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DECLARATION  
OF  
COVENANTS, CONDITIONS AND  
RESTRICTIONS AND RESERVATIONS OF  
EASEMENTS FOR EASTGROVE  
CONDOMINIUM

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This Declaration of Covenants, Conditions and Restrictions and Reservations of Easements is made on the 21<sup>st</sup> day of February, 1979, by A & B INVESTMENT CO., a partnership, hereinafter called DECLARANT.

RECITALS

A. Declarant is the owner of certain real property in the County of Weber, State of Utah, which is described as follows:

BEGINNING at the Southwest corner of Lot 1, Block 4, BRUMMITS ADDITION to Ogden City and running thence East along the South line of said Block 255.0 feet to a point 6.5 feet East of the Southwest corner of Lot 11, Block 4, BRUMMITS ADDITION, thence North 145.37 feet to the center of an alley, thence West 56.5 feet to the center of Cody Avenue, thence North along the center of Cody Avenue, 144.38 feet to the South line of proposed 20th Street, thence West 198.50 feet to a point directly North of the West line of Lot 1, Block 4, BRUMMITS ADDITION to Ogden City, thence South 289.73 feet to the point of beginning.

Said real property is sometimes hereinafter referred to as the "territory".

B. EASTGROVE CONDOMINIUM project consists of the common areas and facilities, limited common areas and facilities, in accordance with plans and drawings set forth in the Record of Survey Map filed concurrently herewith consisting of sheets prepared and certified by O. Neil Smith, a duly registered Utah Land Surveyor.

C. Declarant desires and intends that the provisions of the Utah Condominium Ownership Act (57-8-1 et seq Utah Code Annotated 1953, As Amended) shall apply to the territory, and

to the individual units contained in said project, together with an undivided ownership interest in the common areas and limited common areas appurtenant thereto to various purchasers, subject to the covenants, conditions and restrictions herein.

ARTICLE I  
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Definitions

The terms used in this Article shall have the meaning stated in the Utah Condominium Ownership Act and as follows unless the context clearly indicates a different meaning therefor.

SECTION 1. "Declarant" shall mean A & B INVESTMENT CO., a partnership, which has made and executed this Declaration.

SECTION 2. "The Act" shall mean and refer to the Utah Condominium Ownership Act, Utah Code Annotated, Section 57-8-1, et seq (1953 As Amended).

SECTION 3. "Condominium" shall mean and refer to the ownership of a single unit in EASTGROVE CONDOMINIUM, together with an undivided interest in the common areas.

SECTION 4. "Map" shall mean and refer to the Record of Survey Map of EASTGROVE CONDOMINIUM, recorded herewith by Declarant in accordance with The Act.

SECTION 5. "Unit" shall mean that part of the property owned in fee simple by unit owners for independent use and shall include the elements of the condominium property which are not owned in common with the owners of other units as shown on the Map and shall consist of:

- (a) The space contiguous to the undecorated interior surfaces of common bearing walls; ceiling and floor; and the walls within a unit;

(b) Any finishing materials applied or affixed to the interior surfaces of the condominium common walls, floors and ceilings, including, without limitation, paint, lacquer, varnish, wall paper, tile and paneling;

(c) Non-supporting interior walls;

(d) Windows and doors in the perimeter walls, whether located within the bounds of a unit or not, not including any spaces occupied thereby to the extent located outside the bounds of a unit;

(e) Units forming a part of the condominium property are more particularly described in the Map, which shows graphically all the particulars of the buildings without limiting the generality of the foregoing, the unit designations and locations.

SECTION 6. "Common Areas" shall mean and refer to all foundations, columns, girders, beams, supports, main walls, ceilings, floors, area between stories, roof exterior, laundry areas, installation of power, lights and other utilities to the outlets, the real property under the buildings and the condominium common areas designated on the Map. The "Common Areas" includes condominium limited common areas. The "Limited Common Areas" are the patios and carport and are designated on the Map.

SECTION 7. "Unit Owner" shall mean the person or persons owning a unit in fee simple and undivided interest in the fee simple estate of the common areas and facilities in the percentage specified and established herein.

SECTION 8. "Unit Owners" shall mean and refer to unit owners of EASTGROVE CONDOMINIUM.

SECTION 9. "Association of Condominium Unit Owners" shall mean and refer to all of the unit owners acting as a group in

accordance with the Act, this Declaration and Bylaws.

SECTION 10. "Unit Number" shall mean and refer to the number designating the unit in this Declaration and in the Record of Survey Map relating to EASTGROVE CONDOMINIUM.

SECTION 11. "Majority" and "Majority of Condominium Unit Owners" shall mean the owners of more than seventy-five percent (75%) in the aggregate in interest of the undivided ownership of the common areas and facilities.

SECTION 12. The term "management committee" shall mean and refer to a committee composed of persons duly elected thereto by the Association of Unit Owners, as provided by this Declaration. Said committee is charged with and shall have the responsibilities and authority to make and to enforce all of the rules and regulations covering the operation of and maintenance of the properties.

SECTION 13. "Manager" shall mean and refer to the person, persons or corporation selected by the management committee to manage the affairs of EASTGROVE CONDOMINIUM properties and project.

SECTION 14. "Common Expenses" shall mean and refer to all expenses of administration, maintenance, repair or replacement of the common areas and facilities, 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, Bylaws, such rules and regulations pertaining to the condominium project as the Association of Condominium Unit Owners or the Management Committee may from time to time adopt, and such determinations and agreements lawfully made and/or entered into by the Management Committee.

SECTION 15. "Mortgage-Mortgagee-Mortgagor" reference herein

to a mortgage shall be deemed to include a deed of trust; reference to a mortgagee shall be deemed to include the beneficiary of a deed of trust; reference to a mortgagor shall be deemed to include the trustor of the deed of trust.

SECTION 16. "Additional Property" shall mean and refer to the following described real property, situate in Weber County, Utah, to-wit:

BEGINNING at the intersection of the South line of 20th Street and the Center Line of Tyler Avenue, in CITY VIEW ADDITION to Ogden City, said point being 25 feet West of the original Northwest Corner of Lot 3, Block 3, CITY VIEW ADDITION in Ogden City, Weber County, Utah, and running thence North along the Center Line of said Tyler Avenue 702.6 feet, more or less to the North Line of CITY VIEW ADDITION in Ogden City, thence South 40° 57' East along the North Line of CITY VIEW ADDITION 450 feet, more or less to the intersection of the North Line of CITY VIEW ADDITION and the West Line of Lot 14, Block 6, CITY VIEW ADDITION, thence continuing South 40° 57' East 186.52 feet, thence Westerly 70 feet, more or less to a point North of the Northeast Corner of Lot 3, Block 5, CITY VIEW ADDITION, thence South 210 feet, more or less along the East Line and extended East Line of Lots 1, 2, and 3, CITY VIEW ADDITION, to the Center Line of 20th Street, thence West along the Center Line of 20th Street to the intersection of said Center Line and the Center Line of Cody Avenue, thence South along the Center Line of said Cody Avenue to the South Line of 20th Street, thence West along the South Line of 20th Street to the point of beginning.

ARTICLE II  
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Description of Condominium Property

SECTION 1. General Description. The project consists of six buildings, with a total of seventeen units. The buildings are constructed of concrete, frame and masonry. The unit number of each unit is as designated on the Record of Survey Map.

ARTICLE III  
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Ownership and Use

SECTION 1. Ownership of a Unit. Except with respect to

any of the condominium common areas located within the bounds of a unit, each unit shall be entitled to the exclusive ownership and possession of his unit and to the ownership of an undivided interest in the condominium common areas in the equal percentages as provided for hereafter.

SECTION 2. Prohibition against Subdivision of Units. Units may not be subdivided into smaller parcels.

SECTION 3. Ownership of Common Areas. The common areas shall be owned by the unit owners as tenants in common and ownership thereof shall remain undivided. No action for partition of any part of the condominium common areas shall be maintained except as specifically provided in the Act and shall be subject to the mortgage protective provisions herein. Nor may any unit owners otherwise waive or release any rights in the common areas.

SECTION 4. Use of Common Areas. Each unit owner may use the condominium common areas and shall have the exclusive use of the condominium limited common areas adjacent to such unit in accordance with the purposes for which they are intended, which right of use shall be appurtenant to and run with the unit.

SECTION 5. Interest in Common Areas. The percentage of interest in the condominium common areas for each unit has been determined on the basis of the square footage of the units in accordance with the Act.

SECTION 6. The units shall be used only for single family residences.

ARTICLE IV  
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Percentage of Ownership in the  
Condominium Common Areas

SECTION 1. The percentage of ownership in the common areas

for all purposes attributable to each unit, shall be appurtenant to each unit and shall pass with the title to each unit. The percentage interest for each unit for voting purposes shall not be fractionalized. Provided however, Declarant shall have the right and authority to alter such percentage if and when amended Declarations and the Record of Survey Maps relating thereto are recorded adding territory, it being the intention that the aggregate percentage of ownership in the common areas and facilities of all phases shall equal one hundred (100%) percent. For that purpose, Declarant does hereby irrevocably reserve the right, power and authority to amend or supplement this Declaration upon said instruments creating subsequent phases being recorded.

ARTICLE V  
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Agent for Service of Process

SECTION 1. The name and address of the person in Weber County, State of Utah, appointed as to first agent to receive service of process in matters pertaining to the property as provided in the Act is:

William A. Bailey  
2985 North 150 West  
North Ogden, Utah 84404

ARTICLE VI  
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Administration

A

Meetings

SECTION 1. Place of Meetings of Owners. Meetings of the Association of Condominium Unit Owners shall be held at the Properties or such other suitable place as close thereto as practicable, in Ogden, Weber County, Utah, convenient to the Owners as may be designated by the Management Committee.



SECTION 2. Annual Meetings of Owners. The first annual meeting of owners shall be held within thirty (30) days after fifty-one percent (51%) of the sale of all of the units have closed or within six (6) months after the close of the sale of the first unit, whichever occurs first. Thereafter, the annual meetings of the Association of Condominium Unit Owners shall be held on the anniversary date of the first annual meeting; provided however, that should the anniversary date fall on a legal holiday, then such annual meeting of the owners shall be held on the next day thereafter which is not a legal holiday. At such annual meeting, there shall be elected by ballot of the Owners, a Management Committee. At the first annual meeting the members of the Management Committee shall be elected to serve until the second annual meeting, and at the second annual meeting members of the Management Committee shall be elected for a term of one (1) year beginning with the second annual meeting. Unless a member of the Management Committee resigns before the expiration of his term of office, each member shall hold his office until his successor has been elected and the first meeting involving such successor is held. The term of office of any member elected to fill a vacancy created by the resignation of his predecessor shall be the balance of the unserved term of his predecessor. The Unit Owners may also transact such other business of the Association as may properly come before them. Each first Mortgagee of a unit may designate a representative to attend all annual meetings of the Owners.

SECTION 4. Special Meetings of Owners. Special meetings of the Owners may be called at any time by a majority of a quorum of the Management Committee, or upon a petition signed by Owners holding at least fifteen percent (15%) of the

voting power having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice, unless by consent of those Owners holding at least four-fifths (4/5ths) of the voting power of the Association, either in person or by proxy. Each first Mortgagee of a Unit may designate a representative to attend all special meetings of the Owners.

SECTION 5. Notice of Meetings of Owners. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of Owners, stating the purpose thereof as well as the day, hour and place where it is to be held, to each Owner of record and to each first Mortgagee of a Unit which has filed a written request for notice with the Secretary, at least ten (10) but not more than sixty (60) days prior to such meeting. The notice may set forth time limits for speakers and nominating procedures for the meeting. The mailing of a notice postage prepaid, in the manner provided in this Section, shall be considered notice served, after said notice has been deposited in a regular depository of the United States Mail. If no address has been furnished the Secretary, notice shall be deemed to have been given to an Owner if posted in a conspicuous place at the Condominium.

SECTION 6. Adjourned Meetings. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be

the presence in person or by proxy of the Owners holding at least twenty-five percent (25%) of the voting power of the Association. Such adjourned meetings may be held without notice thereof, except that notice shall be given by announcement at the meeting at which such adjournment is taken. If a meeting is adjourned for more than thirty (30) days, notice of the adjourned meeting shall be given as in the case of an original meeting.

SECTION 7. Order of Business. The order of business at all meetings of the Owners shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) election of inspector of election; (g) election of Management Committee; (h) unfinished business; and (i) new business. Meetings of Owners shall be conducted by the officers of the Association, in order of their priority.

SECTION 8. Consent of Absentees. The transactions of any meeting of Owners, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the Owners not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

SECTION 9. Minutes, Presumption of Notice. Minutes or a similar record of the proceedings of meetings of Owners, when

signed by the Chairman or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

B

Management Committee

SECTION 1. Number and Qualification. The property, business and affairs of the Association of Condominium Unit Owners shall be governed and managed by a Management Committee composed of three (3) persons, each of whom, except for those appointed and serving as first members, must either be an Owner of a Unit in the Condominium, or an agent of Declarant for so long as Declarant owns a Unit in the Condominium. The Management Committee may increase, by resolution, the authorized number of members of the Committee; provided that the Owners shall have the sole right to elect the new Committee members. Management Committee Members shall not receive any stated salary for their services as members; provided, however, that (1) nothing herein contained shall be construed to preclude any member from serving the Association in some other capacity and receiving compensation therefor, and (2) any member may be reimbursed for his actual expenses incurred in the performance of his duties.

SECTION 2. Powers and Duties. The Management Committee has the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by this Declaration and Bylaws directed to be exercised and done exclusively by the Owners.

SECTION 3. Special Powers and Duties. Without prejudice

to such foregoing general powers and duties and such other powers and duties as are set forth in this Declaration and By-laws, the Management Committee is vested with, and responsible for, the following powers and duties:

(a) To select, appoint, and remove all officers, agents, and employees of the Association, to prescribe such powers and duties for them as may be consistent with law, with this Declaration and Bylaws; to fix their compensation and to require from them security for faithful service when deemed advisable by the Management Committee.

(b) To conduct, manage and control the affairs and business of the Association, and to make and enforce such rules and regulations therefor consistent with law, with this Declaration and Bylaws, as the Committee may deem necessary or advisable.

(c) To change the principal office for the transaction of the business of the Association from one location to another within the County of Weber, and designate any place within said county for the holding of any annual or special meeting or meetings of Owners consistent with the provisions hereof.

(d) To borrow money and to incur indebtedness for the purposes of the Association, and to cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor.

(e) To fix and levy from time to time Assessments, upon the Owners, to determine and fix the due date for the payment of such assessments, and the date upon which the same shall become delinquent; provided, however, that such assessments shall be fixed and levied only to provide for the payment

of the expenses for labor rendered or materials or supplies used and consumed, or equipment and appliances furnished for the maintenance, improvement or development of common areas or for the payment of any and all obligations in relation thereto, or in performing or causing to be performed any of the purposes of the Association for the general benefit and welfare of the Owners, in accordance with the provisions of this Declaration. The Management Committee is hereby authorized to incur any and all such expenditures for any of the foregoing purposes and to provide, or cause to be provided adequate reserves.

(f) To enforce the provisions of the Declaration covering the condominium common areas, this Declaration and Bylaws or other agreements of the Association.

(g) To contract for and pay insurance, in accordance with the provisions of this Declaration.

(h) To contract for and pay maintenance, gardening, utilities, materials and supplies, and services relating to the condominium common areas and to employ personnel necessary for the operation of the condominium common areas, including legal and accounting services, and to contract for and pay for improvements and facilities on the condominium common area.

(i) To delegate its powers according to law, and this Declaration and Bylaws.

(j) To grant easements where necessary for utilities and sewer facilities over the condominium common area.

(k) To adopt such Rules and Regulations as the Management Committee may deem necessary for the management of the condominium common area, which Rules and Regulations shall become effective and binding after (1) they are adopted by a majority of

the Committee at a meeting called for that purpose or by the written consent of such number of members attached to a copy of the Rules and Regulations of the Association, and (2) they are posted in a conspicuous place in the condominium common area. For so long as Declarant holds or directly controls at least twenty-five (25%) percent of the voting power of the Association, such Rules and Regulations shall not materially affect the rights, privileges or preferences of any Owner as established by this Declaration, without the prior written approval of the Utah Commissioner of Real Estate. Such Rules and Regulations may concern, without limitation, use of the Common Area; signs, parking restrictions, minimum standards of property maintenance consistent with this Declaration; and any other matter within the jurisdiction of the Association as provided in this Declaration; provided, however, that such Rules and Regulations shall be enforceable only to the extent that they are consistent with this Declaration.

SECTION 4. Management Contract. The Management Committee may contract with any person, firm or association for the management of the Common Areas.

SECTION 5. Election and Term of Office. At the first annual meeting of the Association, and thereafter at each annual meeting of the Owners, new members of the Management Committee shall be elected by secret written ballot by a majority of Owners as provided herein. In the event that an annual meeting is not held, or the Management Committee is not elected thereat, the Committee may be elected at a special meeting of the Owners held for that purpose. Each member shall hold office until his successor has been elected or until his death, resignation, removal or judicial adjudication of mental incompetence. Any person serving

as member may be re-elected, and there shall be no limitation on the number of terms during which he may serve.

SECTION 6. Books, Audit. The Management Committee shall cause to be maintained a full set of books and records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles, and at no greater than annual intervals shall obtain an independent certified audit of such books and records. A copy of each such audit shall be delivered to an Owner within thirty (30) days after the completion of such audit upon written request from an Owner. A balance sheet and an audited operating (income) statement for the Association shall be distributed to each Owner (and to any institutional holder of a first Mortgage on a Unit upon request) within sixty (60) days of accounting dates as follows:

(a) An initial balance sheet and an initial operating statement as of an accounting date which shall be the last day of the month closest in time to six (6) months following the date of closing of the first sale on a Unit to an Owner.

(b) Thereafter, an annual balance sheet and an annual operating statement as of the last day of the Association's fiscal year.

The operating statement for the first six (6) months accounting period referred to in (a) above shall include a schedule of assessments received or receivable itemized by Unit number and by the name of the person or entity assessed.

SECTION 7. Vacancies. Vacancies in the Management Committee caused by any reason other than the removal of a member by a vote of the Owners of the Association shall be filled by vote of the majority of the remaining members, even



though they may constitute less than a quorum; and each person so elected shall be a member until a successor is elected at the next annual meeting of the Owners of the Association, or at a special meeting of the Owners called for that purpose. A vacancy or vacancies shall be deemed to exist in case of death, resignation, removal or judicial adjudication of mental incompetence of any member, or in case the Owners fail to elect the full number of authorized members at any meeting at which such election is to take place.

SECTION 8. Removal of Members. At any regular or special meeting of the Owners duly called, any one or more of the members may be removed with or without cause by a majority vote of the Owners of the Association, and a successor may then and there be elected to fill the vacancy thus created. Any member whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting. If any or all of the members are so removed, new members may be elected at the same meeting.

SECTION 9. Organization Meeting. The first regular Committee ("organization") meeting of a newly elected Management Committee shall be held within ten (10) days of election of the Committee at such place as shall be fixed and announced by the members at the meeting at which such members were elected, for the purpose of organization, election of officers and the transaction of other business. No notice shall be necessary to the newly elected members in order legally to constitute such meeting, provided a majority of the whole Committee shall be present.

SECTION 10. Other Regular Meetings. Other regular meetings of the Management Committee shall be open to the Owners and may be held at such time and place within the Common Areas as shall

be determined, from time to time, by a resolution adopted by a majority of a quorum of the members; provided, however, that such meeting shall be held no less frequently than quarterly. Notice of regular meetings of the Management Committee shall be given to each member, personally or by mail, telephone or telegraph, at least seventy-two (72) hours prior to the date named for such meeting, and shall be posted at a prominent place or places within the Common Area.

SECTION 11. Special Meetings. Special meetings of the Management Committee shall be open to all Owners and may be called by the Chairman (or, if he is absent or refuses to act, by the Vice Chairman). At least seventy-two (72) hours notice shall be given to each member, personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and the purpose of the meeting, and shall be posted at a prominent place or places within the Common Area. If served by mail, each such notice shall be sent postage prepaid, to the address reflected on the records of the Association, and shall be deemed given, if not actually received earlier, at 5:00 o'clock p.m. on the second day after it is deposited in a regular depository of the United States mail as provided herein. Whenever any member has been absent from any special meeting of the Committee, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence, that due notice of such meeting was given to such member, as required by law and as provided herein.

SECTION 12. Waiver of Notice. Before or at any meeting of the Management Committee any member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at any

meeting of the Committee shall be a waiver of notice by him of the time and place thereof. If all the members are present at any meeting of the Committee, no notice shall be required and any business may be transacted at such meeting. The transactions of any meeting of the Committee, however called and noticed or wherever held, shall be as valid as though had a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the members not present signs such a written waiver of notice, a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the records of the Association or made a part of the minutes of the meeting.

SECTION 13. Quorum and Adjournment. Except as otherwise expressly provided herein, at all meetings of the Management Committee, a majority of the members shall constitute a quorum for the transaction of business, and the acts of the majority of the members present at a meeting at which a quorum is present shall be the acts of the Management Committee. If at any meeting of the Management Committee, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

SECTION 14. Action Without Meeting. The members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the vote or written consent of all the members. Any action so approved shall have the same effect as though taken at a meeting of the members.

SECTION 15. Fidelity Bonds. The Management Committee

may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

SECTION 16. Committees. The Management Committee by resolution, may from time to time designate such committees as it shall desire, and may establish the purposes and powers of each such committee created. The resolution designating and establishing the committee shall provide for the appointment of its members, as well as a chairman, shall state the purposes of the committee, and shall provide for reports, termination, and other administrative matters as deemed appropriate by the Management Committee.

C

Officers

SECTION 1. Designation. The principal officers of the Association shall be a Chairman, a Vice Chairman, and a Secretary-Treasurer, all of whom shall be elected by the Management Committee.

SECTION 2. Election of Officers. The officers of the Association shall be elected annually by the Management Committee, and each officer shall hold his office at the pleasure of the Management Committee, until he shall resign or be removed or otherwise disqualified to serve or his successor shall be elected and qualified to serve.

SECTION 3. Removal of Officers. Upon an affirmative vote of a majority of the entire Management Committee, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Management Committee, or at any special meeting of the Management Committee

called for such purpose. Any officer may resign at any time by giving written notice to the Committee or to the Chairman or Secretary-Treasurer. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein; and unless otherwise specified in said notice, acceptance of such resignation by the Committee shall not be necessary to make it effective.

SECTION 4. Compensation. Officers, agents, and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Committee. Appointment of any officer, agent, or employee shall not of itself create contractual rights of compensation for services performed by such officer, agent, or employee, provided that employee of Declarant or any affiliate of Declarant may receive any compensation.

SECTION 5. Chairman. The Chairman shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Management Committee. He shall have all of the general powers and duties which are usually vested in the office of the President of a corporation including but not limited to the power, to appoint committees from among the Members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association. The Chairman shall, subject to the control of the Management Committee, have general supervision, direction and control of the business of the Association. The Chairman shall be ex officio a member of all standing committees, and he shall have such other powers and duties as may be prescribed by the Management Committee.

SECTION 6. Vice Chairman. The Vice Chairman shall take

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

SECTION 7. Secretary-Treasurer. The Secretary-Treasurer shall keep the minutes of all meetings of the Management Committee and the minutes of all meetings of the Association at the principal office of the Association or at such other place as the Management Committee may order. The Secretary-Treasurer shall have charge of such books and papers as the Management Committee may direct; and the Secretary-Treasurer shall, in general, perform all of the duties incident to the office of Secretary-Treasurer. The Secretary-Treasurer shall give, or cause to be given, notices of meetings of the Owners and of the Management Committee required by this Declaration and Bylaws or by law to be given. The Secretary-Treasurer shall maintain a book of record Owners, listing the names and addresses of the Owners as furnished the Association, and such books shall be changed only at such time as satisfactory evidence of a change in ownership of a unit is presented to the Secretary-Treasurer.

The Secretary-Treasurer shall have responsibility for Association funds and shall be responsible for keeping, or causing to be kept, full and accurate accounts, tax records and business transactions of the Association, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the Association. The Secretary-Treasurer

shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Management Committee. The Secretary-Treasurer shall sign all checks and promissory notes on behalf of the Association. The Secretary-Treasurer shall disburse the funds of the Association as may be ordered by the Management Committee, in accordance with this Declaration, shall render to the Chairman and Members, upon request, an account of all of his transactions as Secretary-Treasurer and of the financial conditions of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Management Committee.

SECTION 8. The Management Committee shall be known by such name or designation as it, or the unit owners, at any meeting may assign. Provided, however, a majority of the association of unit owners shall have the power to act as the Management Committee.

Whenever there is a change of ownership of a unit and its appurtenant rights, for whatever reason, the Management Committee or the manager may require as condition to recognizing the new unit owner or owners as such, that the new unit owner or owners furnish evidence substantiating the new ownership.

D

Assessments

SECTION 1. Every unit owner shall pay his proportionate share of the condominium common expenses. Payment thereof shall be in such amounts and at such times as the Management Committee determines in accordance with the Act, this Declaration and Bylaws. There shall be a lien for non-payment of condominium common expenses as provided by Utah Code Annotated, Section

57-8-20 (1953 As Amended).

In assessing unit owners or requiring them to pay for the building improvements and other improvements of the condominium common areas and facilities following the execution of the Declaration, it is agreed that no assessment for a single improvement in the nature of the capital expenditure exceeding the sum of \$3,000 in cost shall be made without the same having been first voted on and approved by owners of 75% or more of the undivided interests in the condominium common areas and facilities. The foregoing sentence shall not apply in connection with the replacement of reconstruction occasioned by fire or other casualty.

ARTICLE VII  
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Destruction or damage

SECTION 1. In the event of damage to or destruction of part or all of the improvements in the condominium project, the following procedures shall apply:

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

(b) If less than 75% 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 the Unit Owners shall be assessed for any deficiency on the basis of their respective percentages of undivided interest in the common areas and facilities.

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

(d) If 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 100 days after the destruction or damage and by vote of at least 75% elect to repair or reconstruct the affected improvements, the Management Committee shall promptly record with Weber County Recorder 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 (1953 As Amended) shall apply and shall govern the rights of all parties having an interest in the project or any of the units.

Any reconstruction or repair which is required to be carried out by this paragraph shall be accomplished at the instance and direction of the Management Committee. Any determination which is required to be made by this paragraph regarding the extent of damage to or destruction of project improvements shall be made as follows: The Management Committee shall elect three (3) appraisers; each appraiser shall independently arrive at a figure representing the percentage of project improvements which have been destroyed or substantially damaged; the percentage which governs the application of the provisions of this paragraph shall be the average of the two closest appraisal figures.

ARTICLE VIII  
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Taxes

SECTION 1. It is understood that under Utah Code Annotated, Section 57-8-27 (1953 As Amended), each unit and its percentage of undivided interest in the condominium common areas and facilities in the project are subject to separate assessments and taxation by each assessing unit and the special district for all types of taxes authorized by law, and that as a result thereof, no taxes will be assessed or payable against the project as such. Each unit owner will, accordingly, pay and discharge any and all taxes which may be assessed against him

and his percentage of undivided interest in the condominium common areas and facilities.

ARTICLE IX  
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Insurance

SECTION 1. The Management Committee shall secure and maintain the following insurance coverage on the condominium project:

(a) Fire and extended coverage: A multi-peril type policy covering the entire condominium project (both units and condominium common areas) shall be maintained as a minimum; such policy shall provide fire and extended coverage insurance on a replacement cost basis in an amount of 100% of the insurable value (based upon replacement cost) and may include loss on account of business interruption in the discretion of the Management Committee.

(b) Flood insurance: If the condominium project is, or becomes located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards, a "blanket" policy of flood insurance on the condominium project must be maintained in the amount of the aggregate of the outstanding principal balances of the mortgage loans on the condominium units comprising the condominium project, or the maximum limit of coverage available under the National Flood Insurance Act of 1968, As Amended, whichever is less.

(c) Liability coverage: A comprehensive policy of public liability insurance covering all of the condominium common areas and public ways in the condominium project shall be maintained. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the waiver from

denying the claim of a condominium unit owner because of negligent acts of the Condominium Unit Owners Association or other unit owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for projects similar in construction, location and use.

(d) Workmen's Compensation to the extent necessary to comply with any applicable laws.

(e) Fidelity Coverage. The management committee shall secure and maintain fidelity coverage against dishonest acts on the part of members of the Management Committee, managers, trustees, employees or volunteers responsible for handling funds belonging to or administered by the Association of Condominium Unit Owners; designating the said Association as the named insured; written in an amount sufficient to provide protection which is in no event less than one and one-half times the insured estimated annual operating expenses and reserves. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

(f) Insurance for such other risks of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium projects, similar in construction, design and use.

(g) Exclusive authority to adjust losses under policies hereafter in force in the project shall be vested in the Management Committee or its authorized representative.

(h) Each unit owner may obtain additional insurance at his own expense; provided however, that no unit owner

shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Management Committee, in behalf of all the unit owners, may realize under any insurance policy which the Management Committee may have in force on the project at any particular time.

ARTICLE X  
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Payment of Expenses

SECTION 1. Each unit owner shall pay the Management Committee his allocated portion of the cash requirements deemed necessary by the Management Committee to manage and operate the condominium project, at the times, 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, and if the unit owner shall fail to pay any installment within one month of the time when the same becomes due, the owner shall pay interest thereon at the maximum legal rate from the date when such installment shall become due to the date of the payment thereof.

The cash requirements above referred to for each year, or portions of the year, are hereby defined and shall be deemed to be such aggregate sum as the Management Committee from time to time shall determine, in its judgment, is to be paid by all of the owners of condominium property then in existence to enable the Management Committee to then 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 the condominium common areas and facilities, which sum may include, among other things, the cost of management, special assessments, fire, casualty,

public liability insurance premiums, fidelity coverage, common lighting, repairs and renovations to condominium common areas and facilities, wages, 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 cash requirements have been so filed or determined, increase or diminish the amount previously fixed or determined for such year. It may include in the cash requirements for any year, any liabilities or items of expense which accrued or became payable in the previous year, or which might have been included in the cash requirements for a previous year, but were not included therein; and also any sums which the Management Committee may deem necessary or prudent to provide a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

That portion payable by the unit owner in and for each year or for a portion of a year shall be a sum within the limits and on the conditions hereinabove provided bearing to the aggregate amount of such cash requirements for such year, or portion of year, determined as aforesaid, the same ratio as the unit owner owns an undivided interest in the condominium common areas and facilities, and such assessments, together with any additional sums accruing under this Declaration shall be payable monthly in advance, or in such payments and installments as

shall be required by the Management Committee, and at such times as shall be provided by the Management Committee.

The Management Committee shall have discretionary powers to prescribe the manner of maintaining and operating the condominium project and to determine the cash requirements of the Management Committee 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 purposes.

If the owner shall at any time let or sublet the unit and shall default for a period of one 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 sub-tenant of the owner occupying the unit the rent due or becoming due and payment of such rent to the Management Committee shall be sufficient payment and discharge of such tenant or sub-tenant and the owner to the extent of the amount so paid.

Each monthly assessment and each special assessment shall be separate, distinct and personal debts and obligations of the owner against whom the same are assessed at the time the assessment is made and shall be collectable as such. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same. The amount of any assessment, whether regular or

special assessed to the owner plus interest at the maximum legal rate, and costs, including reasonable attorneys fees, shall become a lien upon such unit upon recordation of a notice of assessment 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 assessment unit, and special district, and

(b) Encumbrances on the owner's interest in the unit (and condominium common areas and facilities) recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

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

Upon payment of a delinquent assessment concerning which such certificate has been so recorded, or other satisfaction thereof, the management committee shall cause to be recorded in the same manner as the certificate of indebtedness a further certificate 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 or trust company or title insurance company 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 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 reasonable attorney's fees.

In the event of foreclosure, the unit owners shall be required to pay a reasonable rental for the condominium and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The management committee or manager shall have the power to bid in the condominium at foreclosure or other sale and to hold, lease, mortgage and convey the condominium.

SECTION 2. With regard to the insurance required at paragraphs (a) and (b) Section 1 of ARTICLE IX, the name of the insured under each policy must be stated in form and substance similar to the following: "Condominium Unit Owners Association of EASTGROVE CONDOMINIUM, for the use and benefit of the individual owners" (designated by name if required).

Each such policy must contain the standard mortgagee clause



which must be endorsed to provide that any proceeds shall be paid to the Condominium Unit Owners Association of EASTGROVE CONDOMINIUM for the use and benefit of mortgagees as their interest may appear, or must be otherwise endorsed to fully protect FHLMC's, FNMA's or GNAA's interest, if applicable and is appropriate.

ARTICLE XI  
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Assessments Subordinate

SECTION 1. The lien or claim against a condominium unit for unpaid assessments or charges levied by the Management Committee or by the Association of Condominium Unit Owners pursuant to the Declaration or the Utah Condominium Ownership Act shall be subordinate to the mortgage affecting such unit, and the mortgagee or a successor to the mortgagee thereunder which comes into possession of the unit shall take the same free of such lien or claim for unpaid assessments or charges, but only to the extent of assessments or charges, which accrue prior to foreclosure of the mortgage, exercise of a power of sale available thereunder, or deed or assignment in lieu of foreclosure. No assessment, charge, lien, or claim which is described in the preceding sentence as being subordinate to a mortgage or as not to burden a mortgagee which comes into possession shall be collected or enforced by either the Management Committee or the Association of Unit Owners from or against a mortgagee, a successor in title to a mortgagee, or the condominium unit affected or previously affected by the mortgage concerned.

ARTICLE XII  
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Maintenance of Units

SECTION 1. Each unit owner, at his own expense, shall

keep the interior of his unit and its appurtenances and equipment in good order, condition and repair and in a clean and a sanitary condition, and shall do all redecoration and painting which may at any time be necessary to maintain a good appearance for his unit. Except to the extent that the management committee is protected by insurance against such injury, the unit owner shall repair all injury to damages to the unit, or condominium project caused by the Act, negligence or lessee or any member of the unit owners' family or the family of any lessee or sub-lessee or any member of the unit owners' family or the family of any lessee or sub-lessee or any agent, employee or guest of the owner of his lessee or sub-lessee and all such repairs, decorating and painting shall be of a quality and kind equal to the original work. In addition to decorating and keeping the interior of the unit in good repair, the unit owner shall be responsible for the maintenance and/or replacement of any plumbing, fixtures that may be in or connected with the unit. With the written permission of the Management Committee, the unit owner may make or permit to be made structural alterations, improvements or additions in or to the unit, which said permission shall be liberally granted. However, the unit owner shall not alter, paint, or decorate any portion of the exterior of the building where his unit is located.

ARTICLE XIII  
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Right of Entry

SECTION 1. 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 rights to enter into any and all of said units at all reasonable times as required for the purpose of making necessary repairs upon the condominium common areas and facilities of the project for the purpose of performing emergency installations, alterations, or repairs to the mechanical or electrical devices or installations located therein or thereon; provided however, such emergency installations, alterations, or 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 XIV  
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Obligation to Comply Herewith

SECTION 1. Each unit owner, tenant, or occupant of a unit shall comply with the provisions of the Act, this Declaration and the rules and regulations, 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 to recover any loss or damage resulting therefrom or injunctive relief.

ARTICLE XV  
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Indemnification of Management Committee

SECTION 1. Each member of the Management Committee shall be indemnified and held harmless by the unit owners against all costs, expenses and liabilities whatsoever, including, without

limitation, attorney's fees, reasonably incurred by them in connection with any proceeding to which it may become involved by reason of its being or having been a member of such committee. Provided however, a member of the management committee shall not be under this paragraph for any acts which constitute gross negligence or wilful misconduct.

ARTICLE XVI  
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Transfer or Lease of Units

SECTION 1. Any unit owner, other than the Declarant, who wishes to sell or lease his ownership interest or any interest therein (or any lessee of any ownership interest wishing to give to the management committee, not less than fifteen (15) days prior to the date of the proposed sale or lease, written notice of the terms of any proposed sale or lease, together with his name and address, the unit of which he is the owner and which is to be the subject matter of the proposed sale or lease, the name and address of the proposed purchaser or lessee, the amount deemed by him to constitute the fair market value of such ownership interest, and the amount of any liens and encumbrances thereon. The Management Committee shall at all times have the first right and option to purchase or lease such ownership interest or interest therein upon the same terms which option shall expire 15 days after the date of receipt by it of such notice. If said option is not exercised by the Management Committee within the aforesaid option period, the owner or lessee may, upon the expiration of said option period, contract to sell or lease (or sublease or assign) such ownership interest or such interest therein to the proposed purchaser or lessee named in such notice

upon the terms specified therein. The Management Committee, upon written request of any prospective sale, buyer, lessor, tenant or mortgagee, shall furnish a duly acknowledged certificate of compliance with, or a waiver of, the provisions of this paragraph. Such a certificate shall be conclusive evidence of the facts stated herein.

SECTION 2. The provisions of this Article shall not apply to any transfer, sale or assignment which occurs as a result of a mortgagee's exercise of its rights under a mortgage whether through foreclosure, deed or assignment in lieu of foreclosure, or exercise of a power of sale under a trust deed. In the event a mortgagee becomes the owner of or possessor of a unit as a result of its exercise of such rights, the provisions of this Article shall not apply to any subsequent transfer, sale or assignment of the unit by such mortgagee.

SECTION 3. The provisions of this Article shall not apply to a transfer to a member of the immediate family of the transferor. For this purpose, immediate family shall mean son, daughter, father, mother or spouse.

SECTION 4. Notwithstanding the provisions of this Article the failure to comply with the terms hereof shall in no event effect the validity of a transfer of a unit or an interest therein to a person for value, whether or not such person has actual notice of the requirements of this Article.

ARTICLE XVII  
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Mortgagee Protection Provisions

SECTION 1. Notwithstanding anything to the contrary in this Declaration, it is hereby declared, certified and agreed as follows:

A. Notice of Default. From and after the time a mortgagee makes written request to the Management Committee or the Association of Condominium Unit Owners therefor, the Committee or said Association shall notify such mortgagee in writing in the event that the owner of the condominium unit encumbered by the mortgage held by such mortgagee neglects for a period of thirty (30) days or more to cure any failure on his part to perform any of the obligations under this Declaration.

B. Right of First Refusal. Any first mortgagee who obtains title to the condominium unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed or assignment in lieu of foreclosure, will be exempt from any "right of first refusal" contained in the condominium constituent documents.

C. Abandonment, Termination and Subdivision. Unless at least 75% of the mortgagees (based upon one vote for each mortgage) of the individual units have given their prior written approval, neither the management committee nor the Association of Condominium Unit Owners shall be entitled by act, omission or otherwise:

(1) To abandon or terminate the condominium project or to abandon or terminate the arrangement which was established by the Declaration and the project's Record of Survey Map;

(2) To abandon, partition, subdivide, encumber, sell, or transfer all or any part of the common areas (except for the granting of easements for utilities and similar purposes consistent with the intended use of the condominium common areas); or

(3) To use hazard insurance proceeds resulting from damage to any part of the condominium project (whether to units or to the condominium common areas for purposes other than the repair, replacement, or reconstruction of such improvements, except as provided by the Utah Condominium Ownership Act in case of substantial damage to the unit and/or common areas.

(4) To change the pro-rata interest or obligations of the condominium common areas as to any unit for the purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards.

D. Examination of Records. 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, the Association of Unit Owners, or of the Condominium project.

E. Reserve Fund. The Association shall establish an adequate reserve for maintenance, repairs and replacement of those condominium common areas that must be replaced on a periodic basis, which shall be payable in regular installments rather than by special assessment.

F. Term of Management Agreement. Any agreement for professional management of the condominium project or any other contract providing for services by the developer, sponsor or builder, must provide for termination by either party without cause or payment of a termination fee on ninety (90) days or less written notice and a maximum term of three (3) years.

G. Notice of Substantial Loss. From and after the time a mortgagee makes written request to the management committee or the Association of Condominium Unit Owners therefor, the Association of Condominium Unit Owners shall notify in writing

FHLMC (c/o Servicer at Servicer's address) of any loss to or taking of the condominium common areas of the condominium project if such loss or taking exceeds \$10,000 or damage to a condominium unit covered by a mortgage purchased in whole or in part by FHLC exceeds \$1,000.

H. Taxes, assessments and charges. All taxes, assessments and charges which may become liens prior to the first mortgage under local law shall relate only to the individual condominium units and not to the condominium project as a whole.

I. No liability for Unpaid Assessments. Any first mortgagee who obtains title to the condominium unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such units unpaid dues or charges which accrue prior to the acquisition of title to such unit by the mortgagee.

J. Distribution of Insurance or Condemnation Award. Anything herein to the contrary notwithstanding, no unit owner nor any other party shall have priority over any rights of first mortgagees of condominium units pursuant to their mortgages in the case of a distribution to condominium unit owners of insurance proceeds or condemnation awards for losses to or a taking of condominium units and/or condominium common areas and facilities.

ARTICLE XVIII  
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Expansion of the Condominium Project

SECTION 1. Additional Property. The Declarant anticipates that the condominium project may be expanded and it specifically reserves the option to expand.



SECTION 2. No Consent Required. There are no limitations on this option to expand except as provided in this Article and no consent need be obtained from unit owners.

SECTION 3. Time Limit. The option to expand shall expire at the expiration of five (5) years from the date of recording of this Declaration, and shall not expire earlier.

SECTION 4. Additional Property or Land. The additional property or land subject to the option to expand shall include all or any part of the real property which adjoins the condominium property or territory and is described by metes and bounds at Section 16 of ARTICLE I.

There are no limitations as to what portion of the additional property may be added to the condominium project, nor the times of such additions, nor the locations of any improvements thereon.

SECTION 5. Maximum number of Units. The maximum number of units which may be added to the condominium project shall be at the ratio of \_\_\_\_\_ units per acre of additional land added.

SECTION 6. Compatibility of Structures. Structures constructed on any portion of the additional land shall be compatible with structures on the land originally within the project in terms of quality of construction, the principal materials used, and the architectural style. No assurances are made that the units on the additional land will be identical or substantially identical to the units on the land originally within the project.

SECTION 7. Improvements. No assurances are made as to what other improvements may be made on additional land except as provided at Section 6 above.

SECTION 8. Limited Common Areas and Facilities. No assurances are made as to the limited common areas and facilities which may be created on any additional land.

SECTION 9. Expansion of Definitions. In the event of such expansion the definitions used in this Declaration automatically shall be expanded to encompass and refer to the project as so

expanded to encompass and refer to the project as so expanded. E.g., "real property" shall mean the real property described herein plus any additional real property added to the project by a supplemental Declaration or by supplemental Declarations, and reference to this Declaration shall mean this Declaration as so supplemented. All conveyances of units after such expansion shall be effective to transfer rights in the project, as expanded, by use of the form of description set forth herein, with additional references to the supplemental declarations and the supplemental Maps. The recordation in the office of the Weber County Recorder, Ogden, Utah, of a supplemental Map incident to any expansion shall operate automatically to grant, transfer and convey protanto to then owners of units in the project as it exists before such expansion the respective undivided interests in the new common areas added to the project as a result of such expansion, and to reduce protanto their percentage of interest in the original condominium property as it then exists. Such recordation shall also operate to vest in any then mortgagee of any unit in the project as it exists such interest so acquired by the owner of the unit encumbering the new common areas added to the project as a result of such expansion, and to conform the percentage interests of unit owners and mortgagees to the interests set forth in the supplemental Declaration.

SECTION 10. Declaration Operative on New Units. The new units shall be subject to all the terms and conditions of this Declaration and of a supplemental Declaration, and the units therein shall be subject to condominium ownership with all the incidents pertaining thereto as specified herein, upon filing the supplemental Map and supplemental Declaration in the said office of the Weber County Recorder.

SECTION 11. Right of Declarant to Adjust Percentages of Common Areas. Each deed of a unit shall be deemed to irrevocably reserve to Declarant the power to appoint to unit owners, from time to time, the percentages in the common areas set forth in supplemental or amended Declarations. A power coupled with an interest is hereby granted to Declarant as attorney in fact

to shift percentages of the common areas and facilities in accordance with supplemental or amended Declarations recorded pursuant hereto and each deed of a unit in the project shall be deemed a grant of such power of said attorney in fact. Various provisions of this Declaration and deeds and mortgages of the units may contain clauses designed to accomplish a shifting of the common areas. None of said provisions shall invalidate the other, but each shall be deemed supplementary to the other toward the end that a valid shifting of the common areas and facilities can be accomplished.

ARTICLE XVIII  
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Amendment

SECTION 1. Unit owners shall have the right to amend the Declaration and/or the Map upon the approval and consent of unit owners representing not less than 3/4ths of the undivided interests in the condominium common areas and facilities. Any amendment shall be accomplished by the recordation of an instrument wherein the Management Committee certifies that the unit owners representing at least 3/4ths of the undivided interests in the condominium common areas and facilities have approved and consented to any such amendment. Provided however, this Declaration shall not be amended to alter the mortgage protection provisions contained herein or to impair any first mortgagee's rights without the prior written consent of all first mortgagees.

ARTICLE XIX  
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Severability

SECTION 1. The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections hereof shall not affect the remaining portions of this instrument or any part thereof, all of which are inserted conditionally on their being held valid in law and in the event that one or more of the phrases,

sentences, clauses, paragraphs or sections contained therein should be invalid, or should operate to render this agreement invalid, this instrument shall be construed as if such invalid phrase or phrases, sentence or sentences, clause or clauses, paragraph or paragraphs, section or sections had not been inserted.

ARTICLE XX  
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Gender

SECTION 1. The singular, where ever 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, men or women, shall in all cases be assumed as though in each case fully expressed.

ARTICLE XXI  
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Topical Headings

SECTION 1. The topical headings of the paragraphs contained in this Declaration are for convenience only and do not define, limit or construe the contents of the paragraphs or of the Declaration.

ARTICLE XXII  
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Effective Date

SECTION 1. This Declaration shall take effect upon recording.  
IN WITNESS WHEREOF, the undersigned, being the Declarants herein, have hereunto set their hands and seals this 21<sup>st</sup> day of FEBRUARY, 1979.

A & B INVESTMENT CO., a  
Partnership

BY William A. Bailey  
BY Robert J. Hudson

STATE OF UTAH )  
                  ) ss.  
COUNTY OF WEBER )

On the 21<sup>st</sup> day of FEBRUARY, 1979, personally appeared  
before me WILLIAM A. BAILCY and ROBERT J. ANDERSON  
who being by me duly sworn upon their oaths, did say that the  
within and foregoing instrument was signed on behalf of the said  
A & B Investment Co., partnership by the said WILLIAM A. BAILCY  
and ROBERT J. ANDERSON.



Douglas W. Crafts  
NOTARY PUBLIC  
Residing At: Ogden, Utah

My Commission Expires: 7/8/81