

BOOK 1423 PAGE 1467

878699

55⁰⁰

Recording requested by and
when recorded, mail to:

LA VAR E. STARK
Attorney at Law
2651 Washington Boulevard
Suite 10
Ogden, UT 84401

DOUG LUTTS
WEBER COUNTY RECORDER
DEPUTY *[Signature]*

APR 27 3 07 PM '03

FILED AS

Home Abstract

PLATTED ☐ VERIFIED ☒
ENTERED ☒ MICROFILMED ☐

DECLARATION
OF
OLD MILL CONDOMINIUM
(AN EXPANDABLE CONDOMINIUM)

13-056-0004
13-072-0028
13-004-0017
13-038-0009
13-179-0001 TO 0012

DECLARATION
OF
OLD MILL CONDOMINIUM
(AN EXPANDABLE CONDOMINIUM)

This Declaration is made on the 19th day of
April, 1983, by MILLSTONE DEVELOPMENT, INC.,
a Utah Corporation, hereinafter called DECLARANT.

RECITALS

A. Declarant is the owner in fee simple of the land
in the County of Weber, State of Utah, which is described
at the attached Exhibit A, which by this reference is made
a part hereof.

Said land is sometimes hereinafter referred to as the
"territory."

B. Declarant hereby submits the territory, together
with all improvements, easements, rights and appurtenances
thereunto belonging to the provisions of the Utah Con-
dominium Ownership Act (57-8-1 et seq Utah Code Annotated
1953, as Amended) and hereby creates with respect to the
territory an expandable condominium to be known as OLD
MILL CONDOMINIUM.

ARTICLE I

Definitions

Terms not otherwise defined herein or the Record of
Survey Map or as the same may be amended from time to
time, shall have the meanings specified in the Utah Con-
dominium Ownership Act.

SECTION 1. "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 space occupied thereby to the extent located outside the bounds of a unit;

(e) Any basements as designated on the Map;

(f) 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 2. Common area. Common area shall be as defined in the Act except basements but including crawl spaces.

SECTION 3. Limited Common Areas and Facilities. The locations of the common areas and facilities to which each unit has direct access are shown on the record of survey map; a porch, balcony, deck, patios or terrace shown adjacent to the unit is a limited common area appurtenant to that unit.

SECTION 4. Reserved Common Areas and Facilities.

The management committee shall have the power in its discretion from time to time to grant revocable licenses in designated common areas and facilities to any unit owners under reasonable terms and conditions for the use and/or maintenance thereof. Such designation by the committee shall not be construed as a sale or disposition of the common areas and facilities.

The management committee shall designate two conveniently located parking spaces for each unit, one covered and one uncovered.

SECTION 5. "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.

ARTICLE II

Description of Condominium Property

SECTION 1. General Description. The project consists of three buildings, with a total of 12 units. The buildings are constructed of concrete, frame with brick veneer and masonry. The unit number of each unit is as designated on the record of survey map.

ARTICLE III

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 Subdivisions 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 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.

Each unit owner shall have the use of reserved common area when, where and as provided by the management committee.

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

Percentage of Ownership

In The Condominium Common Areas

SECTION 1. Subject to the provisions of ARTICLE XVIII, the percentage of ownership in the common areas for all purposes attributable to each unit is 8.33%, and 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 fraction-
alized.

ARTICLE V

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:

Robert Anderson
1314 East 1990 South
Ogden, Utah 84403

ARTICLE VI

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 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 seventy percent (70%) 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 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 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 businesses 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 3. 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 (4/5th) 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 4. 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 to the secretary, notice shall be deemed to have been given to an owner if posted in a conspicuous place at the Condominiums.

SECTION 5. 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 6. 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 7. 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 8. 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 five (5) 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 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, 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; 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, 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 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.

(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 (l) 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.

(1) To make available to unit owners, prospective purchasers, lenders and the holders and insurers of the first mortgage on any unit current copies of the declaration and by laws and other rules governing the condominium, and other books, records and the most recent annual audited financial statements of the owners association. "Available" shall at least mean available for inspection upon request, during normal business hours or under other reasonable circumstances.

Further, upon written request from any of HUD, VA and/or FNMA which has an interest or prospective interest in the condominium, the owners association, through the Management Committee shall be required to prepare and furnish within a reasonable time an audited financial statement of the owners association for the immediately preceeding fiscal year.

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 a 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 not less than ten (10) days nor more than fifteen (15) 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. In addition, notice of such meeting shall be mailed or delivered to such members, at least five (5) days prior thereto.

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 simple 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

shall require that all officers and employees of the Association handling or responsible for Association funds and employees of professional managers shall furnish fidelity bonds naming the Association as an obligee and in an amount equal to at least 150 percent of the estimated annual operating expense of condominium project, including reserves. The premium 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 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 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.

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 owner of a unit including Declarant which is substantially constructed and ready for occupancy 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, the Declaration and the By Laws. 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

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 *****

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

Insurance

SECTION 1. Type and Scope of Insurance Coverage Required.

(a) Insurance for Fire and Other Perils. The owners association must obtain, maintain, and pay the premiums upon, as a common expense, a "master" or "blanket" type policy of property insurance covering all of the common elements and limited common elements, (except land, foundation, excavation and other items normally excluded from coverage) including fixtures, to the extent they are part of the common elements of the condominium, building service equipment and supplies, and other common personal property belonging to the owners association. All references herein to a "master" or "blanket" type policy of property insurance, are intended to denote single entity condominium insurance coverage. In addition, any fixtures, equipment or other property within the units which are to be financed by a mortgage to be purchased by FNMA or FHLMC (regardless of whether or not such property is a part of the common elements) must be covered in such "blanket" or "master" policy.

Such policy must be consistent with state and local insurance laws and at least equal to such coverage as is commonly required by prudent institutional mortgage investors in the area. The policy shall be in an amount equal to 100% of current replacement cost of the condominium exclusive of land, foundation, excavation and other items normally excluded from coverage.

The name of the insured under such policies must be set forth therein substantially as follows:

"Association of Owners of the Old Mill Condominium
for use and benefit of the individual owners (designated
by name if required by law)."

The policies may also be issued in the name of an authorized representative of the owners association, including any insurance

trustee with whom the association has entered into an Insurance Trust Agreement, or any successor trustee, as insured, for the use and benefit of the individual owners. Loss payable shall be in favor of the owners association (or Insurance Trustee), as a trustee, for each unit owner and each such owner's mortgagee. The owners association or insurance trustee, if any, must be required to hold any proceeds of insurance in trust for unit owners and their first mortgage holders, as their interests may appear. Each unit owner and each unit owner's mortgagee, if any, shall be beneficiaries of the policy in the percentage of common ownership. Certificates of insurance shall be issued to each unit owner and mortgagee upon request.

Such policies shall contain the standard mortgage clause, or equivalent endorsement (without contribution), which is commonly accepted by private institutional mortgage investors in the area and which appropriately names FNMA and FHLMC if such corporations are holders of first mortgages on units within the condominium. Such policies must also provide that they may not be cancelled or substantially modified, without at least 10 days' prior written notice to the owners association and to each holder of a first mortgage listed as a scheduled holder of a first mortgage in the policies.

Policies are unacceptable where: (1) under the terms of the insurance carrier's charter, by laws, or policy, contributions or assessments may be made against borrowers, FNMA, FHLMC, or the designee of FNMA or FHLMC; or (2) by the terms of the carrier's charter, by laws or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members, or (3) the policy includes any limiting clauses (other than insurance conditions) which could prevent FNMA, FHLMC, or the borrowers from collecting insurance proceeds.

The policies must also provide for the following: recognition of any Insurance Trust Agreement; a waiver of the right of subrogation against unit owners individually; that the insurance is not prejudiced by any act or neglect of individual unit owners which is not in the control of such owners collectively; and that the policy is primary in the event the unit owner has other insurance covering the same loss.

The insurance policy shall afford, as a minimum, protection against the following:

- (1) loss or damage by fire and other perils normally covered by the standard extended coverage endorsement;
- (2) in the event the condominium contains a steam boiler, loss or damage resulting from steam boiler equipment accidents in an amount not less than \$50,000 per accident per location (or such greater amount as deemed prudent based on the nature of the property);
- (3) all other perils which are customarily covered with respect to condominiums similar in construction, location and use, including all perils normally covered by the standard "all-risk" endorsement, where such is available.

In addition, such policies shall include an "Agreed Amount Endorsement" and, if available, an "Inflation Guard Endorsement".

(b) Liability Insurance. The owners association must obtain and maintain comprehensive general liability insurance coverage covering all of the common elements, commercial space owned and leased by the owners association, and public ways of the condominium project. Coverage limits shall be in amounts generally required by private institutional mortgage investors for projects similar in construction, location, and use. However, such coverage shall be for at least \$1,000,000 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall

include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the common elements, and legal liability arising out of lawsuits related to employment contracts of the owners association. Such policies must provide that they may not be cancelled or substantially modified, by any party, without at least 10 days' prior written notice to the owner's association and to each holder of a first mortgage on any unit in the condominium which is listed as a scheduled holder of a first mortgage in the insurance policy. Such coverage must include protection against such other risks as are customarily covered with respect to condominiums similar in construction, location and use, including, but not limited to, host liquor liability, employers liability insurance, contractual and all-written contract insurance and comprehensive automobile liability insurance.

(c) Fidelity Bonds. Fidelity bonds shall be required to be maintained by the owners association for all officers, and employees of the owners association and all other persons handling, or responsible for, funds of or administered by the owners association. Where the management agent has the responsibility for handling or administering funds of the owners association, the management agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the owners association. Such fidelity bonds shall name the owners association as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the owners association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to 3 months' aggregate assessments on all units plus

reserve funds. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The premiums on all bonds required herein, except those maintained by the management agent, shall be paid by the owners association as a common expense. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment) without at least 10 days' prior written notice to the owners association or Insurance Trustee. Such bonds must also provide that the FNMA Servicer, on behalf of FNMA, also receive such notice of cancellation or modification.

SECTION 2. Insurance Trustee; Power of Attorney: Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the owners association, the owners association's authorized representative, including any trustee with whom such owners association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose.

Each unit owner appoints the owners association, or any Insurance Trustee or substitute Insurance Trustee designated by the owners association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

SECTION 3. Qualifications of Insurance Carriers. The owners association shall use generally acceptable insurance carriers.

SECTION 4. Condemnation and Total or Partial Loss or Destruction. The owners association shall represent the unit owners in the condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the common elements, or part thereof, by the condemning authority. Where appropriate under applicable law, the declaration should contain a provision whereby each unit owner appoints the owners association as attorney-in-fact for such purpose.

In the event of a taking or acquisition of part or all of the common elements by a condemning authority, the award or proceeds of settlement shall be payable to the owners association, or any Trustee, to be held in trust for unit owners and their first mortgage holders as their interests may appear.

ARTICLE X

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 of 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 XI

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 of lessee or any member of the unit owners' family or the family of any lessee or sublessee or any agent, employee or guest of the owner or his lessee or sublessee 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. In connection with the foregoing responsibilities of unit owners, the Management Committee shall give written notice to the affected owner of the unit, stating specifically that which

is required and setting a time within which to complete the same. If the unit owner disagrees with said requirements or any part thereof, he shall have ten (10) days from the date of the notice within which to object thereto in writing, mailed or delivered to the Management Committee, otherwise, he shall comply with such request. In the event of objection aforesaid, the Management Committee shall set the matter for hearing no less than 10 nor more than 30 days from the date of the objection, and give the unit owner at least 10 days written notice of time and place of the hearing. At the hearing, the management shall take and receive relevant evidence and decide the issues.

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 XII

Right of Entry

SECTION 1. The Management Committee and its duly authorized agents 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 XIII

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 XIV

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 willful misconduct.

ARTICLE XV

Transfer or Lease of Units

SECTION 1. Any unit owner may transfer or lease his unit free from restriction of any right of first refusal. Provided, however, the following leasing restrictions shall obtain:

(1) All leases shall be in writing and be subject to the declaration.

(2) All leases must have an initial term of at least six months.

ARTICLE XVI

First Lien Holders' Rights

SECTION 1. Notices of Action. A holder, insurer or guarantor of a first mortgage, upon written request to the owners association, (such request to state the name and address of such holder, insurer or guarantor and the unit number), will be entitled to timely written notice of:

(1) Any proposed amendment of the condominium instruments effecting a change in (i) the boundaries of any unit or the exclusive easement rights appertaining thereto, (ii) the interests in the general or limited common elements appertaining to any unit or the liability for common expenses appertaining thereto, (iii) the number of votes in the owners association appertaining to any unit or (iv) the purposes to which any unit or the common elements are restricted;

(2) Any proposed termination of the condominium regime;

(3) Any condemnation loss or any casualty loss which affects a material portion of the condominium or which affects any unit on which there is a first mortgage held, insured or guaranteed by such eligible holder;

(4) Any delinquency in the payment of assessments or charges owed by an owner of a unit subject to the mortgage of such eligible holder, insurer or guarantor, where such delinquency has continued for a period of 60 days;

(5) Any lapse, cancellation or material modification of any insurance policy maintained by the owners association pursuant to paragraph 14(a)(i) and (ii).

SECTION 2. Other Provisions for First Lien Holders.

(1) Any restoration or repair of the condominium after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the declaration and the original plans and specifications unless the approval of the eligible holders of first mortgages on units to which at least 51% of the votes of units subject to mortgages held by such eligible holders are allocated, is obtained.

(2) Any election to terminate the condominium regime after substantial destruction or a substantial taking in condemnation of the condominium property must require the approval of the eligible holders of first mortgages on units to which at least 51% of the votes of units subject to mortgages held by such eligible holders are allocated.

(3) No reallocation of interests in the common elements resulting from a partial condemnation or partial destruction of the condominium project may be effected without the approval of the eligible holders of first mortgages on units to which at least 51% of the votes of units subject to mortgages held by such eligible holders are allocated.

NOTE: As used in this section, the term "eligible holder,

insurer or guarantor" shall mean a holder, insurer or guarantor of a first mortgage on a unit in a condominium which has requested notice in accordance with the provisions of Section I above.

ARTICLE XVII

Expansion

SECTION 1. Additional Property. The Declarant anticipates that the Condominium Project may be expanded to include certain real property which adjoins the Condominium property and which is described in Exhibit B attached hereto. Such expansions shall be contiguous to the development.

SECTION 2. Reservation of Right to Expand. Declarant hereby reserves the right to expand the condominium project, without the consent of unit owners, to include additional structures and units which shall be compatible with the structures and units of this present project in terms of quality of construction, the principal materials to be used and architectural style, to be constructed on the real property described at Exhibit B or any portion thereof. The total number of units which may be constructed on said additional property shall not exceed 71 units, and the entire project, including this present project and all subsequent phases shall not exceed a total of 83 units, nor 11 units per acre. The project shall consist of a minimum of 12 units and a possible maximum of 83 units.

SECTION 3. Supplemental Declarations and Supplemental Maps. Such expansion may be accomplished by the filing for record by Declarant in the office of the County Recorder of Weber County, Utah, no later than seven (7) years from the date this Declaration is recorded in said office, a supplement or supplements to this Declaration containing a legal

description of the site or sites for new units, together with supplemental Map or Maps containing the same information with respect to the new units as was required on the original Map with respect to the initial units. The expansion may be accomplished in phases by successive supplements or in one supplemental expansion.

SECTION 4. Expansion of Provisions. In the event of such expansion, the provisions used in this Declaration automatically shall be expanded to encompass and refer to the project as so expanded, 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 forms 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 pro tanto to then owners of units in the project as a result of such expansion, and to reduce pro tanto their percentage of interest in the original condominium property as it then exists. Substantially identical units in all phases will be awarded substantially identical interest in the common area. 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 5. 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 6. 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. The maximum interest in the common areas of unit owners in this project shall be as indicated in the Declaration. Furthermore, all unit owners in this project shall have a maximum interest in the common areas of 8.33 per cent and a minimum interest in the common areas of at least 0.012 per cent after all possible phases of this project have been filed.

SECTION 7.

(1) All improvements on the property to be added shall be substantially complete before such property is added to the project.

(2) Liens arising in connection with the Declarant's ownership of and construction of improvements upon the property to be added must not adversely affect the rights of existing unit owners, or the priority of first mortgages on units in the existing condominium property. All taxes and other assessments relating to such property covering any period prior to the addition of the property must be paid or otherwise satisfactorily provided for by the Declarant.

(3) No additional property shall be added to the condominium project without the prior written consent of each of FHLMC, HUD, VA and/or FNMA that holds, insures or guarantees any mortgage in any existing condominium unit at the time such property is added.

SECTION 8. There shall be no restriction or limitation as to what portion or portions of additional land may be added to the Condominium Project. Portions of additional land may be added without regard to time (except as provided at Section 3 above) or boundaries.

No assessments are made with regard to the locations of any improvements that may be made on any portions of the additional land; other improvements that will or will not be made on any portion of the additional land; any units created on any portion of the additional land will be substantially identical to the units on the land originally within the project; and types, sizes, and maximum number of limited common areas and facilities within any portion of additional land.

SECTION 9. In the event of expansion, developer shall purchase at its expense a liability insurance policy in an amount determined by the Administrator of Veterans Affairs to

cover any liability to which owners of previous sold units might be exposed. This policy shall be endorsed "as owner's interest might appear."

ARTICLE XVIII

Amendment to Documents

SECTION 1. The following provisions do not apply to amendments to the constituent documents or termination of the condominium regime made as a result of destruction, damage or condemnation, or to a reallocation of interests in the common elements which is provided for at Article XIX regarding expansion.

(1) The consent of owners of units to which at least 67 percent of the votes in the owners association are allocated and the approval of the eligible holders of first mortgages on units to which at least 67 percent of the votes of units subject to a mortgage appertain, shall be required to terminate the condominium regime.

(2) The consent of owners of units to which at least 67 percent of the votes in the owners association are allocated and the approval of eligible holders of first mortgages on units to which at least 51 percent of the votes of units subject to a mortgage appertain, shall be required to materially amend any provisions of the declaration or equivalent documents of the condominium, or to add any material provisions thereto, which establish, provide for, govern or regulate any of the following:

(a) Voting;

(b) Assessments, assesment liens or subordination of such liens;

(c) Reserves for maintenances, repair and replacement of the common elements;

(d) Insurance or Fidelity Bonds;

(e) Rights to use of the common elements;

(f) Responsibility for maintenance and repair of the several portions of the condominium;

(g) Expansion or contraction of the condominium regime or the addition, annexation or withdrawal of property to or from the regime;

(h) Boundaries of any unit;

(i) The interests in the general or limited common elements;

(j) Convertibility of units into common elements or of common elements into units;

(k) Leasing of units;

(l) Imposition of any right of first refusal or similar restriction on the right of a unit owner to sell, transfer, or otherwise convey his or her unit in the condominium;

(m) Establishment of self-management by the condominium association where professional management has been required by any of the agencies or corporations.

(3) The consent of owners of units to which at least 67 percent of the votes in the owners association are allocated and the approval of eligible holders of first mortgages on units to which at least 51 percent of the votes of units subject to a mortgage appertain, shall be required to amend any provisions included in the declaration, or equivalent documents of the condominium which are for the express benefit of holders or insurers of first mortgages on units in the condominium.

(4) The declaration may not be amended or merged with a successor condominium regime without prior written approval of the Administrator of Veterans Affairs, so long as there is a mortgage held or guaranteed by VA.

(5) For first mortgagees to be eligible holders under Article XVIII, they must request notice in accordance with the provisions of Article XVI, Section 1.

ARTICLE XX

Declarant's Rights and Restrictions

SECTION 1. The following rights in the common areas are reserved by Declarant for a reasonable period of time, subject to a concomitant obligations to restore.

(1) Easement over and upon the common areas and upon lands appurtenant to the condominium for the purpose of completing necessary contemplated improvements, but only if access thereto is otherwise not reasonable available.

(2) Easement over and upon the common elements for the purpose of making repairs required pursuant to the declaration of contracts of sale made with unit purchasers.

(3) Right to maintain facilities in the project which are reasonable necessary to market the units. These may include sales and management offices, model units, parking areas and advertising signs.

(4) Right to exercise the options to expand.

SECTION 2. Transfer of Control.

(1) The Declarant shall relinquish all special rights expressed or implied, through which the Declarant may directly or indirectly control, direct, modify, or veto any action of the owners association, its management

committee, or a majority of unit owners, and control of the owners association shall pass to the owners of units within the project, not later than the earlier of the following:

- (a) 120 days after the date by which 75% of the units have been conveyed to unit purchasers, or
- (b) Within one year following the first conveyance to a unit purchaser.

ARTICLE XXI

Right of First Refusal

The right of a unit owner to sell, transfer, or otherwise convey his or her unit shall not be subject to any right of first refusal or similar restriction.

ARTICLE XXII

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 XXIII

Gender

SECTION 1. 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 corporation or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

ARTICLE XXIV

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 XXV

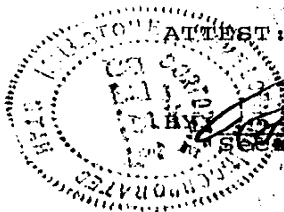
Effective Date

SECTION 1. This Declaration shall take effect upon recording.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, have hereunto set their hands and seals this 19th day of April, 1983.

MILLSTONE DEVELOPMENT, INC.,
A Utah Corporation

BY: George W. Flick



STATE OF UTAH)
COUNTY OF WEBER) ss

On the 19th day of April, 1983, personally appeared before me George W. Flick, the

President, and Robert J. Anderson, the
Secretary of MILLSTONE DEVELOPMENT, INC., a corporation
of the State of Utah, who being by me duly sworn, did
say that said instrument was signed in behalf of said
corporation by authority of a resolution of its Board
of Directors, and the said secretary
acknowledged to me that the said corporation executed the
same.

Scott M. Hadley
NOTARY PUBLIC

Residing at: Weber, Utah

My commission expires: 12/2/84

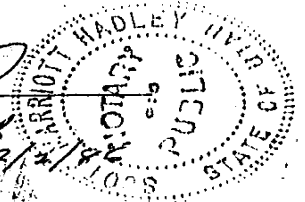


EXHIBIT A

A part of the Southeast Quarter of Section 21 Township 6 North, Range 1 West, Salt Lake Base & Meridian, U.S. Survey: Beginning at a point of intersection of the East line of Brinker Avenue and the North Boundary line of Millstream Condominium Phase No. 2, Ogden City, Weber County, Utah, being 375.14 feet North 89°57' West; along the Quarter Section line and 380.62 feet South 0°31' West along said East line of Brinker Avenue from the East Quarter Corner of said Section 21; said point of beginning also being 657.57 feet North 0°31' East and 33.02 feet South 87°26' East from an Ogden City Monument at the Intersection of Sixteenth Street and Brinker Avenue; and running thence North 0°31' East 345.00 feet along the East line of Brinker Avenue; thence South 68°00' East 173.22 feet; thence South 43°00' East 152.28 feet; thence South 33°00' West 209.39 feet to the North line of said Millstream Condominium Phase No. 2; thence North 87°26' West 153.69 feet along said North line to the point of beginning.

EXHIBIT B

A part of the Southeast Quarter of Section 21, Township 6 North, Range 1 West, Salt Lake Base and Meridian: Beginning at a point on the East line of Brinker Avenue, being 375.14 feet North 89°57' West along the Quarter Section line from the East Quarter corner of Section 21 and running thence North 0°31' East 192.29 feet along said East line to the South line of Canyon Road; thence along said South line North 62°19'52" East 73.40 feet thence East 534.45 feet thence South 20.00 feet; thence East 10.90 feet; thence South 1°22' West 207.70 feet; thence North 89°46' West 37.69 feet; thence South 1°20' West 404.85 feet to the North Boundary line of Mill Stream Condominium Phase No. 2 Ogden City, Weber County, Utah; thence along said Boundary line North 87°26' West 410.34 feet; thence North 33°00' East 209.39 feet; thence North 43°00' West 152.28 feet; thence North 68°00' West 173.22 feet to the East line of Brinker Avenue; thence along said line North 00°31' East 35.62 feet to the point of beginning.