such meeting unless waived in writing by each Member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at the address as it appears on the books of the Association, with postage thereon prepaid.

E. Quorum. A majority of the total votes entitled to vote at a meeting shall

constitute a quorum at all meetings. If less than a majority of the total votes are present or represented by proxy at a meeting, the majority of the votes so present or represented may adjourn the meeting from time to time without further notice.

F. Proxies. A Member may vote either in person or by proxy executed in writing by the Unit Owner or by his 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.

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

Section 5. Management Committee.

A. General Powers. The business and affairs of the Association shall be managed by its Management Committee. Committee Members must be Unit Owners and members of the Association. Committee Members shall not receive any compensation for serving.

B. Specific Powers. Any instrument executed by the Management Committee that recites facts which, if true, would establish the Committee's power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument. The Association shall, in connection with its exercise of any of the powers delineated in subparagraphs set forth below, constitute a legal entity capable of dealing in its Committee name. The Management Committee shall have, and is hereby granted, the following authority and powers:

1. To Enter. The power and authority to enter into or upon any Unit or Unit to make repairs and to do other work reasonably necessary for the proper maintenance and operation of the Project.

2. Grant Easements. The authority, without the vote or consent of the Unit Owners, Mortgagees, Insurers or guarantors of Mortgage, or of any other person, to grant or create, on such terms as it deems advisable, reasonable permits, licenses, and nonexclusive easements over, under, across, and through the Common Areas for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance and operation of the Project.

3. Execute Documents. The authority to execute and record, on behalf of all the Unit Owners, any amendment to the Declaration or Record of Survey Map which has been approved by the vote or consent necessary to authorize such amendment.

4. Standing. The power to sue and be sued.

5. Enter Into Contracts. The authority to enter into contracts which in any way concern the Project, so long as any vote or consent necessitated by the subject matter of the agreement has been obtained.

6. Transfer Interests in Real Property. The power and authority to exchange, convey or transfer any interest in real property, so long as it has been approved by at least 75% of the members in the Association.

7. To Add Property. The power and authority to purchase, or to acquire, and accept title to, any interest in real property, so long as it has been approved by at least 75% of the members in the Association.

8. Promulgate Rules. The authority to promulgate such reasonable administrative guidelines, rules, regulations, and procedures as may be necessary or desirable to aid the Committee in carrying out any of its functions or to insure that the Project is maintained and used in a manner consistent with this Declaration. This includes the right to sanction, fine, restrict privileges, charge user fees, issue citations and the like. All fines shall be collected by lien and foreclosure as set forth herein.

9. All Other Acts. The power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions on behalf of the Unit Owners.

C. Number, Tenure, and Qualifications. The number of Management Committee Members shall be five. The Management Committee shall consist of a President, Vice President, Secretary, Treasurer and a Committee Member at Large. The Association Members shall elect the Members to the Management Committee by majority vote at the annual meeting. Each Committee Member shall hold office until the end of his designated term or until his successor has been elected and qualified. Terms shall be for two (2) years. Three (3) of the Members shall be elected on odd years and two (2) of the Members shall be elected on even years.

D. Regular Meetings. A regular meeting of the Management Committee shall be held without other notice than this Declaration immediately after and at the same place as the annual meeting of the Association or at such other time and place as may be designated by the Committee. The Management Committee may provide, by resolution, the time and place, for the holding of additional regular meetings without other notice than such resolution.

E. Special Meetings. Special meetings of the Management Committee may be called by or at the request of the President or any two Committee Members. The person or persons authorized to call special meetings of the Management Committee may fix any place within Salt Lake County as the place for holding any special meeting of the Committee.

F. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring thereat. The Committee shall adopt those guidelines, policies, and procedures reasonable and necessary for the efficient conduct of its meetings, including the prohibition of any electronic recording devices, video cameras, etc.

G. Open Meetings. A portion of all meetings of the Committee shall be open to all Members, but Members of the Association other than Members of the Committee may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Committee.

H. Executive Session. The Committee may, with approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon private matters, litigation, delinquencies, covenant enforcement, personnel matters or other items of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in the open session.

I. Notice. Notice of any special meeting shall be given at least three (3) days previous thereto by written notice delivered personally or mailed to each Committee Member at his current mailing address or by telegram. If mailed, such notice shall be deemed to be delivered two (2) days after it was deposited in the United States mail 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 a 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 Management Committee need be specified in the notice or waiver of notice of such meeting.

J. Quorum. Three Committee Members shall constitute a quorum for the transaction of business at any meeting of the Management Committee, but if less than such majority is present at a meeting, a majority of the Committee 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 deemed to be the act of the Management Committee.

K. Vacancies and Removal of Committee Members. Any vacancy occurring in the Management Committee may be filled by the affirmative vote of a majority of the remaining Committee Members though less than a quorum of the Management Committee, unless the Member is removed by an affirmative vote of a majority of the eligible Association votes. A Committee Member elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any Committee Membership to be filled by reason of the removal of a Committee Member by the Association shall be filled by the election of a replacement Member by a majority of the Association votes at the same meeting.

L. Presumption of Assent. A Committee Member who is present at a meeting of the Management Committee at which action on any Association matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the Minutes of the Meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereto or shall forward such dissent by certified mail to the secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Committee Member who voted in favor of such action.

Section 6. Officers. The Officers of the Management Committee shall be a President, Vice-president, Secretary, Treasurer and Member at large. The Members of the Association shall elect the members of the Management Committee. The Members of the Management Committee shall, among themselves, elect their Officers. No person may hold more than one office. Each Officer shall have at least the following duties:

A. President. The president shall be the principal executive officer of the Association and, subject to the control of the Management Committee, shall in general supervise and control all of the business and affairs of the Association. He shall, when present, preside at all meetings of the Association and of the Management Committee. He may sign, with the secretary or any other proper officer of the Association thereunto authorized by the Management Committee, any mortgages, bonds, contracts, or other instruments which the Management Committee has authorized to be executed except in cases where the signing and execution thereof shall be expressly delegated by the Management Committee or by this Declaration to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and

In general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Management Committee from time to time.

B. Vice President. In the absence of the President or in the event of his death, or inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President and shall perform such other duties as from time to time may be assigned to him by the President or by the Management Committee.

C. Secretary. The Secretary shall: (a) keep the minutes of all meetings of the Association and the Management Committee in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of this Declaration as required by law; (c) be custodian of the Association records; (d) keep a register of the post office address of each Member which shall be furnished to the secretary by such Member; (e) have general charge of the membership transfer books of the Association; (f) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the president or by the Management Committee.

D. Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses. The books of account shall at all times be open to inspection of any Member. The Treasurer shall pay all obligations of the Association in a timely manner. The Treasurer shall send regular statements to the Members showing their obligations to the Association. The Treasurer shall render annual reports of the status of the Association to the Members.

E. Member at Large. The Member at large shall perform such duties that may be assigned to him by the President or by the Management Committee.

Section 7. Contracts, Loans, Checks, and Deposits

A. Contracts. The Management Committee may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances.

B. Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a vote of the majority of the Members of the Association. Such authority may be general or confined to specific instances.

C. Checks, Drafts, Etc. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association in such manner as shall from time to time be determined by resolution of the Management Committee.

D. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such federally insured banks, trust companies, or other depositories as the Management Committee may select.

Section 8. Fiscal Year. The fiscal year of the Association shall begin on January 1st and end on December 31st of each year.

Section 9. Waiver of Notice. Whenever any notice is required to be given to any Association Member or Committee Member under the provisions of this Declaration or under the provisions of the laws of the State of Utah, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE IV
PROPERTY RIGHTS IN THE COMMON AND LIMITED AREAS

Section 1. Members' Easements of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the Common Area in the fractions expressed in Exhibit "B" to this Declaration. Each Unit Owner shall have the exclusive right and easement of enjoyment in and to the Limited Common Area assigned to said Unit, and such easements shall be appurtenant to and shall pass with the title to every assessed Unit, subject to the following provisions:

A. The right of the Association to establish uniform rules and regulations pertaining to the private streets and the recreational facilities thereof.

B. With the prior consent of at least 75% of the members in the Association, the right of the Association to:

(1) Borrow money for the purpose of improving the common area and facilities; and

(2) Mortgage said property, provided that the rights of any mortgagee are inferior, junior and subordinate to the rights, title and interest of the Unit Owner therein.

C. The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless a written instrument pursuant to a unanimous vote of those present at a meeting for this purpose that has been duly called of Members including proxies who are entitled to vote has been recorded, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every Member not less than ten (10) days in advance. However, the Declarant reserves the right to grant easements over the road system or any other designated utility easement areas for utility purposes.

Section 2. Delegation of Use. Any Member may delegate his right of enjoyment to the Common and Limited Common Areas and Facilities to the members of his family, his tenants or contract purchasers who reside on the Property.

Section 3. Waiver of Use. No Member may exempt himself from personal liability for assessments duly levied by the Association, nor release the Unit owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common and Limited Common Areas and Facilities thereon or by abandonment of his Unit other than by sale thereof.

Section 4. Title to the Common and Limited Common Areas. The Owner of each Unit shall own an equal undivided interest in the Common Areas, Limited Common Areas and Facilities. This undivided interest shall not be separated from the Unit to which it appertains and shall be deemed to be conveyed or encumbered or released from liens with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

Section 5. Profits from Common Areas. The common profits of the Property, if any, shall be distributed among the Unit Owners according to their respective percentage or fractional undivided interests in the Common Areas and Facilities.

Section 6. Maintenance of Units and Common Area. The Property shall be maintained as follows:

(a) Common Area. The Association shall maintain the Common Area in a usable, clean, functional, attractive and good condition, consistent with Community Standards and other first class subdivisions in the county (hereinafter referred to as the "Area of Common Responsibility"). The Committee shall provide those utility services not separately metered and billed to individual Units by the provider.

(b) Units & Limited Common Area. The Unit Owners shall maintain their Units, Limited Common Area and the items listed below (hereinafter referred to as the "Area of Personal Responsibility") in a usable, clean, functional, attractive, and good condition, consistent with Community Standards and other first class condominium projects. The Area of Personal Responsibility includes but is not limited to heating and air conditioning, plumbing, electrical, interior walls, windows, doors, garages, back yard, patios, decks and balconies, etc. It includes the maintenance and painting/staining of all interior fence surfaces. All landscaping shall be tasteful, so as not to affect adversely the value or use of any other Unit or the Common Area, or to detract from the uniform design and appearance of the Project.

(c) Neglect. If the Committee determines that (i) any Owner has failed or refused to discharge properly his obligation with regard to the maintenance, repair, or replacement of any Area of Personal Responsibility for which he is responsible hereunder; or (ii) that the need for maintenance, repair, or replacement of the Common Area is caused through the willful or negligent act of any Owner, his family, guests, lessees, or invitees, and it is not covered or paid by insurance, in whole or in part, then the Association may, but is not obligated to, provide such maintenance, repair or replacement at the Owner's sole cost and expense. Such costs shall be added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Unit, as provided below. Except in an emergency situation, the Association shall give the Owner written notice of the Association's intent to provide necessary maintenance, repair, or replacement at Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Committee. If an emergency does not exist, then the Owner shall have ten (10) days after receipt of notice within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days. If the Committee determines that an emergency exists, then notice and the opportunity to cure the default is not necessary. The Association may, but is not obligated to, provide any such maintenance, repair, or replacement in the manner described above. The Association or its agents or employees shall have a right to entry upon or into any Unit and/or Limited Common Area as necessary to perform such work and shall not be liable for trespass for such entry or work.

(d) Alterations to the Common Area. Except alterations approved by the Committee in writing, no Owner or occupant shall construct, reconstruct, refinish or alter any Common Area or Limited Common Area.

(e) Snow Removal. The removal of snow and ice accumulation from the roadways shall be an Area of Common Responsibility and the removal of snow and ice accumulation from driveways, sidewalks and porches shall be an Area of Personal Responsibility unless, in any given

year, the majority of the Unit Owners request the Management Committee to include in its annual budget sufficient funds to remove all snow and ice accumulations from the roadways, driveways, sidewalks and porches. At the annual meeting, the Committee shall present to the Membership at least three bids to remove snow and ice accumulation from the entire Project. Anything to the contrary notwithstanding, the management Committee may elect, upon request, from time to time, pursuant to the Section 16 of Article V below, to arrange for the removal of snow and ice accumulation from the driveways, sidewalks and porches of certain Unit Owners, the cost of which shall be divided equally among those Unit Owners benefitting from the additional service and added to their monthly assessment.

ARTICLE V
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Unit Owner is deemed to covenant and agree to pay to the Association: (1) regular assessments or charges, and (2) special assessments for capital improvements; such assessments to be fixed, established and collected from time to time as hereinafter provided. The regular and special assessments, together with such interest thereon and cost of collection thereof, as hereinafter provided, shall be a charge on the Land and shall be continuing lien upon the Unit against which each such assessment is made. The lien herein provided for will be subordinate to a first mortgage on the Unit, if the mortgage was recorded before the delinquent assessment was due. Each such assessment together with such interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such Unit at the time when the assessment fell due. This personal obligation shall pass to his successors in title even if not expressly assumed by such successors in title on a joint and several basis. However, any such successor in title shall be entitled to a statement from the Association setting forth the amounts of the unpaid assessments against the grantor and such grantee shall not be liable for, nor shall the Unit conveyed by subject to, a lien for any unpaid assessments against the grantor in excess of the amount set forth. No membership may be transferred to a subsequent Unit Owner until all due interest and collection charges have been paid in full.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the Members of the Association and, in particular, for the improvement and maintenance of the Common Areas and Limited Common Areas, properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, including gatekeepers.

Section 3. Regular Assessments. The amount and time of payment of regular assessments shall be determined by the Management Committee or the Association after giving due consideration to the current maintenance costs and future needs of the Association. Written notice of the amount of an assessment, regular or special, shall be sent to every Unit Owner, and the due date for the payment of same shall be set forth in said notice.

Section 4. Special Assessments for Capital Improvements. In addition to the regular assessments, the Association may levy in any calendar year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the eligible votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than ten (10) days in advance of the meeting, setting forth the purpose of the meeting.

Section 5. Uniform Rate of Assessment. Both regular and special assessments shall be fixed at a uniform rate on all Units owned by the members and may be collected on a monthly or annual basis.

Section 6. Date of Commencement of Regular Assessments and Fixing Thereof. The regular assessments provided for herein shall commence as to all Units on the first day of the month following the purchase of each Unit by an owner. Monthly or annual assessments will be payable at times determined by the Management Committee.

Section 7. Certificate of Payment. The Association shall, upon demand, furnish to any Owner liable for said assessment, a certificate that the regular and special assessments on a specified Unit have been paid, and the amount of the delinquency, if any. A reasonable charge may be made by the Management Committee for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8. Unforeseen Expenditures. To insure that the Association will have funds to meet unforeseen expenditures or to purchase any additional equipment or services, the Committee shall establish and maintain adequate reserve accounts to pay for unexpected operating expenses and capital improvements. The reserve accounts shall be funded out of regular Common Area Fees. The Association shall pay out of the Reserve Account only those costs that are attributable to the maintenance, repair or replacement of Capital Improvements for which reserves have been collected and held. No portion of a reserve designated for a particular Capital Improvement may be expended for any purpose other than the maintenance or replacement of that Capital Improvement. Except for funds collected for such contingencies, no funds collected for the Reserve Account may be used for ordinary current maintenance and operation purposes.

Section 9. Approval of Budget and Assessments. The proposed budget and the Assessments shall become effective unless disapproved at the annual meeting by a vote of at least a majority of the members of the Association. Notwithstanding the foregoing, however, if the membership disapproves the proposed budget and Assessments or the Management Committee fails for any reason to establish the budget and Assessments for the succeeding year, then and until such time as a new budget and new Common Area Fee schedule shall have been established, the budget and the Assessments in effect for the then current year shall continue for the succeeding year.

Section 10. Owners Liable To Pay Assessments. For purposes of this Article, the term "Unit Owner" shall mean and refer jointly and severally to the owner of the legal or equitable interest in the Unit, including but not limited to the owner of record in the offices of the county recorder of Salt Lake County, Utah and both the Buyer and Seller under any land sales contract, uniform real estate contract, or other similar instrument.

Section 11. Equitable Changes. If the aggregate of all monthly payments on all of the Units is too large or too small as a result of unanticipated income or expenses, the Committee may from time to time effect an equitable change in the amount of said payments. Owners shall be given at least thirty (30) days written notice of any changes.

Section 12. Personal Obligation of Owner. Unit Owners, including both the buyer and seller under an executory contract of sale, are jointly and severally liable to pay all Assessments charged, accruing interest, late fees and collection costs, including attorneys fees. Provided, however, no first mortgagee or beneficiary under a first deed of trust (but not the Seller under an executory contract of sale, uniform real estate contract, land sales contract, or other similar instrument), who obtains title to a Unit pursuant to the remedies provided in the mortgage or trust deed shall be liable for unpaid Assessments which accrued prior to the acquisition of title.

Section 13. Superiority of Assessments. All Assessments and liens created to secure the obligation to pay common expenses are superior to any homestead exemptions to which an Owner may be entitled.

Section 14. Termination of Utility Service or Right to Use Amenities for Non-Payment. At the discretion of the Committee, the utility service to any Owner or occupant of any Unit paid for by Assessments, or the right to use the Recreational Facilities or Amenities, may be terminated if the Owner or occupant is in arrears on his obligation to pay Assessments and has failed to cure or make satisfactory arrangements to cure the default after reasonable notice of at least ten (10) days.

Section 15. Suspension of Right to Vote for Non-Payment. At the discretion of the Committee, the right of an Owner to vote on issues concerning the Association may be suspended if the Owner is delinquent in the payment of his Assessments, and has failed to cure or make satisfactory arrangements to cure the default after reasonable notice of at least ten (10) days.

Section 16. Specific Assessments. In addition to the regular Assessments and Special Assessments, the Committee shall have the power specifically to assess the Owners of an individual Unit or Units in a particular area or phase pursuant to this Section as, in its discretion, it shall deem appropriate. Failure of the Committee to exercise its authority under this Section shall not be grounds for any action against the Association or the Committee and shall not constitute a waiver of the Committee's right to exercise its authority under this Section in the future with respect to any expenses, including an expense for which the Committee has not previously exercised its authority under this Section. The Committee may specifically assess a Unit or Units in a particular area or phase for the following expenses, except for expenses incurred for maintenance and repair of items which are the maintenance responsibility of the Association as provided herein:

(a). Benefit Only To Specific Unit or Floor. Expenses of the Association which benefit less than all of the Units. Phases may be specifically assessed, equitably among all of the Units in an area or phase which is benefitted, according to the benefit received.

(b). Unequal or Disproportionate Benefit. Expenses of the Association which benefit all Units, but which do not provide an equal benefit to all Units or Phases, may be specifically assessed equitably among all Units or Phases according to the benefit received.

ARTICLE VI NON-PAYMENT OF ASSESSMENTS

Section 1. Delinquency. Any Assessment provided for in this Declaration, which is not paid when due, shall be delinquent. With respect to each Assessment not paid within fifteen (15) days after its due date, the Association may, at its election, require the Owner to pay attorneys fees and court costs, collection charges, a "late charge" in a sum to be determined by the Association, but not to exceed \$10.00 per each delinquent assessment (hereinafter referred to collectively as "Collection Costs"). If any such Assessment is not paid within thirty (30) days after the delinquency date, the Assessment shall bear interest from the date of delinquency at the rate of 18% per annum, and the Association may, at its option, bring an action at law against the Owner personally obligated to pay the same, or, upon compliance with the notice provisions set forth in Section 2 hereof, to foreclose the lien (provided for in Section 1 of Article V hereof) against the Unit, and there shall be added to the amount of such Assessment all Collection Costs, and in the event a judgment is obtained, such judgment shall include said interest and a reasonable attorney's fee, together with the costs of action. Each Owner vests in the Association or its assigns, the right and power to bring all actions at law or lien foreclosure against such Owners for the collection of such delinquent assessments.

Section 2. Duty to Pay Independent. No reduction or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association or Committee to take some action or perform some function required to be taken or performed by the Association or Committee under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay Assessments being a separate and independent covenant on the part of each Owner.

Section 3. Application of Payments. All payments shall be applied first to costs, attorney's fees, late charges, accruing interest, past due Assessments and, finally, current Assessments.

Section 4. Notice of Lien. No action shall be brought to foreclose any Assessment lien or to proceed under the power of sale herein provided less than thirty (30) days after the date of notice of claim of lien is deposited in the United States mail, certified or registered, and mailed to the owner of said Unit.

Section 5. Foreclosure Sale. The lien for nonpayment of Assessments may be enforced by sale or foreclosure of the Unit Owner's interest therein by the Committee. The sale or foreclosure shall be conducted in the same manner as foreclosures in deeds of trust or mortgages or in any other manner permitted by law. In any foreclosure or sale, the Unit Owner shall pay: (a) the costs and expenses of such proceedings, including but not limited to the cost of a foreclosure report, (b) reasonable attorney's fees, and (c) a reasonable rental for the Unit during the pendency of the foreclosure action. The Association in the foreclosure action may require the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The Committee may bid for the Unit at foreclosure or other sale and hold, lease, mortgage, or convey the Unit. In addition:

(a) **Appointment of Trustee.** If the Committee elects to foreclose the lien in the same manner as foreclosures in deeds of trust, then the Owner by accepting a deed to the Unit hereby irrevocably appoints the attorney of the Association, provided s/he is a member of the Utah State Bar, as Trustee, and hereby confers upon said Trustee the power of sale set forth with particularity in Utah Code Annotated, Section 57-1-23 (1953), as amended. Owner hereby transfers in trust to the Trustee all of his or her right, title and interest in and to the real property for the purpose of securing his or her performance of the obligations set forth herein.

(b) **Attorney in Fact.** Each Owner by accepting a deed to the Unit hereby irrevocably appoints the Association as his or her attorney in fact to collect rent from any person renting his Unit, if the Unit is rented and Owner is delinquent in his or her Assessments. Rent due shall be paid directly to the Association, upon written demand, until such time as the Unit Owner's Assessments are current; and the Unit Owner shall credit the renter, against rent due, for the amount of money paid to the Association.

Section 6. Curing of Default. Upon the timely curing of any default for which a notice of claim of lien was filed by the Association, the officers of the Association are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting owner of a fee, to be determined by the Association, but not to exceed \$225.00, to cover the costs of preparing and filing or recording such release, together with the payment of such other costs, interest or fees as shall have been incurred.

Section 7. Cumulative Remedies. The Assessment lien and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided.

Section 8. Subordination of Assessment Liens. If any Unit subject to a monetary lien created by any provision hereof shall be subject to the lien (1) the foreclosure of any lien created by anything set forth in this Declaration shall not operate to affect or impair the lien of such deed of trust; and (2) the foreclosure of the lien of deed of trust shall not operate to affect or impair the lien hereof, except that the lien hereof for said charges as shall have accrued up to the foreclosure of the acceptance of the deed in lieu of foreclosure shall be subordinate to the lien of the deed of trust, with the foreclosure-purchaser or deed-in-lieu-grantee taking title free of the lien hereof for all said charges that have accrued up to the time of the foreclosure of deed given in lieu of foreclosure, but subject to the lien hereof for all said charges that have accrued up to the time of the foreclosure of deed given in lieu of foreclosure, but subject to the lien hereof for all said charges that shall accrue subsequent to the foreclosure of deed given in lieu of foreclosure.

ARTICLE VII ARCHITECTURAL CONTROL

Section 1. Architectural Approval. No building, fence, door, wall, or other structure, including any aerial, antenna, satellite tv dish or system, shall be erected upon the Property, nor shall any addition to, or change, modification of the Common Area or Limited Common Area, or alteration including color, materials, aesthetics or design be permitted until the plans and specification showing the nature, kind, shape, size, height, materials and location of the same shall have been submitted to and approved in writing, as to harmony of external design and location in relation to surrounding structure and topography, by the Architectural Committee. The Management Committee may adopt and amend Architectural Guidelines as it deems necessary or appropriate.

Section 2. Landscaping Control. Each member shall maintain his Area of Personal Responsibility in an attractive and safe manner so as not to detract from the community.

Section 3. Waiver. Approval of any plans, drawings or specifications for any work proposed, or for any other matter requiring approval, shall not be deemed to constitute a waiver of any right to deny approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

Section 4. Liability. If the Committee has acted in good faith on the basis of such information possessed by it, neither the Committee nor any member shall be liable to the Association or to any Owner for any damage, loss or prejudice suffered or claimed due to: (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective; (b) the construction or performance of any work whether or not it was completed pursuant to approved plans, drawings, and specifications; (c) the execution and filing of any estoppel certificate, whether or not the facts therein are correct.

Section 5. No Waiver of Future Approvals. The approval of the Committee of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters whatever subsequently or additionally submitted for approval or consent.

Section 6. Variance. The Committee may authorize variances from compliance with any of the provisions of the design guidelines when circumstances such as topography, natural obstructions, hardship, aesthetic, or environmental considerations require, but only in accordance with its duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to restrictions set forth in the body of this Declaration, or (c) estop the Committee from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any

permit or the terms of financing shall not be considered a hardship warranting a variance.

Section 7. Certain Work Prohibited. Notwithstanding the above provisions, no Unit Owner shall do any work or make any alterations or changes which would jeopardize the soundness or safety of the property, reduce its value, or impair any easement or hereditament, without first obtaining the unanimous written consent of all other Unit Owners.

ARTICLE VIII
DUTIES AND POWERS OF THE ASSOCIATION

In addition to the duties and powers enumerated elsewhere herein, and without limiting the generality thereof, the Association shall:

Section 1. Management of Common Areas. Own, and/or maintain and otherwise manage all the Common Areas and Limited Common Areas and all facilities, improvements and landscaping thereon, including but not limited to the private streets and street fixtures and all other property acquired by the Association.

Section 2. Access. Establish and maintain street entrance and exit ways, including maintenance of street signs and special lighting which may exist.

Section 3. Taxes. Pay any real and personal property taxes and other charges assessed against the common areas.

Section 4. Utilities. Have the authority to obtain, for the benefit of all of the Common Areas, all water, gas and electric services and refuse collection.

Section 5. Easements. Grant easements where necessary for utilities and sewer facilities over the common areas to serve the Common Areas and the Units.

Section 6. Insurance. Maintain in force, and pay the premiums for property insurance subject to the following requirements and conditions:

A. Property Insurance. A "master" or "blanket" type policy of property insurance shall be maintained covering the entire Project, including Common Areas, and Facilities, Limited Common Areas, Units, fixtures, building services, equipment, personal property, and supplies comprising a part of the Common Areas and Facilities or owned by the Association, and fixtures, equipment, or other property comprising a part of, or located with, any Unit and which are of a class typically encumbered by Mortgages held by the Federal National Mortgage Association (hereinafter, "FNMA") or other similar Institutional Mortgage Investors, but excluding land, foundations, excavation, and other items normally not covered by such policies. References herein to a "master" or "blanket" type policy of property insurance are intended to denote single entity condominium insurance coverage. As a minimum such "master" or "blanket" policy shall afford protection against loss or damage by fire, by other perils normally covered by the standard extended coverage endorsement, and by all other perils which are customarily covered with respect to condominium projects similar to the Project, location, and use, including (without limitation) all perils normally covered by the standard "all risk" endorsement, where such endorsement is available. Such "master" or "blanket" policy shall be in an amount not less than one hundred percent (100%) of current replacement costs of all elements of the Project covered by such policy, exclusive of land, foundations, excavation, and other items normally excluded from coverage. Such policy or policies of insurance as the Management Committee of the Association deems necessary or desirable in furthering the purposes of and protecting the interests of the

Association and its Members.

B. Flood. If the Project is or comes to be situated in an area having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program ("NFIP"), a "master" or "blanket" policy of flood insurance shall be maintained covering the Buildings and any other property covered by the required form of policy (hereinafter, "Insurable Property") in an amount deemed appropriate, but not less than the lesser of: (1) the maximum limit of coverage available under NFIP for all Buildings and Insurable Property within any portion of the Project located within a designated flood hazard area, or (2) one hundred percent (100%) of current replacement costs of all such Buildings and Insurable Property. Such policy shall be in a form which meets the criteria set forth in the most current Guidelines on the subject issued by the Federal Insurance Administrator.

C. Insured. The name of the insured under each policy required to be maintained by the foregoing items (A), and (B) shall be set forth therein substantially as follows: "Unit Owner's Association of the London Street Condominium Project for the use and benefit of the individual Owners." [Said Owners shall be designated by name, if required.] Notwithstanding the requirement of the two immediately foregoing sentences, each such policy may be issued in the name of an authorized representative of the Association, including any Insurance Trustee with whom the Association has entered into an Insurance Trust Agreement or any successor to such Trustee, for the use and benefit of the individual Unit Owner. Loss payable provisions shall be in favor of the Owners Association (or Insurance Trustee), as a trustee for each Unit Owner and each such Owner's Mortgagee, if any, shall be beneficiaries of such policy in the percentage of such Owner's undivided ownership interest in the Common Areas and Facilities. Evidence of insurance shall be issued to each Unit Owner and Mortgagee upon request.

D. Mortgagees. Each policy required to be maintained by the foregoing items (A), and (B) shall contain the standard mortgage clause, or equivalent endorsement (without contribution), commonly accepted by private institutional Mortgage investors in the area in which the Project is located. If FNMA is a holder of one or more Mortgages on Units within the Project such mortgage clause shall name FNMA or FNMA's servicer of such Mortgages as Mortgagee. If FNMA's servicer is named as mortgagee in such mortgage clause, such servicer's name shall be followed therein by the phrase "its successors and assigns." In addition, such mortgage clause or another appropriate provision of each such policy shall provide that the policy may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in the Project.

Section 7. Fidelity Coverage. Maintain in force, and pay the premiums for, "Blanket" fidelity bonds for all officers, Management Committee Members, and employees of the Association and for all other persons handling or responsible for the funds of or administered by the Association. Furthermore, where the Association has delegated some or all of the responsibility for handling of funds to a management agent, such bonds shall be required for the management agent's officers, employees, and agents handling or responsible for funds of, or administered on behalf of the Association. The total amount of fidelity bond coverage required shall be based upon the best business judgment and shall not be less than the established maximum of funds, including reserve funds, in the custody of the Association, or the management agent, as the case may be, at any given time during the term of each bond. Nevertheless, in no event may the amount of such bonds be less than a sum equal to three months' aggregate assessment on all Condominium Units plus reserve funds. The bonds required shall meet the following additional requirements: (1) the fidelity bonds shall name the Association as obligee; (2) the bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions;

(3) the premiums on all bonds required herein for the Association (except for premiums on fidelity bonds maintained by a management agent for its officers, employees, and agents) shall be paid by the Association as part of the Common Expenses; and (4) the bonds shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days' prior written notice to the Association, to any insurance Trustee, and to each servicer of loans on behalf of FNMA.

Section 8. Liability Insurance. Maintain in force, and pay the premium for a policy providing comprehensive general liability insurance coverage covering all of the Common Areas and Facilities, public ways in the Project, if any, and commercial spaces owned by the Association, if any, whether or not such spaces are leased to some third party. The coverage limits under such policy shall be in an amount generally required by private Institutional Mortgage Investors for condominium projects similar to the Project in construction, location, and use. Nevertheless, such coverage shall be for at least One Million Dollars (\$1,000,000.00) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under such policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance, or use of the Common Areas and Facilities, and legal liability arising out of lawsuits related to employment contracts of the Association. Additional coverage under such policy shall include protection against such other risks similar to the Project, location, and use, including written contract insurance, employers liability insurance, and comprehensive automobile liability insurance. Such policy shall provide that it may not be canceled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in such policy.

Section 9. Primary Insurance. Have the authority to enforce the requirement that the individual insurance policy of any Owner or occupant of a Unit provides "primary" coverage and that the insurance policy of the Association provides "secondary" or "excess" coverage.

Section 10. Deductible. Have the authority to enforce the requirement that the deductible on the Association's insurance policy be paid by the party who would be liable for the loss, damage, claim or repair in the absence of insurance and, in the event of multiple responsible parties, the authority to require that the loss be allocated in relation to the amount each party's percentage of responsibility relates to the total. However, if a loss or claim is caused by an act of god, nature or an element outside the control of the Association, the Owner or occupant making the claim shall pay the deductible.

Section 11. Independent Contractors. Have the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or firm appointed as a manager or managing agent shall provide for the right of the Association to terminate the same at the first annual meeting of the members of the Association.

Section 12. Reserve Accounts. Have the power to establish and maintain a working capital and contingency reserve fund or funds in amounts to be determined by the Management Committee.

Section 13. Parking. Have a duty to maintain and manage the streets and parking within the Common Area.

Section 14. Sewer. Have a duty to maintain the sewer lines and related equipment which services the Property.

Section 15. Agency. Represent the Unit Owners in any proceedings, negotiations, settlements or agreements affecting more than one Unit or the Common Area. Each Unit Owner appoints

the Association as its attorney in fact for this purpose.

Section 16. Adjust Losses. Apportion losses or proceeds from condemnation, destruction, or liquidation of all or a part of the project or from the termination of the project among the Unit Owners according to the ownership interests specified in Exhibit "B" attached to this Declaration. Any proceeds from settlements will be payable to the Association for the benefit of the Unit Owners and their mortgage holders.

ARTICLE IX UNIT OWNERS RIGHTS AND RESTRICTIONS

Section 1. Subject to Declaration. Each Unit Owner is a member of the Association and will be subject to all the rights and duties assigned to Owners under this Declaration or the other associated constituent documents.

Section 2. Right of Ingress and Egress. Each Unit Owner shall have an unrestricted right of ingress and egress to his Unit. This right shall be perpetual and shall pass with the Unit as the transfer of ownership of the Unit occurs.

Section 3. Ownership of Units. Each Unit Owner shall be entitled to the exclusive ownership and possession of his Unit except as it may be necessary for the Association from time to time to have access to any Unit to make emergency repairs necessary to prevent damage to Common Areas or other Units. Each Owner has the duty to provide the Committee, its employees, agents or representatives, access to said Unit in the event of an emergency.

Section 4. Limitation on Ability to Sell. The Association shall not restrict the Unit Owner's right to sell, transfer, or convey his Unit. The Association does not have a right of first refusal before a Unit Owner can sell, transfer, or convey his Unit. Nothing contained herein shall be deemed to prohibit the Association from establishing reasonable occupancy limitations consistent with local, state and federal laws.

Section 5. Leasing Restrictions. In order to assure a community of congenial owners and thus protect the value of the Units, the lease of a Unit by any Owner (other than as herein provided for certain mortgagees) shall be subject to the following provisions:

(a) Notice of Lease or Intent to Lease. The Management Committee may require any Owner who has leased his Unit or who intends to lease his Unit to give notice in writing to the Management Committee of such intention, stating: (i) the name and address of the current Lessee or the Intended Lessee, (ii) the terms of the proposed transaction, (iii) such other information as the Committee may reasonably require including current telephone number of Owner and leaseholder and (iv) provide the Committee with a copy of the Lease or proposed Lease.

(b) Rules and Regulations. The Committee shall have authority to make and to enforce reasonable rules and regulations in order to enforce this section, including the right to impose fines for failure to comply, and to file a notice of lien against the Unit sold or leased to secure the obligation.

(c) Restrictions. Each Lease shall be deemed to be subject to the following restrictions:

(1) Entirety. Unless Owner Occupied, Units may be rented only in their entirety and no fraction or portion thereof may be rented.

(2) Transient Use. No transient Lessees may be accommodated therein. All Rentals or Leases must be for a term of no less than six (6) months and no resort, hotel, corporate, executive or rental pool uses are permitted.

(3) Subject To Declaration. All Leases and Lessees shall be subject to the provisions of the Act, Declaration, By-Laws, Rules and Regulations.

(4) Copies of Documents. Each Unit Owner must make available to the Lessee, upon request, copies of the Declaration, By Laws, Rules and Regulations.

(5) Mandatory Language. Any Lease affecting a Unit whether written or oral, shall be deemed to contain the following provisions, whether or not expressly therein stated, and each Owner covenants and agrees that any Lease on a Unit shall contain the following language, and further agrees that if such language is not expressly contained therein, then, such language shall be incorporated into the Lease by this reference. Any Lessee, by occupancy in a Unit, agrees to be bound by following:

a. Lessee acknowledges that promises made to Lessor are made for the benefit of the Association for the purpose of discharging Lessor's duties to the Association through Lessee's performance. Therefore, the Association may bring an action against Lessee in law or equity to recover damages or to obtain injunctive relief. Failure by the Association to enforce any of its rights shall in no event be deemed a waiver of the right to do so thereafter.

b. Lessee shall comply strictly with all provisions of the Act, Declaration, By Laws and with the administrative rules and regulations adopted pursuant thereto, as any of the foregoing may be lawfully amended from time to time. Lessee shall control the conduct and behavior of his family, their guests and invitees.

c. Upon written request by the Association, Lessee shall pay to the Association all unpaid monthly Assessments, Special Assessments, and Specific Assessments, as lawfully determined and made payable during and prior to the term of this Agreement and any other period of occupancy by Lessee; provided, however, Lessee need not make such payments to the Association in excess of or prior to the due dates for monthly rental payments unpaid at the time of the Association's request. All payments made to the Association shall reduce by the same amount Lessee's obligation to make monthly rental payments to Lessor under the Lease. If Lessee fails to comply with the Association's request to pay Assessments, Lessee shall pay to the Association all late or delinquent charges, fines, interest, and costs of collection, including, but not limited to, reasonable attorney's fees actually incurred, to the same extent Lessee would be required to make such payments to the Association if Lessee were the owner of the Unit during the term of this Agreement and any other period of occupancy by Lessee.

d. Lessee's rights shall be subject to all rights of the Association and any bona fide mortgage or deed of trust given to secure debt which is now or may hereafter be placed upon the Unit by Lessor.

(6) Recovery of Attorney's Fees. The Committee may recover from the Owner and the Lessee all costs incurred in enforcing this Section, regardless of whether

suit is filed, including reasonable attorneys fees.

(7) Lessee's Rights. Any Lessee charged with a violation of the Declaration, Bylaws, or Administrative Rules and Regulations is entitled to the same rights to which the Owner of a Unit would be entitled.

(8) First Mortgagee's or Lender's Rights. Anything to the contrary notwithstanding, the provisions of this Section shall not apply to impair the rights of any Mortgagee to: (a) foreclose or take title to a Unit pursuant to remedies contained in any Mortgage; (b) take a deed or assignment in lieu of foreclosure, or (c) sell, lease, or otherwise dispose of a Unit acquired by the Mortgagee.

Section 6. Restrictions on Mortgaging Units. There shall be no restrictions placed on the Unit Owner's rights to mortgage his Unit. In addition, there shall be no restriction or limitation placed upon the Unit Owner's financing options by requiring the Unit Owner to seek financing from a specific lending institution or a particular type of lender.

Section 7. Rights of Action. Unit Owners shall have a right of action against the Association in the event that the Association fails to comply with the provisions of this Declaration or of its associated constituent documents, or with the decisions made by the Association.

ARTICLE X RIGHTS OF MORTGAGE HOLDERS, INSURERS OR GUARANTORS

Section 1. Notice. The holder, insurer, or guarantor of the mortgage on any Unit in the project is entitled to timely written notice of: (a) Any condemnation or casualty loss that affects either a material portion of a project or the Units securing its mortgage; (b) Any 60 day delinquency in the payment of assessments or charges owed by the owner of any Unit on which it holds the mortgage; (c) a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and (d) any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders.

Section 2. Written Request Required. In order for any mortgage holder, insurer, or guarantor to receive the information required above, such entity must send a written request to the Association, stating both its name and address and a Unit number or address of the Unit on which it has a mortgage.

ARTICLE XI EASEMENTS

Section 1. Utility and Drainage Generally. The rights and duties of the owners of Units within the properties with respect to sanitary sewer and water, electricity, gas and telephone and Cable Television lines and drainage facilities shall be governed by the following:

(a) Wherever sanitary sewer connections and/or water connections or electricity, gas or telephone and Cable Television lines or drainage facilities are installed within the properties, which connections, lines or facilities, or any portion thereof lie in or upon Units owned by Association or other than the owner of a Unit served by said connections, the Association and the owners of any Unit served by said connections, lines or facilities shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter the Units or to have utility companies enter the Unit within the properties in or upon which said connections, lines or facilities, or any portion thereof, lie to repair, replace and generally maintain said connections as and when the same may be necessary as set forth below.

(b) Wherever sanitary sewer connections and/or water connections or electricity, gas or telephone or Cable Television lines or drainage facilities are installed within the properties, which connections serve more than one Unit, the owner of each Unit served by said connections shall be entitled to the full use and enjoyment of such portions of said connections as service his Unit.

Section 2. Installation and Maintenance. Easements with respect to the Units and common area properties for the installation and maintenance of electric, telephone, Cable Television, water, gas and sanitary sewer lines, drainage facilities, and street entrance ways as shown on the recorded tract map of the properties, or other documents or record, are hereby reserved by Declarant, together with the right to grant and transfer the same for the use and benefit of the members of the Association.

Section 3. Fences. Easements for the purpose of installing and maintaining the security of the perimeter fencing are hereby reserved by Declarant, together with the right to grant and transfer same.

Section 4. Television. There is hereby reserved with respect to the Units the right to place on, under or across such property, transmission lines and other facilities for a Community Antenna Television System and the right to enter upon the property to service, maintain, repair, reconstruct and replace said lines or facilities: Provided, however, that the exercise of such rights does not unreasonably interfere with the owner's reasonable use and enjoyment of said Unit.

Section 5. Drain Systems. Easements with respect to the Units and common area for the purpose of drainage, the installation and maintenance of drainage facilities and ingress and egress for the purpose of such installation and maintenance are hereby reserved to Declarant, together with the right to grant and transfer the same.

ARTICLE XII USE RESTRICTIONS

Section 1. Residential. All Units in the Tract shall be known and described as residential Units and shall be used for no purpose other than residential purposes, save and except the property owned by the Association, i.e., the Common Areas and Limited Common Areas on which there will be placed landscaping and recreational facilities and private streets. No building shall be erected, altered, placed or permitted to remain on any property in the Project other than a building used as a single family dwelling.

Section 2. Commercial Prohibition. No part of the properties shall be used for any commercial, manufacturing, mercantile, storing, vending, or other such non-residential purposes. No commercial trade or business may be conducted in or from any Unit unless: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (b) the business activity conforms to all zoning requirements for the Project; (c) the business activity does not involve persons coming onto the Project who do not reside in the Project or door-to-door solicitation of residents of the Project; and (d) the business activity is consistent with the residential character of the Project and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Project, as may be determined in the sole discretion of the Committee. Provided, however:

(a) The terms business and trade, as used in this sub-Section, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is

engaged in full or part-time; (b) such activity is intended to or does generate a profit; or (c) a license is required therefor.

(b) Notwithstanding the above, the leasing of a Unit shall not be considered a trade or business within the meaning of this sub-Section.

Section 3. Signs. No sign or billboard of any kind shall be displayed to the public view on any portion of the properties or any Unit, except one sign for each Unit, if not more than eighteen (18) inches by twenty-four (24) inches, advertising the property for sale or rent. Such sign shall be placed in the Unit's window and no lawn sign will be allowed.

Section 4. Nuisance. No noxious or offensive trade or activity shall be carried on in any Unit or any part of the properties, nor shall anything be done therein or thereon which may be or may become an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners of his respective Unit or which shall in any way increase the rate of insurance. This includes but is not limited to the following:

(a) The development of any unclean, unhealthy, unsightly, or unkempt condition on, in or about his Unit or the Common Areas;

(b) The storage of any item, property or thing that will cause any Unit or the Common Area to appear to be in an unclean or untidy condition or that will be noxious to the senses;

(c) The storage of any substance, thing or material upon any Unit or in the Common Areas that will emit any foul, unpleasant or noxious odors, or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the other residents at the Project. No hazardous chemical or substance to be used for commercial purposes shall be stored in any part of any Unit.

(d) The creation or maintenance of any noxious or offensive condition or activity in or about any Unit or the Common Areas;

(e) Actions or activities tending to cause embarrassment, discomfort, annoyance, distress or a disturbance to any other residents, their guests or invitees, particularly if the police or sheriff must be called to restore order;

(f) Maintaining any plants, animals, devices or things of any sort whose activities or existence in any way is illegal, noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community by other residents, their guests or invitees;

(g) Too much noise in, on or about any Unit or the Common Area, especially after 10:00 p.m. and before 8:00 a.m.;

(h) Too much traffic in, on or about any Unit or the Common Area, especially after 10:00 p.m. and before 8:00 a.m.;

(i) Failure to properly supervise and control Owner's or occupant's children, their friends, guests and invitees and household pets.

(j) Spray painting, discoloring, marking or otherwise placing or allowing to be placed graffiti of any kind upon the walls or other improvements within the Tract.

(k) The result of every act or omission, whereby any provision, condition, restriction, covenant, easement or reservation contained in this Declaration is violated in whole or in part, is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result, and may be exercised by the Association, or any Owner. Such remedy shall be deemed cumulative and not exclusive.

Section 5. Temporary Structure. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other out building shall be used on the properties at any time as a residence, either temporarily or permanently.

Section 6. Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept in any Unit, except that dogs, cats or other household pets may be kept in the Units provided they are not kept, bred or maintained for any commercial purpose or kept in unreasonable numbers. Notwithstanding the foregoing, no animals or fowl may be kept on the properties which result in any annoyance or are obnoxious to residents in the vicinity.

Section 7. Gas and Minerals. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in any Unit, nor shall oil wells, tanks, tunnels, or mineral excavations or shafts be permitted upon the surface of the properties. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted upon the properties except by Declarant, its successors or assigns for the benefit of the Association.

Section 8. Garbage. All rubbish, trash, garbage, spray paint, and graffiti shall be regularly removed from the properties, and shall not be allowed to accumulate thereon. Each Owner shall acquire and use appropriate trash containers and storage of trash, machinery and equipment shall be prohibited in or around any Unit unless obscured from view of adjoining Units and streets by a fence or appropriate screen.

Section 9. Television. No television, radio, or other electronic antenna, aerial, satellite dish, satellite television system or device of any type; and no solar energy collector panels, or other energy conservation equipment, or any attendant hardware, components or parts, shall be erected, constructed, placed or permitted to remain on any structures in the project unless and until the same shall have been approved in writing by the Architectural Committee of the Association.

Section 10. Erosion. All slopes or terraces shall be maintained so as to prevent any erosion thereof upon adjacent streets or adjoining property.

Section 11. Access. No ingress or egress along the perimeter of the tract described shall be permitted for use of any person or vehicle except through designated gateways, unless authorized in writing by the Management Committee. Any such authorization shall become null and void if the security of said area is diminished.

Section 12. Storage and Parking of Vehicles. All motor vehicles at the Project must be parked in accordance with these guidelines:

(a) **Unauthorized Parking Areas.** No motor vehicle or trailers, including but not limited to any car, automobiles, van, mini van, motor home, recreational or commercial vehicle, truck, tractor, golf cart, mobile home or trailer (either with or without wheels), off-road vehicles or trailers, camper, camper trailers, boat or other watercraft, boat trailer, or any other transportation equipment or device, with or without wheels, of any kind shall be parked, stationed or stored

along any street or in front of any building, lot, garage, walkway, driveway or Unit, or in unauthorized Common Areas.

(b) Mandatory Use of Garage. Because of the scarce open common area parking stalls within the Project, individual garages must be used for the purposes for which they were designed and intended – the parking and storage of the resident's motor vehicles. No garage may be altered in such a manner that the number of motor vehicles which may be reasonably parked therein after the alteration is less than the number of motor vehicles that could have been reasonably parked in the garage as originally constructed. Residents must park motor vehicles in their garage stall(s) and driveways before parking any vehicles in other designated areas. Parking in other designated areas must have approval of Management Committee.

(c) Storage of Motor Vehicles Prohibited. Motor vehicles may not be stored in the common areas under any circumstances. For purposes of this section, a motor vehicle shall be deemed to be "stored" if: (1) The owner or driver has not obtained written permission from the Management Committee to store the motor vehicle in the space for a period of time in excess of 96 hours; (2) The owner or driver of the motor vehicle fails within a 96 hour period of time to drive the motor vehicle outside the Project for a purpose other than to avoid the consequences of this Section; (3) There is no reasonable evidence, other than the owner or driver moving the motor vehicle from parking stall to parking stall, that the motor vehicle is being used routinely for local transportation and is not being stored; or (4) The Motor vehicle is not currently licensed or registered.

(d) Motor Vehicle Repairs Prohibited. No resident shall repair or restore any motor vehicle of any kind in on or about any common area, except for emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility.

(e) Recreational Vehicles. There are no facilities at the Project or space for the parking or storage of recreational vehicles; consequently, recreational vehicle owners must make arrangements for the storage and parking of those vehicles at off-site locations.

(f) Parking in Driveways. No vehicles shall be parked in driveways unless the length of the driveway is sufficient to hold the entire vehicle, and in no event shall vehicles be parked in such a manner as to inhibit or block access to Units, garages, entrances, exits or parking areas.

(g) Parking Citations. The Management Committee shall have the rights, power and authority, but not the duty, to issue written warnings, citations and fines to residents, their guests and invitees, for violations of the parking rules and regulations.

(h) Garage Doors. Garage doors shall remain closed except when the garage is in use.

(i) Towing and Impound. Residents, their guests and invitees, shall observe, be subject to and bound by these parking rules and regulations. Motor vehicles abandoned, stored or parked without permission, in an unauthorized manner, in an unauthorized area, in an unsafe or hazardous manner, or in violation of these parking rules and regulations may be impounded or towed by the Management Committee without further notice or warning and at the owner's sole risk, cost and expense. The owner of any motor vehicle impounded or towed shall be responsible to pay all impound towing and storage fees, shall indemnify the Association and Management Committee and shall hold them harmless from any and all losses, damages, claims or liability related thereto.

(j) Cumulative Remedies. All remedies for parking violations shall be cumulative, and shall be in addition to those remedies allowed by law or equity.

Section 13. Liability of Owners and Occupants For Damages. Each Owner or occupant shall be liable to the Association or other Owners or Occupants for damages to person or property in the Community caused by his negligence.

Section 14. Encroachments. In the event that any portion of the Common Area, Limited Common Area, Unit, or a building encroaches or comes to encroach on other Common Area or Limited Common Area, or another Unit as a result of construction, reconstruction, repair, shifting, settling, or movement, an easement for such encroachment is created hereby and shall exist so long as such encroachment exists.

Section 15. Insurance. Nothing shall be done or kept in, on or about any Unit or the Common Areas which may result in the cancellation of or increase the premium (over what the Association would have paid but for such activity) for the insurance on the Property.

Section 16. Laws. Nothing shall be done or kept in, on or about any Unit or the Common Areas, or any part thereof, which would be a violation of any statute, rule, law, ordinance, regulation, permit or other validly imposed requirement of any governmental body.

Section 17. Damage or Waste. No damage to or waste of the Common Area shall be committed by any Owner, his family, friends, guests, visitors or invitees; and each Owner shall indemnify and hold the Management Committee and other Owners harmless against all loss resulting from any such damage or waste caused by that Owner or an invitee.

Section 18. Structural Alterations. No structural alterations plumbing, electrical, utility or other similar work within the Common Areas shall be done by any Owner without the express prior written consent of the Management Committee. This prohibition does not include emergency repairs.

ARTICLE XIII GENERAL PROVISIONS

Section 1. Enforcement. The Association or any Owner or the successor in interest of any Owner shall have the right to enforce by proceedings at law or in equity all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration or any amendment thereto, including the right to prevent the violation of any such restrictions, conditions, covenants or reservations and the right to recover damages including attorneys fees, or other dues for such violation; provided, however, that with respect to assessment liens, the Association shall have the exclusive right to the enforcement thereof. Failure by the Association or by any Owner to enforce any covenants, condition or restriction herein contained shall in no event be deemed a waiver of the right to do so hereunder.

Section 2. Severability. Invalidation of any one of these covenants, conditions or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Term. The covenants, conditions and restrictions of this Declaration shall run with and bind the Units, and shall inure to the benefit and be enforceable by the Association or the Owner of any Unit subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of forty (40) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years, unless

an instrument signed by a majority of the Owners of the Units has been recorded, agreeing to change said covenants, conditions and restrictions in whole or in part.

Section 4. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a residential condominium project and for the maintenance of common recreational facilities and common areas and streets. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

Section 5. Mortgage Protection Clause. No breach of the covenants, conditions or restrictions herein contained nor the enforcement of any lien provisions herein, shall defeat or render invalid the lien of any deed of trust made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any owner whose title is derived through foreclosure or trustee's sale, or otherwise.

Section 6. Singular Includes Plural Gender. Whenever the context of this Declaration requires the same, the gender singular shall include the plural and the masculine shall include the feminine.

Section 7. Notice and Hearing. Each Unit Owner and occupant shall have the following rights to notice and the opportunity to be heard:

(a) If a Member appears to be in violation of any provision of the Act, Declaration, By-Laws or administrative rules and regulations (the "Project Documents") and the provisions of any of the Project Documents require that Notice and Hearing be provided, the Committee shall give written notice to the member specifying the nature of the violation (and providing any other appropriate information) and stating the time, date and place that the member will have an opportunity to be heard by the Committee.

(b) If the member's failure to correct a violation results in the expenditure of funds by the Association to correct the violation, the notice shall also state that the Committee may vote to levy a fine or assessment.

(c) If the Committee finds that a violation has occurred, written notice shall be given at least fifteen (15) days prior to the date set for the hearing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after it has been deposited in the United States mail, first class postage prepaid, addressed to the member at the address given by the member to the Committee for the purpose of service of notice or to the address of the member's Unit if no other address has been provided. Any address may be changed from time to time by giving written notice to the Committee.

(d) After the hearing has taken place, the Committee shall (i) determine whether a violation has occurred and, if so, may impose a fine or assessment which shall become effective not less than five (5) days after the date of the hearing; or (ii) take such other action as may be appropriate. The determination of the Committee shall be final. However, nothing herein shall be construed to prevent the Committee from making any emergency repairs or taking any other emergency action it deems necessary and subsequently providing notice and the opportunity to be heard.

Section 8. Covenants to Run with Land. This Declaration and all the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be

binding upon and shall inure to the benefit of Association, all other signatories hereto, all parties who hereafter acquire any interest in a Unit or in the Project, and their respective grantees, transferees, heirs, devisees, personal representative, successors, and assigns. Each Owner or occupant of a Unit shall comply with, and all interests in all Units shall be subject to, the terms of the Act, this Declaration, the By Laws, and the provisions of any rules, regulations, agreements, instruments, supplements, amendments, and determinations contemplated hereto. By acquiring any interest in a Unit or in the Project, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of said documents.

Section 9. Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Project designed to make the Project safer than they otherwise might be. Neither the Association, nor the Committee shall in any way be considered insurers or guarantors of security within the Project, however, and neither the Association, nor the Committee shall be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. All Owners and occupants, their guests and invitees, as applicable, acknowledge that the Committee and the Association do not represent or warrant that any security system designated by or installed according to guidelines established by the Committee or the Association may not be compromised or circumvented, that any system installed will prevent loss by fire, smoke, burglary, theft, criminal act, intentional tort, or otherwise. All Owners and occupants, their guests and invitees, acknowledge and understand that the Association and Committee are not insurers of their safety and they hereby assume all risks for loss or damage to their person or property and further acknowledge that the Association and Committee have made no representations or warranties, nor have they relied upon any representations or warranties, expressed or implied, including any warranty or merchantability or fitness for any particular purpose, relative to any security systems recommended or installed or any security measures undertaken within the Project.

Section 10. Liens Against the Association. All liens for materials, labor or money judgments against the Association or Committee are to be indexed in the public records under the name of the Association and the name of the community. An Owner may pay the pro rata share of the amount of any lien against the Association or Committee and that shall be sufficient to release the lien on his Unit. Such liens will not constitute a lien on the Common Areas of the community, but rather on each Unit within the community. Any person or entity who elects to perform labor or provide materials at this Project shall do so subject to the terms of this Section. If the Association has encumbered the Common Areas and thereafter defaults on its obligations, the lienholder must exercise its rights against the Common Areas before it may proceed against the Units or the Unit Owners.

Section 11. Request for Notice. The Association hereby requests that a copy of any notice of default and a copy of notice of sale under any mortgages or deeds of trust filed for record against any Units at Landon Street be mailed to the Landon Street Homeowner's Association at 4885 South 900 East, Salt Lake City, Utah 84117. To satisfy the requirements of U.C.A. Section 57-1-26 (1953), as amended, this request shall be deemed to be rerecorded after the recording of each deed or trust, mortgage or other security instrument affecting a Unit.

Section 12. Effective Date. This Declaration, any amendment or supplement hereto, and any amendment or supplement to the Survey Map shall take effect upon its being filed for record in the office of the County Recorder of Salt Lake County, Utah.

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

LUNDON STREET CONDOMINIUM
HOMEOWNERS ASSOCIATION

By: *Ezio Val Valentini*
Title: Ezio Val Valentini, President

By: *Raymond L Bergman*
Title: Raymond L Bergman, Secretary

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

On the 14th day of October, 1995, personally appeared before me Ezio Val Valentini and Ray Bergman, who by me being duly sworn, did say that they are the President and Secretary of LUNDON STREET CONDOMINIUM HOMEOWNERS ASSOCIATION, and that the within and foregoing instrument was signed in behalf of said ASSOCIATION by authority of a Resolution of its Board of Directors, and said E. Val Valentini and Ray Bergman duly acknowledged to me that said ASSOCIATION executed the same.

Jane B. Blakesley
NOTARY PUBLIC

Residing at *Salt Lake City, Utah*
My Commission Expires: *August 20, 1996*

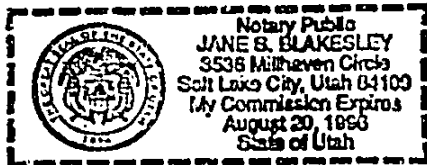


EXHIBIT A

LONDON STREET CONDOMINIUMS

(Property Description)

#70 LONDON STREET

Total Description

**(Phase 1 Amended, Amendment Plat A & B of #70
Lundon Street Phase 2)**

Beginning at a point on the West right-of-way line of 700 East Street, and the Northeast corner of #70 Lundon Street Phase 1 Amended, according to the official plat thereof, said point being South 318.62 feet and West 14.76 feet from the Northeast Corner of Section 30, Township 2 South, Range 1 East, Salt Lake Base & Meridian, and running thence along the East and South boundary line of said #70 Lundon Street Phase 1 Amended the following (2) courses, S. 01° 10' 42" W. 140.73 feet and N. 71° 20' 00" W. 554.58 feet to the East line of #70 Lundon Street Phase 2, according to the official Plat thereof; thence along the boundary of said #70 Lundon Street Phase 2 the following (6) courses S. 23° 15' 00" W. / 193.07 feet, N. 45° 22' 39" W. 451.57 feet, N. 00° 17' 43" W. 218.48 feet, East 130.32 feet, South 35.13 feet and S. 71° 25' 52" E. 348.84 feet to the Northwest corner of said #70 Lundon Street Phase 1 Amended; thence along the boundary of said #70 Lundon Street Phase 1 Amended the following (3) courses: S. 71° 25' 52" E. 296.06 feet, S. 18° 40' 00" W. 87.11 feet and S. 71° 20' 00" E. 225.12 feet to the point of beginning.

Property Contains 5.478 Acres

BK7325PG1440

EXHIBIT B
OWNERSHIP OF COMMON AREA
LONDON STREET CONDOMINIUMS

<u>Unit No.</u>	<u>Ownership Interest</u>
Phase 1	
1	1/49
2	1/49
3	1/49
4	1/49
5	1/49
6	1/49
7	1/49
8	1/49
9	1/49
10	1/49
11	1/49
12	1/49
13	1/49
14	1/49
15	1/49
16	1/49
17	1/49
18	1/49
Phase 2	
1	1/49
2	1/49
3	1/49
4	1/49
5	1/49
6	1/49
7	1/49
8	1/49
9	1/49
10	1/49
11	1/49
12	1/49
13	1/49
14	1/49
15	1/49
16	1/49
17	1/49
18	1/49
19	1/49
20	1/49
21	1/49
22	1/49
23	1/49
24	1/49
25	1/49
26	1/49
27	1/49
28	1/49
29	1/49
30	1/49
31	1/49

BK 7325 PG 1441