

CONDOMINIUM DECLARATION

FOR

MURRAY OAKS CONDOMINIUMS

THIS DECLARATION is made and executed by Oak Financial Services, Inc., a Utah Corporation, hereinafter referred to as "Declarant," pursuant to the provisions of the Utah Condominium Ownership Act, Utah Code Annotated 57-8-1 through 57-8-36, for itself, its successors, grantees and assigns.

ARTICLE I

RECITALS

Declarant is the sole owner of that certain real property in unincorporated Salt Lake County, Utah, which is described in Exhibit "A" attached hereto and made a part hereof by this reference.

There have been or will be constructed buildings and other improvements thereon in accordance with the plans and drawings set forth in the Record of Survey Map filed concurrently herewith, consisting of two sheets, prepared by Neff Engineering, and certified by Neff Engineering, a registered land surveyor.

Declarant desires by filing this Declaration and the aforesaid Record of Survey Map to submit the above described real property and the said buildings and other improvements constructed thereon to the provisions of the Utah Condominium Ownership Act as a Condominium Project known as MURRAY OAKS CONDOMINIUMS.

Declarant desires and intends to sell the fee title to the individual units contained in said Condominium Project, together with the undivided ownership interests in the Common Areas and Facilities appurtenant thereto, to various purchasers, subject to the covenants, limitations, and restrictions contained herein.

NOW, THEREFORE, for such purposes, Declarant hereby makes the following Declaration containing covenants, conditions and restrictions relating to this Condominium Project which, pursuant to the provisions of the Condominium Ownership Act of the State of Utah, shall be enforceable equitable servitudes, where reasonable, and shall run with the land.

ARTICLE II

DEFINITIONS

1. Name. The name by which the Condominium Project shall be known is MURRAY OAKS CONDOMINIUMS.

2. Definitions. The terms used herein shall have the meaning stated in the Utah Condominium Ownership Act and as given in this Section 2.

(a) The word "Declarant" shall mean OAK FINANCIAL SERVICES, INC., which has made and executed this Declaration and/or any successor to or assign-

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nee of Declarant which, either by operation of law or through a voluntary conveyance, transfer or assignment, comes to stand in the same relation to the Project as did its predecessor.

(b) The word "Act" shall mean and refer to the Utah Condominium Ownership Act, Utah Code Annotated 1953, 57-8-1 through 57-8-36 as the same now exists and as it may be amended from time to time.

(c) The word "Condominium" shall mean and refer to a single unit in this Condominium Project together with an undivided interest in common with other unit owners in the Common Areas and Facilities of the Property, and together with all other appurtenances belonging thereto, as described in this Declaration.

(d) The word "Declaration" shall mean this instrument by which MURRAY OAKS CONDOMINIUMS is established as a Condominium Project.

(e) The word "Property" shall mean and include the land, described in Article I, the buildings, all improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

(f) The words "Condominium Project" or sometimes the "Project" shall mean and refer to the entire Property, as defined above, together with all rights, obligations and organizations established by this Declaration.

(g) The word "Map" shall mean and refer to the Record of Survey Map of MURRAY OAKS CONDOMINIUMS recorded herewith by Declarant.

(h) The word "Unit" shall mean and refer to one of the Units, which is designated as a Unit on the Map, and more particularly described in Article V 3. hereof.

(i) The words "Unit Owner" or "Owner" shall mean the entity, person or persons owning a Unit in the Condominium Project in fee simple and an undivided interest in the fee simple estate of the Common Areas and Facilities as shown in the records of the County Recorder of Salt Lake County, Utah. The term Unit Owner or Owner shall not mean or include a mortgagee or beneficiary or trustee under a deed of trust unless and until such a party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

(j) The words "Association of Unit Owners" or "Association" shall mean and refer to the Unit Owners taken as, or acting as, a group in accordance with the Declaration and the Bylaws attached hereto as Exhibit "B", which Bylaws are hereby incorporated herein.

(k) The words "Unit Number" shall mean and refer to the letter, number or combination thereof designating the Unit in the Declaration and in the Map.

(l) The words "Management Committee" or "Committee" shall mean and refer to the committee as provided in the Declaration and the Bylaws hereto attached as Exhibit "B". Said Committee is charged with and shall have the

responsibility and authority to make and to enforce all of the reasonable rules and regulations covering the operation and maintenance of the Project.

(m) The term "Manager" shall mean and refer to the person, persons or corporation, if any, selected by the Management Committee to manage the affairs of the Condominium Project.

(n) The term "Common Areas and Facilities" shall mean and refer to:

(1) The land described on Exhibit "A" attached;

(2) That portion of the Property not specifically included in the respective Units as herein defined;

(3) All foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, stairs, stairways, elevator towers, elevators, yards, landscaping, streams, ponds, pump stations, sprinkler systems, fires sprinkler systems, television antenna or cable systems, fences, service and parking areas and in general all other apparatus, installations and other parts of the Property necessary or convenient to the existence, maintenance and safety of the foregoing or normally in common use;

(4) Those areas specifically set forth and designated in the Map as "Common Area" or "Limited Common Area"; and

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

(o) The words "Common Expenses" shall mean and refer to: All expenses of the administration, maintenance, repair or replacement of the Common Areas and Facilities including an adequate reserve fund for maintenance, repair and replacement of those Common Areas and Facilities that must be replaced on a periodic basis; all items, things and sums described in the Act which are lawfully assessed against the Unit Owners in accordance with the provisions of the Act, this Declaration, the Bylaws, and such rules and regulations pertaining to the Condominium Project as the Association of the Unit Owners or the Management Committee may from time to time adopt; and such other expenses incurred pursuant to agreements lawfully made and/or entered into by the Management Committee. Common Expenses are further defined and described in Article XIX, Section 2 of this Declaration.

(p) The words "Limited Common Area" shall mean and refer to those portions of the Common Areas and Facilities reserved for the exclusive use of certain Unit Owners, as specified herein. The Limited Common Areas shall be the balconies and patios that are adjacent to, contiguous with and open into the Units, as more particularly identified in the Map, as well as any other areas specifically designated as Limited Common Areas in the Map. The use and occupancy of the Limited Common Areas shall be reserved to their associated Unit, and each Unit Owner is hereby granted an irrevocable license to use and occupy the same so long as such Owner owns the Unit associated with such Limited Common Areas.

(q) The words "Utility Services" shall include, but not be limited to, water, gas, electrical, telephone, trash collection and sewage disposal.

(r) The word "Mortgage" shall mean and include both a mortgage on any Condominium Unit and a deed of trust on any Condominium Unit. The words "First Mortgage" shall mean a Mortgage, the lien of which is prior and superior to the lien of any other Mortgage on the same Unit.

(s) The word "Mortgagee" shall mean and include both the mortgagee under a mortgage on any Condominium Unit and the beneficiary under a deed of trust on any Condominium Unit. The words "First Mortgagee" shall mean the Mortgagee under a First Mortgage on any Unit.

(t) Those definitions contained in the Act, to the extent they are applicable hereto and not inconsistent herewith, shall be and are hereby incorporated herein by reference and shall have the same effect as if expressly set forth herein and made a part hereof.

### ARTICLE III

#### SUBMISSION TO CONDOMINIUM OWNERSHIP

Declarant hereby submits the Property to the provisions of the Act as a Condominium Project and this Declaration is submitted in accordance with the terms and the provisions of the Act and shall be construed in accordance therewith. It is the intention of Declarant that the provisions of the Act shall apply to the Property.

### ARTICLE IV

#### COVENANTS TO RUN WITH THE LAND

This Declaration contains covenants, conditions and restrictions relating to the Project which are and shall be enforceable equitable servitudes which shall run with the land and be binding upon Declarant, its successors and assigns and upon all Unit Owners or subsequent Unit Owners, their grantees, mortgagees, successors, heirs, personal representatives, devisees, lessees, assigns and guests.

### ARTICLE V

#### DESCRIPTION OF PROPERTY

1. Description of Land. The land is that tract or parcel in Salt Lake County, Utah, more particularly described in Article I of this Declaration.

2. Description of Improvements. The Project will be constructed in accordance with the information contained in the Map. There are sixty four (64) units. All buildings are of frame construction, and have asphalt shingle roofs. Each Unit has its own garage. Electricity, water and gas are separately metered to each Unit. Each Unit has a separate furnace and water heater and standard kitchen appliances. The Project will be subject to the easements which are reserved through the Project and as may be required for Utility Services.

3. Description and Legal Status of Units. The Map and Exhibit "C" hereto show the Unit Number of each Unit, its location, and the Common Areas

and Facilities to which it has access. All Units shall be capable of being independently owned, encumbered and conveyed.

Each Unit shall include that part of the building containing the Unit which lies within the boundaries of the Unit, which boundary shall be determined in the following manner:

(1) The upper boundary shall be the plane of the lower unfinished surface of the ceiling;

(2) The lower boundary shall be the plane of the lower unfinished surface of the floor; and

(3) The vertical boundaries of the Unit shall be (i) the interior unfinished surface of the outside walls of the building bounding a Unit; and (ii) the interior unfinished surface of any interior walls bounding a Unit.

4. Description of Common Areas and Facilities. Except as otherwise in this Declaration provided, the Common Areas and Facilities shall consist of the areas and facilities described in the definitions and constitute in general all of the parts of the Property except the Units. Without limiting the generality of the foregoing, the Common Areas and Facilities shall include the following, whether located within the bounds of a Unit or not:

(a) All structural parts of the building including without limitation, foundations, columns, joists, beams, supports, supporting walls, floors, ceilings and roofs;

(b) driveways, parking areas, patios, balconies, lawns, sprinkler systems, shrubs, trees, ponds, streams, and entrance ways;

(c) any utility pipe or line or system servicing more than a single Unit, including but not limited to any television antenna or cable system, and all ducts, wires, conduits, and other accessories used therewith;

(d) all other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common Areas and Facilities in the Map;

(e) all repairs and replacements of any of the foregoing.

#### ARTICLE VI

#### ALTERATIONS

For one (1) year following the recordation hereof, Declarant reserves the right to change the interior design and interior arrangement of any Unit and to alter the boundaries between Units, or to combine Units, so long as the Declarant owns the Units so altered or combined. Any change of the boundaries between Units, or any alteration of the Common Areas shall be reflected by an amendment to this Declaration and to the Map which may be executed by the Declarant alone, notwithstanding the procedures for amendment described in Article XXVII of this Declaration. Any change in Unit size shall be accompanied by a reallocation of fractional interests in Common Area on a square

footage basis. No such change shall increase the number of Units nor materially alter the boundaries of the Common Areas and Facilities nor change the fraction of ownership of Common Areas and Facilities associated with the non-altered or non-combined Units without amendment of this Declaration and of the Map in the manner described in Article XXVII of this Declaration.

#### ARTICLE VII

##### STATEMENT OF PURPOSE AND RESTRICTION ON USE

1. Purpose. The purpose of the Condominium Project is to provide residential housing space for Unit Owners, their families, guests and lessees, all in accordance with the provisions of the Act.
2. Restrictions on Use. The Units and Common Areas and Facilities shall be used and occupied as hereinafter set forth:
  - (a) Each of the Units shall be occupied only as a residence and for no other purpose. No business shall be operated in or from any Unit itself other than the rental of the Unit itself, subject to applicable zoning and business regulation laws and ordinances. Each parking stall designated as common area shall be used for the temporary parking of one (1) operable motor vehicle of a size no larger than a standard automobile or 3/4 ton truck and for no other purpose. The common area parking stalls are intended for use by guests, and may not be used by Unit Owners or their lessees. Owners and their lessees shall use the carports which are allocated to their Units. The Common Areas and Facilities shall be used only for the purposes for which they are intended.
  - (b) Nothing shall be done or kept in any Unit or in the Common Areas and Facilities which will increase the rate of insurance on any building or contents thereof beyond the customarily applicable for residential use, or will result in the cancellation of insurance on any building, or the contents thereof, without the prior written consent of the Management Committee. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Areas and Facilities or use his Unit or permit it to be used in any manner which is in violation of any law, order or regulation of any governmental authority having jurisdiction over the Project.
  - (c) No Unit Owner shall cause or permit anything (including, without limitation, an individual television antenna, an awning, canopy, shutter, window glazing, window covering, storm door or screen door) to hang, be displayed, be visible or otherwise be placed on the exterior walls or roof of any building or any part thereof, or on the inside or outside of windows or doors, without the prior written consent of the Management Committee. No sign of any kind shall be displayed to the public view on or from any Unit or the Common Areas unless it is for the common benefit of all Unit owners and approved by the Management Committee.
  - (d) No noxious or offensive activity shall be carried on in any Unit or in the Common Areas and Facilities, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants.

(e) Nothing shall be done in any Unit or in, on or to the Common Areas and Facilities which will impair the structural integrity of any building or part thereof or which would structurally change any building or part thereof except as is otherwise provided herein.

(f) No pets or animals of any kind shall be allowed, kept, bred or raised in any Unit or on any of the Common Areas in the Project, except pursuant to rules and regulations established by the Management Committee.

(g) The Common Areas and Facilities shall be kept free and clear of all rubbish, debris and other unsightly materials.

(h) No admission fees, charges for use, leases or other income-generating arrangement of any type shall be employed or entered into with respect to any portion of the Common Areas and Facilities without prior written consent of the Management Committee.

#### ARTICLE VIII

##### PERSON TO RECEIVE SERVICE OF PROCESS

The person to receive service of process in the cases provided herein or in the Act is Oak Financial Services, Inc., a Utah Corporation, 301 West 5400 south, Murray, Utah 84107. The said person may be changed by the recordation by the Management Committee of an appropriate instrument.

#### ARTICLE IX

##### OWNERSHIP AND USE

1. Ownership of a Unit. Except with respect to any of the Common Areas and Facilities located within the bounds of a Unit, each Unit Owner shall be entitled to the exclusive ownership and possession of his Unit and to the Ownership of the undivided interest in the Common Areas and Facilities set forth on Exhibit "C" hereto. Exercise of Declarant's Option to Expand shall result in a change in the undivided interest appurtenant to each Unit.

2. Nature of and Restrictions on Ownership and Use. Each Unit Owner shall have and enjoy the rights and privileges of fee simple ownership of his Unit. There shall be no requirements concerning who may own Units, it being intended that they may and shall be owned as any other property rights by persons, corporations, partnerships or trusts and in the form of common or joint tenancy so long as no unit is owned by more than eight persons or entities. The Unit Owners may lease or rent their Units with their appurtenant rights subject to terms and conditions chosen solely by the Unit Owner and his lessee, except that all Unit Owners, their tenants and other occupants or users of the Project, shall be subject to the Act, this Declaration, the Bylaws, and all rules and regulations of the Association of Unit Owners and Management Committee, and the terms of a Regulatory Agreement executed by the Homeowner's Association and the Commissioners of the Federal Housing Administration. Provided, however, that nightly or weekly rentals are prohibited.

3. Prohibition against Subdivision of Unit. Except as provided in Article VI above, no Unit Owner, by deed, plat or otherwise, shall subdivide or in any manner cause his Unit to be separated into time intervals or into

physical tracts or parcels smaller than the whole Unit as shown on the Map. No Unit Owner may lease less than an entire Unit.

4. Ownership of Common Areas and Facilities. The Common Areas and Facilities contained in the Project are described and identified in Article V 4. of this Declaration. Said Common Areas and Facilities shall be owned by the Unit Owners as tenants in common. No fractional ownership interest in the Common Areas and Facilities shall be separated from the Unit to which it appertains; and even though not specifically mentioned in the instrument of transfer, such a fraction of undivided ownership interest shall automatically accompany the transfer of the Unit to which it relates. A Unit Owner's fractional ownership interest in the Common Areas and Facilities shall be the same for all purposes, including voting and assessment of common expenses. The fractional ownership interests in the Common Area are set forth in Exhibit "C" hereto.

5. Use of Common Areas and Facilities. The Common Areas and Facilities shall be used only in a manner which is consistent with their community nature and with the use restrictions applicable to the Units contained in the Project, subject to the Declaration and Bylaws and to rules and regulations promulgated by the Management Committee. This right of use shall be appurtenant to and run with each Unit.

6. Rental Restrictions. The Murray City Planning Commission has required as a condition of approval that the following conditions be included in the declaration

a) all units that are rented must be registered with the Management Company and the list of rented units must be made available to all potential purchasers.

b) No unit may be rented for a period of less than six months. The Declarant has agreed to abide by these conditions, provided however that if these conditions are determined to be unlawful or contrary to public policy by a court of competent jurisdiction the foregoing conditions will be removed without affecting any other provision of the declaration.

#### ARTICLE X

##### LIMITED COMMON AREAS

Each Unit Owner shall be entitled to the exclusive use and occupancy of the Limited Common Areas assigned to his Unit as shown on the Map, subject, however, to the same restrictions on use which apply generally to the Common Areas and Facilities and to Rules and Regulations promulgated by the Management Committee as authorized in the Bylaws.

Such right to use the Limited Common Areas shall be appurtenant to and contingent upon ownership of the Unit associated therewith, and even though not specifically mentioned in the instrument of transfer, shall automatically pass to the grantee or transferee of such Unit. Such right of use shall not be revocable, nor may it be voluntarily or involuntarily relinquished, waived, or abandoned.



ARTICLE XI

VOTING - MULTIPLE OWNERSHIP

The vote attributable to and exercisable in connection with a Unit shall be the fraction of undivided ownership interest in the Common Areas and Facilities which is appurtenant to such Unit. In the event there is more than one Owner of a particular Unit, the vote relating to such Unit shall be exercised as such Owners may determine among themselves. A vote cast at any meeting by any of such Owners shall be conclusively presumed to be the vote attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

ARTICLE XII

MANAGEMENT

1. Management Committee. The business, property and affairs of the Project shall be managed, operated and maintained by the Management Committee as agent for the Unit Owners. The Management Committee shall, in connection with its exercise of any of the powers delineated in paragraphs (a) through (h) below, constitute a legal entity capable of dealing in its own name. The Management Committee shall have, and is hereby granted, the following authority and powers:

- (a) the authority, without the vote or consent of the Unit Owners or of any other person(s), to grant or create, on such terms as it deems advisable, utility and similar easements, over, under, across and through the Common Areas and Facilities;
- (b) the authority to execute and record, on behalf of all Unit Owners, any amendment to the Declaration or Map which has been approved by the vote or consent necessary to authorize such amendment;
- (c) the power to sue;
- (d) the authority to enter into contracts which in any way concern the Project, so long as any vote or consent of the Unit Owners necessitated by the subject matter of the agreement has been obtained;
- (e) the power and authority to convey or transfer any interest in real property, so long as any vote or consent necessary under the circumstances has been obtained;
- (f) the authority to promulgate such reasonable 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 the interests of the Unit Owners; and
- (g) 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 as agent for the Unit Owners.

(h) the right to borrow funds to pay for any expenditures or outlays required to fulfill its duties, obligations, rights or privileges given to it by this Declaration. Further, the Management Committee may levy a regular or special assessment under the provisions of Article XV for the purpose of the payment of any funds so borrowed and may pledge as collateral for any such loans the assessment so levied together with any of the Association's real or personal property.

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.

2. Composition of Management Committee. The Committee shall be composed of three (3) members, each elected for a two year term. At the first Owner's meeting one of the members shall be elected for only a one year term so that elections and vacancies can be staggered. At each regular Owner's meeting, Committee members shall be elected for any vacant positions. Except for the initial Management Committee, only Unit Owners and officers and agents of Unit Owners shall be eligible for Committee membership. At the annual meeting, the Owner(s) of each Unit shall be entitled to a vote equal to that Unit's percentage ownership in the Common Areas and Facilities for each seat to be filled. Said votes may be voted in favor of as many candidates for Committee membership as the Owner(s) desire, or may be cumulated and voted for a lesser number of candidates; provided, however, that Declarant alone shall be entitled to select all Committee members until the first to occur of: (i) the annual Owner's meeting held in Murray, Utah, or (ii) the date on which Declarant no longer owns Units to which three-fourths of the undivided interest in the Common Areas and Facilities appertain, whichever date occurs later. Notwithstanding the foregoing limitations, until the first meeting so the Owners, the members of the Committee shall be the following persons and each shall hold office as indicated:

Lynn D. Croft	President
William A. Miller	Vice President
Vickie H. Hunter	Secretary-Treasurer

Any Committee member who fails on three (3) successive occasions to attend Committee meetings (whether regular or special) or who has not attended at least seventy-five percent (75%) of all Committee meetings (whether regular or special) held during any twelve (12) month period shall automatically forfeit his seat. In the event a Committee seat becomes vacant, whether by reason of forfeiture or due to another cause, the remaining Committee members shall elect a replacement to sit on the Committee until the expiration of the term for which the member being replaced was elected. Unless he forfeits or otherwise loses his seat as herein provided, a member shall serve on the Committee until his successor is elected and qualifies. Committee members shall be reimbursed out of common expense assessments for all expenses reasonably incurred in connection with Committee business, but shall receive no additional compensation for their services as Committee members.

3. Responsibility. The Management Committee shall be responsible for the control, operation and management of the Project in accordance with the provisions of the Act, this Declaration, such administrative, management and operational rules and regulations as it may adopt from time to time as herein provided, and all agreements and determinations lawfully made and entered into by said Committee.

4. Approval Required. The Management Committee shall not, without the prior favorable vote or the written consent of the Owners of a majority interest in the undivided ownership of the Common Area, have the authority to purchase or sell any real property or add any property to the Common Area.

5. Additional Facilities. The Management Committee shall, subject to any necessary approval, have the authority to provide such facilities, in addition to those for which provision has already been made, as it may deem to be in the best interests of the Unit Owners and to effect the necessary amendment of documents and maps in connection therewith.

6. Name. The Management Committee shall be known as the MURRAY OAKS CONDOMINIUMS Management Committee.

7. Manager. The Committee may carry out through a Project Manager any of its functions which are properly the subject of delegation. Any Manager so engaged shall be an independent contractor and not an agent or employee of the Committee, shall be responsible for managing the Project for the benefit of the Committee and the Unit Owners, and shall, to the extent permitted by law and the terms of the agreement with the Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself. Any agreement for professional management of the Project or any other contract providing for services of the Declarant which may be entered into by the Management Committee or the Association shall call for a term not exceeding three (3) years and shall provide that such management agreement may be terminated by the Management Committee or by the Association without cause and without payment of a termination fee upon not in excess of ninety (90) days written notice, or such other period as provided by state law.

#### ARTICLE XIII

##### EASEMENTS

1. Each Unit shall be subject to such easements as may be necessary for the installation, maintenance, repair or replacement of any Common Areas and Facilities located within the boundaries of such Unit or reasonably accessible only through such Unit.

2. In the event that, by reason of the construction, reconstruction, settlement or shifting of any part of a building, any part of the Common Areas and Facilities encroaches or shall hereafter encroach upon any part of any Unit or any part of any Unit encroaches or shall hereafter encroach upon any part of the Common Areas and Facilities or any other Unit, valid easements for such encroachment and the maintenance or such encroachment are hereby established and shall exist for the benefit of such Unit and the Common Areas and Facilities, as the case may be, so long as all or any part of the building containing any such Unit shall remain standing; provided, however, that in no

event shall a valid easement for any encroachment be created in favor of any Unit Owner or in favor of the Unit Owners as owners of the Common Areas and Facilities if such encroachment occurred due to the willful conduct of such Unit Owner or Owners occurring after the date on which this Declaration is recorded.

#### ARTICLE XIV

##### CHANGE IN OWNERSHIP

The Management Committee shall maintain up-to-date records showing the name of each Owner, the address of such Owner, and the Unit which is owned by him. In the event of any transfer of a fee or undivided fee interest in a Unit either the transferor or transferee shall furnish the Management Committee with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of record in the office of the County Recorder of the county where the Project is located. The Management Committee may for all purposes act and rely on the information concerning Owners and Unit Ownership which is thus acquired by it or, at its option, the Management Committee may act and rely on current ownership information respecting any Unit or Units which is obtained from the office of the County Recorder of the county where the Project is located. The address of an Owner shall be deemed to be the address of the Unit owned by such Owner unless the Management Committee is otherwise advised. An Owner who fails to so furnish the above information shall continue to be liable for assessments of common expenses even after transferring ownership of the Unit.

#### ARTICLE XV

##### ASSESSMENTS

Every Unit Owner shall pay his proportionate share of the Common Expenses. Payment thereof shall be in such amounts and at such times as the Management Committee determines in accordance with the Act, the Declaration or the Bylaws. There shall be a lien for nonpayment of Common Expenses as provided in the Act.

In assessing Unit Owners for capital improvements, no assessments for a single improvement in the nature of a capital expenditure exceeding the sum of Ten Thousand Dollars (\$10,000.00) shall be made without the same having been first voted on and approved by at least a majority of the Project's undivided ownership interest.

#### ARTICLE XVI

##### DESTRUCTION OR DAMAGE

In the event of destruction of or damage to part or all of the improvements in the Condominium Project, the procedures of this section shall apply.

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

(b) If less than seventy-five percent (75%) of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all of the Unit Owners shall be assessed for any deficiency on the basis of their respective appurtenant percentages of undivided ownership interest in the Common Areas and Facilities, said assessment becoming a lien on the Units as provided in the Act.

(c) In seventy-five percent (75%) or more of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Management Committee are not alone sufficient to accomplish restoration, and if the Unit Owners within one hundred (100) days after the destruction or damage by a vote of at least seventy-five percent (75%) of the entire undivided ownership interest in the Common Areas and Facilities of the Project elect to repair or reconstruct the affected improvements, restoration shall be accomplished in the manner directed under subsection (b) above.

(d) If seventy-five percent (75%) or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Committee are insufficient to accomplish restoration, and if the Unit Owners do not, within one hundred (100) days after the destruction or damage and by a vote of at least seventy-five percent (75%) of the entire undivided ownership interest in the Common Areas and Facilities of the Project, elect to repair or reconstruct the affected improvements, the Management Committee shall promptly record with the County Recorder of the county where the Project is located a notice setting forth such facts. Upon the recording of such notice the provisions of subsections (1) through (4) of Section 57-8-31, Utah Code Annotated, shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units.

(e) Any reconstruction or repair which is required to be carried out by this section shall be accomplished at the instance and direction of the Management Committee. Any determination which is required to be made by this section regarding the extent of damage to or destruction of Project improvements shall be made as follows:

The Management Committee shall select three (3) appraisers; each appraiser shall independently estimate the percentage of project improvements which have been destroyed or substantially damaged; the percentage which governs the application of the provisions of this section shall be the median of the three (3) estimates.

## ARTICLE XVII

### TAXES

It is understood that under the Act each Unit, together with its fraction of undivided interest in the Common Areas and Facilities in the Project, is deemed a parcel and subject to separate assessment and taxation by each assessing unit and special district for all types of taxes authorized by law. Each Unit Owner will, accordingly, pay and discharge any and all taxes which may be assessed against his Condominium. Taxes and assessments levied for the tax year in which this Declaration is recorded shall be apportioned to each

Unit according to such Unit's percentage of undivided interest in the Common Areas and Facilities.

## ARTICLE XVIII

### INSURANCE

1. Hazard Insurance. The Management Committee or Association of Unit Owners shall at all times maintain in force hazard insurance meeting the following requirements:

(a) A multi-peril type policy covering the entire Condominium Project (both Units and Common Areas and Facilities) shall be maintained. Such policy shall provide coverage against loss or damage by fire and other hazards covered by the standard extended coverage endorsement including debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location and use. As a minimum, such policy shall provide coverage on a replacement cost basis in an amount not less than one hundred percent (100%) of the full insurable value of the Project (based upon replacement cost). Such policy shall include an "Agreed Amount Endorsement" Or its equivalent, and, if necessary or appropriate, an "Increased Cost of Construction Endorsement" or its equivalent.

(b) If a steam boiler is or comes to be contained in the Project, there shall be maintained boiler explosion insurance and a broad form policy of repair and replacement boiler and machinery insurance, evidenced by the standard form of boiler and machinery insurance policy. Said insurance shall, as a minimum, provide coverage in the amount of One Hundred Fifty Thousand Dollars (\$150,000.00) per accident per location.

(c) If the Project is or comes to be situated in a locale identified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of flood insurance has been made available under the National Insurance Flood Act of 1968, a "blanket" policy of flood insurance on the Condominium Project shall be obtained and maintained. The minimum amount of coverage afforded by such policy shall be the lesser of the maximum amount of insurance available under the said Act or the aggregate of the unpaid principal balances of the Mortgages affecting the individual Units. Such policy shall be in the form of the standard policy issued by members of the National Flood Insurers Association or in the form of a policy which meets the criteria established by the Flood Insurance Administration.

(d) Each such policy shall include the standard mortgagee clause (without contribution) which either shall be endorsed to provide that any proceeds shall be paid to the Management Committee or the Association of Unit Owners for the use and benefit of Mortgagees as their interests may appear or shall be otherwise endorsed to fully protect the interests of the Mortgagees. In addition, the mortgagee clause shall provide that the insurance carrier shall notify each Mortgagee at least thirty (30) days in advance of the effective date of any reduction in or cancellation of the policy.

(e) Each such policy shall provide that notwithstanding any provision thereof which gives the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable if it

is in conflict with any requirement of law or without the prior written approval of the Association.

2. Fidelity Insurance. The Management Committee or Association shall be authorized to maintain in force fidelity coverage against dishonest acts on the part of managers (and employees of managers), trustees, employees, officers, Committee members, or volunteers responsible for handling funds belonging to or administered by the Management Committee or Association of Unit Owners. The Fidelity bond or insurance shall name the Association as the obligee or insured and shall be written in an amount sufficient to afford the protection reasonably necessary, but in no event less than one and one-half times (150%) the Project's estimated annual operating expenses and reserves. A private endorsement to the policy shall be secured to cover persons who serve without compensation if the policy would not otherwise cover volunteers.

3. Liability Insurance. The Management Committee or Association of Unit Owners shall at all times maintain in force a comprehensive policy of public liability insurance covering all of the Common Areas and Facilities. Such insurance shall include a "Severability of Interest Endorsement" or its equivalent which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of other Owners, the Management Committee, or the Association of Unit Owners. The coverage afforded by such public liability insurance shall include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, garage-keeper's liability (if applicable), and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location, and use. The limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000.00) for all claims for personal injury, death and/or property damage arising out of a single occurrence. Liability insurance covering the association directors and officers against "wrongful acts" as defined in such insurance policies shall also be procured insuring the Association for its obligation to indemnify the Management Committee Members for liability arising from service to the Association.

4. Contents Insurance. The Management Committee may in its discretion elect to obtain insurance on the personal property and furnishings in the Units of Owners in such amounts as shall provide for the full replacement thereof in the event of damage or destruction from casualty against which such insurance is obtained.

5. General Requirements Concerning Insurance. The named insured under each policy required to be maintained by this Article XVIII shall be in form and substance essentially as follows: "The Management Committee and the Association of Unit Owners of Murray Oaks Condominiums, or their authorized representative, for the use and benefit of the individual Owners." Each insurance policy maintained pursuant to this Article XVIII shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a general policyholders rating of B+ or better and a financial category rating of Class XII or better in Best's Insurance Reports. No such policy shall be maintained where:

(a) under the terms of the carrier's charter, bylaws or policy, contributions may be required from, or assessments may be made against, a Unit Owner, a Mortgagee, the Management Committee, the Association of Unit Owners, a Unit, the Common Areas, or the Project;

(b) by the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's board of directors, policy holders, or members;

(c) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled from collecting insurance proceeds; or

(d) the policy provides that the insurance thereunder shall be brought into contribution with insurance purchased by the individual Unit Owners or their Mortgagees.

Each such policy shall provide that:

(a) coverage shall not be prejudiced by any act or neglect of the Unit Owners when such act or neglect is not within the control of the Association of Unit Owners or the Management Committee;

(b) coverage shall not be prejudiced by any failure by the Association or Committee to comply with any warranty or condition with regard to any portion of the Project over which the Association and Committee have no control;

(c) coverage may not be canceled or substantially modified (including cancellation for non payment of premium) without at least thirty (30) days prior written notice to any and all insured named therein, including any Mortgagee named as an insured; and

(d) the insurer waives any right of subrogation it might have to any and all claims against the Association, the Management Committee, any Unit Owner, and/or their respective agents, employees or tenants, and any defense it might have based upon co-insurance or upon invalidity arising from acts of the insured.

If, due to changed circumstances, excessive cost, or any other reason, any of the insurance coverage required to be obtained and maintained under Sections 1. through 3. of this Article XVIII cannot reasonably be secured, with respect to such coverage the Association or the Committee shall obtain and maintain such substitute, different or other coverage as may be reasonable and prudent under the circumstances as they then exist.

#### ARTICLE XIX

##### PAYMENT OF COMMON EXPENSES

1. Each Unit Owner shall pay the Management Committee his allocated portion of the Common Expenses upon the terms, at the time, and in the manner herein provided without any deduction on account of any set-off or claim which the Owner may have against the Management Committee or Association. If the Unit Owner shall fail to pay any installment of Common Expenses within ten (10) days of the time when the same becomes due, the Owner shall pay interest thereon from the date when such installment shall become due to the date of the payment thereof, at the rate per annum then in effect under the rules and regulations of the Management Committee. The Committee shall establish a rate



of interest to be charged on delinquent installments and may change such rate from time to time to reflect changes in market interest rates, provided that if at any time there is no rate in effect under rules and regulations of the Management Committee, the rate shall be eighteen percent (18%) per annum.

2. The Common Expenses for each year, or portion of the year, are hereby defined and shall be deemed to include an adequate reserve fund for maintenance, repairs and replacement of those Common Areas and Facilities that must be replaced on a periodic basis, plus such aggregate sum as the Management Committee from time to time shall determine, in its judgment, is to be paid by all Owners of the Condominium Project to enable the Management Committee to pay all estimated expenses and outlays of the Management Committee to the close of such year, growing out of or in connection with the maintenance and operation of such land, building, and improvements; which sum may include, among other things, the cost of management, special assessments, fire, casualty, flood, fidelity, public liability and other insurance premiums, common lighting, landscaping and the care of the grounds, repairs, and renovations to Common Areas and Facilities, snow removal, wages, all utility services (except telephone, electricity, gas, water and other services which are separately billed or metered to the individual Units by the utility or party furnishing such service), legal and accounting fees, management fees, expenses and liabilities incurred by the Management Committee under or by reason of this Declaration, the payment of any deficit remaining from the previous period, the creation of a reasonable contingency or other necessary reserve or surplus fund, as well as all other costs and expenses relating to the Condominium Project. The Management Committee may, from time to time, up to the close of the year for which such Common Expenses have been so fixed or determined, increase or diminish the amount previously fixed or determined for such year. It may include in the Common Expenses for any year, any liabilities or items of expense which accrued or became payable in the previous year, or which might have been included in the Common Expenses for a previous year, but were not included therein; and also any sums which the Management Committee may deem necessary or prudent to provide a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

3. The portion payable with respect to each Unit in and for each year or for a portion of a year shall be a sum equal to the aggregate amount of such Common Expenses for such year, or portion of year, determined as aforesaid, multiplied by the fraction of undivided interest in the Common Areas and Facilities appurtenant to such Unit, as shown in Exhibit "C". Such assessments, together with any additional sums accruing under this Declaration, shall be payable monthly in advance, or in such payments and installments as shall be provided by the Management Committee. Notwithstanding the foregoing, in the event an Owner shall fail to pay any installment within one (1) month of the time when the same becomes due, the Management Committee may, at its option, declare immediately due and payable all monthly or other regular installments which would otherwise fall due over the next twelve (12) months after such default, and unless said accelerated amount is paid within ten (10) days after written demand therefor, the entire accelerated amount shall become a delinquent assessment for all purposes under this Article XIX. In addition to the monthly assessments, a sum equal to three times the initial monthly assessment shall be paid by each initial purchaser at the time of purchase. It is understood that the amount of the initial assessments are only estimates, however, and may be revised by the Management Committee as experience is accumulated.

4. The Management Committee shall have discretionary powers to prescribe the manner of maintaining and operating the Condominium Project and to determine the Common Expenses of the Project to be paid as aforesaid by the Owners under this Declaration. Every such reasonable determination by the Management Committee within the bounds of the Act and this Declaration shall be final and conclusive as to the Owners, and any expenditures made by the Management Committee, within the bounds of the Act and this Declaration shall as against the Owner be deemed necessary and properly made for such purpose.

5. If an Owner shall at any time let or sublet his Unit and shall default for a period of one (1) month in the payment of any assessments, the Management Committee may, at its option, so long as such default shall continue, demand and receive from any tenant or subtenant of the Owner occupying the Unit so much of the rent due or becoming due and payable as is necessary to cure said default and the payment of such rent to the Management Committee shall be sufficient payment and discharge of such tenant or subtenant and the Owner to the extent of the amount so paid.

6. Each assessment and each special assessment shall be separate, distinct and personal obligations of the Owner(s) of the Unit against which the same is assessed at the time the assessment is made and shall be collectible as such. Suit to recover a money judgment for unpaid Common Expenses may be maintained without foreclosure or waiving the lien (described hereafter) securing the same. If not paid when due, the amount of any assessment, whether regular or special, assessed to a Unit plus interest at the rate per annum then in effect under the rules and regulations of the Management Committee, or if there is no such rate, then at the rate of eighteen percent (18%) per annum, costs of procuring title reports, costs of action and reasonable attorney's fees, shall become a lien upon such Unit upon recordation of a notice thereof as provided by the Act. The said lien for non-payment of Common Expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

(a) tax and special assessment liens on the Unit in favor of any assessing unit, or special district; and

(b) encumbrances on the interest of the Unit Owner recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

7. In any conveyance, except to a mortgagee as hereinafter set forth, the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee. However, any such grantee shall be entitled to a statement from the Manager or Management Committee setting forth the amounts of the unpaid assessments against the grantor, and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments against the grantor in excess of the amount set forth.

8. A certificate executed and acknowledged by the Manager or Management Committee stating the unpaid Common Expenses then outstanding with respect to

a Unit shall be conclusive upon the Management Committee and the Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner or encumbrancer or prospective Owner or encumbrancers of a Unit upon request at a reasonable fee initially not to exceed Ten Dollars (\$10.00). Unless the request for a certificate of indebtedness shall be complied with within ten (10) days, all unpaid Common Expenses which become due prior to the date of making of such request shall be subordinate to the lien or interest held by or obtained by the person making the request. Any encumbrancer holding a lien on a Unit may pay any unpaid Common Expenses payable with respect to such Unit and upon such payment that encumbrancer shall have a lien on that Unit of the same rank as the lien of his encumbrance for the amounts paid.

9. Upon payment or other satisfaction of delinquent assessments concerning which a notice of assessment has been recorded, the Management Committee shall cause to be recorded in the same manner as the notice of assessment a further notice stating the satisfaction and release of the lien thereof. Such lien for non-payment of assessment may be enforced by sale by the Management Committee or by a bank, trust company, title insurance company or other agent authorized by the Management Committee such sale to be conducted in accordance with the provisions of the law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any other manner permitted by law. In any foreclosure or sale, the Unit Owner shall be required to pay the costs and expenses of such proceedings including costs of procuring evidence of title and reasonable attorney's fees. After the recording of a notice of assessment, the Management Committee may, at its option, take any action it deems necessary to protect the lien created by the notice of assessment, including without limitation, obtaining title reports, and curing defaults in the payment of taxes, assessments, mortgages or trust deeds which are or may be prior to the lien for nonpayment of assessments. Any expenditures made by the Committee to protect said lien shall be added to the delinquent assessments and the delinquent assessments shall not be deemed paid or satisfied until such expenditures have also been reimbursed.

10. In the event of foreclosure, the Unit Owner, if he is an owner-occupier and desires to remain in the Unit during any redemption period, shall be required to pay a reasonable rental for the Unit and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the security. The Management Committee or Manager shall have the power to bid on the Unit at foreclosure or other sale and to hold, lease, mortgage and convey the Unit.

11. In addition to the foregoing, in event of non payment of Common Expenses the right of the defaulting Owner to vote his share of Common Area ownership shall be suspended for all purposes until such delinquent assessments, together with interest, costs, expenses and reasonable attorney's fees shall have been paid. During such suspension, any action requiring a stated percentage vote may be taken upon the vote of the stated percentage of non-suspended ownership interests.

ARTICLE XX

MORTGAGEE PROTECTION

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

2. The lien or claim against a Unit for unpaid assessments or charges levied by the Management Committee or by the Association of Unit Owners pursuant to this Declaration or the Act shall be subordinate to a First Mortgage affecting such Unit. A Mortgagee who obtains title to a Unit pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall not be liable for such Unit's unpaid assessments which accrue prior to the acquisition of title to such Unit by the Mortgagee and shall take the same free of such lien or claim for unpaid assessments or charges, but only to the extent of assessments or charges which accrue prior to the acquisition of title to such Unit by the Mortgagee (except for claims for a pro rata share of such prior assessment or charges resulting from a pro rata reallocation thereof to all Units including the Unit in which the Mortgagee is interested). No assessment, charge, lien or claim which is described in the preceding sentence as being subordinate to a Mortgage or as not a burden to a Mortgagee coming into possession pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall be collected or enforced by either the Management Committee or the Association from or against a Mortgagee, a successor in title to a Mortgagee, or the Unit affected or previously affected by the Mortgage concerned (to the extent any such collection or enforcement would prejudice the interests of the Mortgagee or successor in title to the Mortgagee interested in such Unit).

3. Unless all of the First Mortgagees have given their prior written approval, neither the Management Committee nor the Association of Unit Owners shall be entitled, by act, omission, or otherwise:

(a) to seek to abandon or terminate the Condominium Project or to abandon or terminate the arrangement which is established by this Declaration and the Record of Survey Map (except as provided in Article XVI hereof in the event of certain destruction or damage);

(b) to partition or subdivide any Unit;

(c) to seek to abandon, partition, subdivide, encumber, sell or transfer all or any of the Common Areas and Facilities (except for the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas and Facilities and except as provided in Article XVI hereof in the event of certain destruction or damage);

(d) to use hazard insurance proceeds resulting from damage to any part of the Condominium Project (whether to Units or to the Common Areas) for purposes other than the repair, replacement, or reconstruction of such improvements, except as provided by statute in the event of substantial loss to the Units and/or Common Areas and Facilities;

(e) to change the pro rata interests or obligations of any Unit which apply for (1) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for (2) determining the pro rata share of ownership of each Unit in the Common Areas and Facilities.

(f) to alter the provisions of Article XVIII hereof in such a way as to diminish the insurance protection required to be afforded to the parties designed to be protected thereby, or to fail to maintain the insurance coverage described therein.

4. Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Management Committee, or the Association of Unit Owners, or of the Condominium Project. From and after the time a Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefor, the Committee or the Association shall furnish to such Mortgagee copies of such annual operating reports and other reports or writings summarizing or reflecting the financial position or history of the Condominium Project as may be prepared for distribution to or use by the Committee, the Association, or the Unit Owners.

5. The Management Committee and the Association shall establish an adequate reserve fund to cover the cost of reasonably predictable and necessary major repairs and replacements of the Common Areas and Facilities and shall cause such reserve to be funded by regular monthly or other periodic assessments against the Units rather than by special assessments.

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

7. Nothing contained in this Declaration shall give a Unit Owner, or any other party, priority over any rights of a First Mortgagee pursuant to its Mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to and/or a taking of condominium Units and/or Common Areas and Facilities.

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

9. Except with respect to combination or division of Units pursuant to Article VI, which may be accomplished without consent of any Mortgagees, no amendment to this Article XX which has the effect of diminishing the rights, protection or security afforded to Mortgagees of the individual Units have

given their prior written approval to such amendment. Any amendment to this Article XX shall be accomplished by an instrument executed by the Management Committee and filed for record in the office of the County Recorder of the county where the Project is located. In any such instrument an officer of the Management Committee shall certify that any prior written approval of Mortgages required by this Article XX as a condition to amendment has been obtained.

#### ARTICLE XXI

##### EMINENT DOMAIN

In the event that eminent domain proceedings are commenced against the Project or any portion thereof, the provisions of 57-8-32.5, Utah Code Annotated (Supp. 1977) shall apply. The Management Committee shall give written notice of such proceedings to all Mortgagees of record. No first lien priority of any Mortgagee shall be diminished or otherwise disturbed by virtue of such proceedings.

#### ARTICLE XXII

##### MAINTENANCE

1. Each Owner of a Unit at his own expense shall keep the interior of such Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating and painting which may at any time be necessary to maintain the good appearance of such Unit. Except to the extent that the Management Committee on behalf of all Unit Owners is protected by insurance against such injury, the Unit Owner shall repair all injury or damages to the Unit, building or buildings caused by the act, negligence or carelessness of the Unit Owner or that of any tenant or subtenant or any member of the Unit Owner's family or of the family of any tenant or subtenant or any agent, employee or guest of the Owner or his tenant or subtenant and all such repairs, redecorating and painting shall be of a quality and kind equal to the original work. In addition to redecorating and keeping the interior of the Unit in good repair, the Unit Owner shall be responsible for the maintenance or replacement of any heating equipment, hot water equipment or plumbing fixtures that may be used exclusively by the Unit. Each Unit Owner shall be entitled to the exclusive use and possession of the Limited Common Areas appurtenant to his Unit; provided, however, that without the written permission of the Management Committee first had and obtained, a Unit Owner shall not make or permit to be made any structural alteration, in or to the Unit or in or to the exterior of the building, and shall not paint or decorate any portion of the exterior of the Unit or of the building in which the Unit is located.

2. Except as hereinafter provided, the Management Committee shall provide for such maintenance and operation of the Common Areas and Facilities as may be reasonably necessary to keep them clean, functional, attractive and generally in good condition and repair. The Management Committee shall have no obligation regarding maintenance or care of Units.

ARTICLE XXIII

RIGHT OF ENTRY

The Management Committee and its duly authorized agents shall have the right to enter any and all of the Units in case of an emergency originating in or threatening such Unit or any other part of the Project, whether or not the Unit Owner or occupant thereof is present at the time. The Committee and its duly authorized agents shall also have the right to enter into any and all of said Units at all reasonable times as required for the purpose of making necessary repairs upon the Common Areas and Facilities of the Project or for the purpose of performing emergency installations, alterations or repairs to the mechanical or electrical devices or installations located therein or thereon; provided, however, such emergency installations, alterations or repairs are necessary to prevent damage or threatened damage to other Units in the Project; and provided further, that the Unit Owner affected by such entry shall first be notified thereof if available and if time permits.

ARTICLE XXIV

ADMINISTRATIVE RULES AND REGULATIONS

The Management Committee shall have the power to adopt and establish by resolution, such Project management and operational rules and methods of enforcement and collection as it may deem necessary for the maintenance, operation, management and control of the Project. The Committee may, from time to time by resolution, alter, amend and repeal such rules. When a copy of any amendment or alteration or provision for repeal of any rule or rules has been furnished to the Unit Owners, such amendment, alteration or provision shall be taken to be a part of such rules. Unit Owners shall at all times obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision, it being understood that such rules shall apply and be binding upon all Units Owners, tenants, subtenants or other occupants of the Units.

ARTICLE XXV

OBLIGATION TO COMPLY HEREWITH

Each Unit Owner, tenant, subtenant or other occupant of a Unit shall comply with the provisions of the Act, this Declaration, the Bylaws, and the rules and regulations of the Management Committee, all agreements and determinations lawfully made and/or entered into by the Management Committee or the Unit Owners, when acting in accordance with their authority, and any failure to comply with any of the provisions thereof shall be grounds for an action by the Management Committee or other aggrieved party for injunctive relief or to recover any loss or damage resulting therefrom, including costs and reasonable attorney's fees. The Management Committee shall have authority, by rules adopted pursuant to Article XXIV above, to levy assessments for failure of Unit Owners, their guests, lessees or other permitted users, to abide by the provisions of this Declaration and the rules and regulations adopted hereunder. When levied, such an assessment shall be treated in all respects as a special assessment affecting the particular unit and shall be paid and enforced as other common area expenses as provided in Article XIX.

ARTICLE XXVI

INDEMNIFICATION OF MANAGEMENT COMMITTEE

Each member of the Management Committee shall be indemnified and held harmless by the Association of Unit Owners against all costs, expenses and liabilities whatsoever, including, without limitation, attorney's fees reasonably incurred by him in connection with any proceeding in which he may become involved by reason of his being or having been a member of said Committee; provided, however, the foregoing indemnification shall not apply if the loss, expense or liability involved resulted from the willful misconduct or gross negligence of the member.

ARTICLE XXVII

AMENDMENT

1. In addition to the amendment provisions contained in Article VI hereof, and subject to the terms of Article XX, this Declaration and/or the Map may be amended upon the affirmative vote or approval and consent of owners having ownership of not less than 66.66 percent of the undivided interest in the Common Areas and Facilities. Any amendment so authorized shall be accomplished by recordation of an instrument executed by the Management Committee. In said instrument the Committee shall certify that the vote or consent required by this Article XXVII has occurred. Notwithstanding any other provision contained herein, until occurrence of either of the events referred to in Article XXIX hereof, no amendment to the Map or to any provision of this Declaration which has or may have the effect of diminishing or impairing any right, power, authority, privilege, protection or control given to Declarant (in its capacity as Declarant) herein shall be accomplished or effective unless the instrument through which such amendment is purported to be accomplished is consented to in writing by Declarant.

2. If any governmental agency or authority shall require any amendments to this Declaration or the Map, or if any lender providing funds for the development, construction, refinancing or purchase of the Project or any portion thereof (including one or more individual Units) shall require any amendments to this Declaration or to the Map as a condition to providing such funds, then, notwithstanding any other provisions herein, Declarant shall have the right to amend this Declaration and/or the Map without the approval or consent of any Unit Owner, provided that no such amendment may materially decrease the rights of any Unit Owner, and provided, further, that any amendment made by Declarant pursuant to the provisions of this Section 2 shall be recorded within three (3) years of the date of recordation of this Declaration.

ARTICLE XXVIII

CONSENT IN LIEU OF VOTE

In any case in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for authorization or approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction



from Unit Owners who collectively hold at least the stated percentage of undivided ownership interest. The following additional provisions shall govern any application of this section:

(a) all necessary consents must be obtained prior to the expiration of one hundred twenty (120) days after the first consent is given by any Owner;

(b) any change in ownership of a Unit which occurs after consent has been obtained from the Owner having an interest therein shall not be considered or taken into account for any purpose; and

(c) unless the consents of all Owners having an interest in the same Unit are secured, the consent of none of such Owners shall be effective.

#### ARTICLE XXIX

##### DECLARANT'S SALES PROGRAM

Notwithstanding any other provision of this Declaration until Declarant ceases to be a Unit Owner or the expiration of three (3) years after the date on which this Declaration is filed for record in the office of the County Recorder of the county where the Project is located, whichever first occurs (hereinafter referred to as the "Occurrence"), Declarant shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish or facilitate the sale of all Units owned by Declarant.

(a) Declarant shall have the right to maintain a sales office and/or model Units. Such office and/or model Units may be Units (at any location) owned by Declarant.

(b) Declarant shall have the right to maintain a reasonable number of promotional, advertising, and/or directional signs, banners or similar devices at any place or places on the Property, but any such device shall be of a size and in a location as is reasonable and customary.

(c) Declarant shall have the right to use the Common Areas and Facilities of the Project to entertain prospective purchasers or to otherwise facilitate Unit sales, provided said use is reasonable as to both time and manner.

Declarant shall have the right from time to time to locate or relocate its sales office, model units, and/or signs, banners or similar devices, but in connection with each such location or relocation shall observe the limitations imposed by the preceding portion of this Article. Within a reasonable period of time after the happening of the Occurrence, Declarant shall have the right to remove from the Project, any signs, banners or similar devices and to dismantle any sales office and sell or otherwise use any model unit.

ARTICLE XXX

LIMITATION ON IMPROVEMENTS BY ASSOCIATION

Until the Occurrence described in Article XXIX, neither the Association nor the Management Committee shall, without the written consent of Declarant, make any improvement to or alteration in any of the Common Areas and Facilities, other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Areas as they existed at the time the Declaration was recorded.

ARTICLE XXXI

LIMITATION OF LIABILITY OF DECLARANT FOR CONSTRUCTION DEFECTS

It is the Declarant's intention to repair or have repaired any and all construction defects and/or omissions within one year after the Project improvements have been constructed. An architect to be hired by the Owners will examine all improvements, confer with Owners, and give a detailed written list to the Declarant of any and all defects or omissions, prior to the expiration of the above one year period, in order for the Declarant to repair or have repaired by the Project contractor all defects and/or omissions found by the architect. The Declarant not being the contractor, after the above inspection has been made, the problems detailed by the architect corrected, or the opportunity for an inspection having been waived by the Owners, and the one year after construction having expired, the Declarant will not be responsible for any repairs, omission, or any other construction problem of any kind, nor will Declarant be responsible for any problem not found by the architect and not reported to the Declarant.

ARTICLE XXXII

SEVERABILITY

The invalidity of any one or more phrases, sentences, subparagraphs, paragraphs, sections or articles hereto shall not affect the remaining portions of this instrument nor any part thereof, and in the event that any portion or portions of this instrument should be invalid or should operate to render this instrument invalid, this instrument shall be construed as if such invalid phrase or phrases, sentence or sentences, subparagraph or subparagraphs, paragraph or paragraphs, section or sections, or article or articles had not been inserted.

ARTICLE XXXIII

DECLARANT'S RIGHTS ASSIGNABLE

All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment. Any Mortgage covering all Condominium Units in the Project, title to which is vested in the Declarant, shall, at any given point in time and whether or not such Mortgage does so by its terms, automatically cover, encumber, and include all of the then unexercised or then-unused rights, powers, authority, privileges, protections and controls which are accorded to Declarant (in its capacity as Declarant herein).

ARTICLE XXXIV

GENDER

The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

ARTICLE XXXV

WAIVERS

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

ARTICLE XXXVI

TOPICAL HEADINGS

The topical headings contained in this Declaration are for convenience only and do not define, limit or construe the contents of the Declaration.

ARTICLE XXXVII

EFFECTIVE DATE

This Declaration shall take effect upon recording.

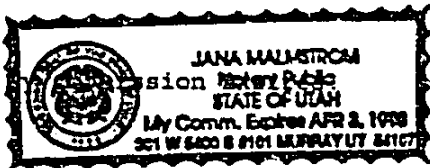
IN WITNESS WHEREOF, the undersigned has caused this Declaration to be executed on its behalf this 12 day of February, 1996.

OAK FINANCIAL SERVICES, INC.

By [Signature]  
Its [Signature]

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

On the 12th day of February, 1996, personally appeared before me Lynd D. Croft, who being by me duly sworn did say that he is the President of Oak Financial Services, Inc., a Utah Corporation, the Declarant and that the within and foregoing instrument was signed in behalf of said corporation by authority of a resolution of its board of directors and said Lynd D. Croft duly acknowledged to me that said corporation executed the same.



[Signature]  
Notary Public  
Residing at 301 W. 5400 S #101

BK7328PG1461

EXHIBIT "B"

BYLAWS OF MURRAY OAKS CONDOMINIUMS  
SEE ATTACHED

SCHEDULE C

MURRAY OAKS CONDOMINIUMS

PHASE 1

UNIT NO.	SQUARE FOOTAGE	APPURTENANT UNDIVIDED INTEREST IN COMMON AREAS
1	1410	1.5625
2	1410	1.5625
3	1410	1.5625
4	1410	1.5625
5	1410	1.5625
6	1410	1.5625
7	1410	1.5625
8	1410	1.5625
9	1410	1.5625
10	1410	1.5625
11	1410	1.5625
12	1410	1.5625
13	1410	1.5625
14	1410	1.5625
15	1410	1.5625
16	1410	1.5625
17	1410	1.5625
18	1410	1.5625
19	1410	1.5625
20	1410	1.5625
21	1410	1.5625
22	1410	1.5625
23	1410	1.5625
24	1410	1.5625
25	1410	1.5625
26	1410	1.5625
27	1410	1.5625
28	1410	1.5625
29	1410	1.5625
30	1410	1.5625
31	1410	1.5625
32	1410	1.5625
33	1410	1.5625
34	1410	1.5625
35	1410	1.5625
36	1410	1.5625
37	1410	1.5625
38	1410	1.5625
39	1410	1.5625
40	1410	1.5625
41	1410	1.5625
42	1410	1.5625
43	1410	1.5625
44	1410	1.5625

45	1410	1.5625
46	1410	1.5625
47	1410	1.5625
48	1410	1.5625
49	1410	1.5625
50	1410	1.5625
51	1410	1.5625
52	1410	1.5625
53	1410	1.5625
54	1410	1.5625
55	1410	1.5625
56	1410	1.5625
57	1410	1.5625
58	1410	1.5625
59	1410	1.5625
60	1410	1.5625
61	1410	1.5625
62	1410	1.5625
63	1410	1.5625
64	1410	1.5625
	<hr/>	<hr/>
	90,240	100%

SCHEDULE A

REAL PROPERTY DESCRIPTION OF MURRAY OAKS CONDOMINIUMS

BOUNDARY DESCRIPTION

BEGINNING at a point 27.679 feet South 00 Degrees 05 Minutes 54 Seconds West and 1623.092 feet South 89 Degrees 46 Minutes 08 Seconds West from the Southeast corner of Section 13, Township 2 South, Range 1 West, Salt Lake Base and Meridian and running thence

S89 Degrees 46 Minutes 08 Seconds West 171.600 feet to a point; thence  
N00 Degrees 07 Minutes 48 Seconds West 177.003 feet, to a point; thence  
N89 Degrees 52 Minutes 12 Seconds East 51.554 feet, to a point; thence  
N00 Degrees 18 Minutes 04 Seconds East 150.498 feet, to a point; thence  
S89 Degrees 41 Minutes 56 Seconds West 168.645 feet, to a point; thence  
N00 Degrees 28 Minutes 03 Seconds East 379.499 feet, to a point; thence  
S89 Degrees 12 Minutes 29 Seconds East 350.460 feet, to a point; thence  
S00 Degrees 41 Minutes 57 Seconds West 133.887 feet, to a point; thence  
S89 Degrees 12 Minutes 29 Seconds East 130.820 feet, to a point; thence  
S00 Degrees 18 Minutes 04 Seconds East 386.408 feet, to a point; thence  
S89 Degrees 18 Minutes 40 Seconds West 148.256 feet, to a point; thence  
S36 Degrees 22 Minutes 12 Seconds West 36.977 feet, to a point; thence  
to a point on a curve; thence around a 127.515 foot curve to the Left through a central angle of 36 Degrees 29 Minutes 26 Seconds, with an arc distance of 81.212 feet, a chord bearing of South 18 Degrees 07 Minutes 29 Seconds West and distance of 79.846 feet, to a point; thence S00 Degrees 07 Minutes 48 Seconds East 71.148 feet, to the point of Beginning. Containing 242645 square feet or 5.570 acres, more or less.

6278379  
02/12/96 4:04 PM 133.00  
NANCY WORKMAN  
RECORDER, SALT LAKE COUNTY, UTAH  
STEVE T PRESTON  
301 W 5400 S #101 MURRAY, 84107  
REC BY: B GRAY DEPUTY - WI