

**DECLARATION
AND
COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS
FOR
CEDAR SPRINGS CONDOMINIUM**

Pursuant to the laws of the State of Utah, Laws of 1953, Title 57, Chapter 8, and the amendments thereto, hereinafter referred to as “The Act”, for the purpose of submitting the real property hereinafter described to the provisions of the Act, the undersigned, hereinafter referred to as “Declarant”, being sole owner of said property, makes the following Declaration. It is agreed by acceptance of a conveyance, contract for sale, lease, rental agreement, or any form of security agreement or instrument, or any privileges of use or enjoyment, respecting the property or any unit in the horizontal property regime created by this Declaration, that this Declaration, together with the Survey Map and Plans referred to herein, states covenants, conditions, restrictions, and reservations effecting a common plan for the condominium development mutually beneficial in all of the described units, and that the covenants conditions, restrictions, reservations and plan are binding upon the entire property and upon each such unit as a parcel of realty, and upon its owners or possessors, and their heirs, personal representatives, successors and assigns, through all successive transfers of all or part of the property or any security interests therein without requirement of further specific reference or inclusion in deeds, contracts or security instruments, and regardless of any subsequent forfeiture, foreclosures, or sales of units under security instruments.

1 DESCRIPTION OF LAND

1.01 Description of Land The land on which the buildings and improvements provided for in this Declaration are situated is 88 West 500 South, Centerville, Utah, the land is contained in Lots 6 and 7, Block 21, Big Creek Plat, Centerville town site, and a detailed legal description of the land is set forth in Schedule A attached hereto.

2 DESCRIPTION OF BUILDINGS AND IMPROVEMENTS

There are 22 building containing 202 residential units arranged in a garden-type setting. Five of the buildings have four levels with one and three bedroom units in them, and seventeen buildings are two levels having two-bedroom units in them. In addition, there is a clubhouse containing a two bedroom manager's apartment. The buildings are of similar construction. Footings and foundations are concrete, while the exterior walls are brick veneer, cedar siding and concrete aggregate panels. The buildings have mansard roofs with asphalt wood on the upper floors. Doors and cabinets are hardwood and windows are sliding aluminum. The 96 units at the south end of the land have individual gas furnaces with heating and cooling. The buildings contain 56 one-bedroom units, of which 50 units have balconies or patios, while 6 units have no balconies or patios. There are 118 two-bedroom units having a bath and ½ and balconies. The remaining 28 units are three bedroom two-bath town houses with balconies. The clubhouse has two saunas and restrooms. A fenced swimming pool is located adjacent the clubhouse. There are parking spaces on-site for over 300 automobiles, of this number 202 are open frame carports with steel posts and corrugated roofs.

3 LOCATION AND DESIGNATION OF UNITS

3.01 Each unit is identified by a building designation using letters A through X with the exception of letters "I" and "O", followed by a number to identify the unit within the particular building. The units are move fully described in Schedule "B" attached hereto and in the Record of Survey Map.

4 ACCESS

4.01 Access to Common Ways Each unit in the five four-level buildings has direct access tot he common areas hallways leading to exit doors from the buildings. The units in the seventeen two-level building have direct access to exterior common areas walkways.

4.02 Access to Public Streets The common area main entrance has direct access to 70 West Street in Centerville, a public street, and has access to Main Street via two feeder street, 115 North Street and 50 South Street.

**5 DESCRIPTION OF COMMON AREAS AND FACILITIES: CERTAIN ITEMS
MAY BE MADE OWNER’S RESPONSIBILITY**

5.01 Except as otherwise specifically reserved, assigned or limited by the provisions of Article 6 hereof, the common areas and facilities consist of the following:

- 5.01.01 The land above described.
- 5.01.02 The roofs, foundations, columns, girders, studding, joists, beams, supports, main walls (excluding only nonbearing interior surfaces of the unit’s perimeter walls, floors, ceilings, windows, and doors; that is, to the boundaries of the units as defined in the Act, and any replacements thereto, provided, the term “enteric surfaces” shall not include paint, wallpaper, carpeting, tiles or other such decorative surface coverings or finishes.
- 5.01.03 Installations of services serving more than a single unit, such as power, light, gas hot and cold water, heating, refrigeration, air conditioning, pipes, conduits, and wires, wherever they may be located whether in partitions, or otherwise; tanks, pumps, motors, fans, compressors, ducts; and in general all apparatus and installations existing for common use wherever located on the property, within units or without.
- 5.01.04 The driving areas which provide access to the limited common areas for parking, and any guest parking or other parking areas not assigned to units.
- 5.01.05 The yards, gardens, landscaped areas and walkways which surround and provide access to the buildings or are used for recreational purposes, including swimming pool and sun decks, and camper-boat storage facilities.
- 5.01.06 The basements, lobbies, halls and corridors not within individual units, storage areas, sun decks, recreational rooms, stairways and stairs, and entrances and exits of the buildings.
- 5.01.07 The Clubhouse, including premises for the lodging or use of persons in charge of, or maintaining, the property.
- 5.01.08 All other parts of the property necessary or convenient to its existence,

maintenance and safety, or normally in common use.

- 5.01.09 Certain items which could ordinarily be considered common areas such as but not limited to, window screens, awnings, storm windows, and the like, may, pursuant to decision of a majority of owners and specifications in the By Laws or administrative rules, be designated as items to be furnished and maintained by apartment owners at their individual expense, in good order, according to standards and requirements set by the Board by rule, regulation or Bylaws.

6 DESCRIPTION OF LIMITED COMMON AREAS: EASEMENTS FOR EASEMENTS FOR EXCLUSIVE USE RESERVED FOR CERTAIN UNITS

- 6.01 The limited common areas and facilities are reserved for the exclusive use of the unit or units to which they are adjacent or assigned and consist of:
- 6.01.01 The balcony and patio areas, which are adjacent to certain units as more particularly shown on the Record of Survey Map, the boundaries of said balcony areas being defined by the interior surfaces of the walls, floor, ceiling, doors, windows, ground, railings, fence or curb enclosing said balcony and patio areas.
- 6.01.02 The carport parking stall which is assigned to each unit as more particularly shown on the Record of Survey Map, the boundaries of said parking stall being defined by the interior surfaces of the walls, floor and steel supports inclosing said parking stall.
- 6.01.03 The storage lockers which are assigned to certain units more particularly shown on the Record of Survey Map, the boundaries of said storage locker being defined by the interior surfaces of top, bottom, door and sides of said storage locker.
- 6.02 As used in Section 6.1, the term “interior surfaces” shall not mean decorative finished and coverings applied to such surfaces (including paint, wall paper, paneling, carpeting and tiles). Said decorative finishes and coverings, along with fixtures and other tangible personal property (including furniture, planters, mirrors, and the like located in and used in connection with said limited common areas, shall be deemed a part of said limited common area.

- 6.03 Declarant reserves the right to make the initial assignment of parking stall and storage locker to the units, such assignments either being made by including in or amendment to the Declaration and Record of Survey Map, or by designation contained in the initial Unit deed executed by Declarant. The remaining parking stalls and/or storage lockers, if any, shall remain common areas, but may be rented or leased to unit owners.
- 6.04 After Declarant's initial assignment, a unit owner may rent or lease the parking stall and/or storage locker assigned to that unit to any other unit owner; provided, that the rental or lease term shall automatically expire on the date the lessor/unit owner disposes of its interest in the unit (whether such disposition is by deed, contract or otherwise). In addition, any two unit owners may, by jointly executed instrument in recordable form approved by the Board, exchange either on a permanent or temporary basis the parking stalls and/or storage lockers assigned to their respective units.

7 VALUE AND PERCENTAGE OF UNDIVIDED INTEREST IN COMMON AREAS

The value of the entire property is established as \$5,203,600.00. Percentages of interest for each unit are expressed in Schedule B attached hereto. Each Unit includes all the limited common areas appertaining there to including a parking space and in certain instances a storage area, and the percentage of undivided interest in the common and limited common areas appertaining thereto.

8 ASSOCIATION OF UNIT OWNERS

8.01 Form of Association

The term "Association" as used herein shall mean the Association of Unit Owners as defined in the Act. Initially said Association may be an unincorporated association. The Management Committee, (Board of Directors) until such time as the initial Management Committee is selected, may at any time if deemed advisable in the exercise of its sole discretion, without necessity of prior approval or other action by the members being necessary, cause such unincorporated association to be converted to a non-profit corporation under the laws of the State

of Utah; provided, that, from and after the formation of such nonprofit corporation, the rights and duties of the members and of such corporation shall continue to be governed by the provisions of the Act and of this Declaration.

8.02 Membership

8.02.01 Qualification. Each fee owner (including Declarant) shall be a member of the Association and shall be entitled to one membership for each unit so owned; provided, that if a unit has been sold on contract, the contract purchaser shall exercise the rights of the unit owner for purposes of the Association, this Declaration, and the Bylaws, except as hereinafter limited, and shall be the voting owner unless otherwise specified. Ownership of unit shall be the sole qualification for membership in the Association.

8.02.02 Transfer of Membership. The Association membership of each owner (including Declarant) shall be appurtenant to the unit giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, or conveyed or alienated in any way except upon the transfer of title to said unit and then only to the transferee of title to such unit. Any attempt to make a prohibited transfer shall be void. Any transfer of title to said unit and then only to the transferee of title to such unit. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a unit shall operate automatically to transfer the membership in the Association appurtenant thereto to the new owner thereof.

8.03 Voting

8.03.01 Number of Votes. The total voting power of all owners shall be 100 votes and the total number of votes available to owners of any one unit shall be equal to the percentage of undivided interest in the common areas and facilities appertaining to such unit.

8.03.02 Voting Owner. There shall be one (1) "voting representative" of each unit. Declarant shall be the voting representative with respect to any unit or units owned by Declarant. If a person owns more than one unit, he shall have the votes for each unit owned. The voting representative shall be designated by the owner

or owners of each unit by written notice to the management committee (Board) and need not be an owner. The designation shall be revocable at any time by actual notice to the Board from a party having an ownership interest in a unit, or by actual notice to the Board of the death or judicially declared incompetence of any party with an ownership interest in the unit. This power of designation and revocation may be exercised by the guardian of a unit owner, and the administrators or executors of an owner's estate. Where no designation is made, or where a designation has been made, the voting representative of each unit shall be the group composed of all of its owners.

8.03.03 Joint Owner Disputes. The vote for a unit must be cast as a single vote, and fractional votes shall not be allowed. In the event that joint owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. In the event more than one vote is cast for a particular unit, none of said votes shall be counted and said votes shall be deemed void.

8.03.04 Pledged Votes. In the event the record owner or owners have pledge their vote regarding special matters to a mortgagee or beneficiary of a deed of trust under a duly recorded mortgage or deed of trust, or to the vendee under a duly recorded real estate contract, only the vote of such mortgagee, beneficiary, or vendee will be recognized in regard to the special matters upon which the vote is so pledged, if a copy of the instrument with this pledge has been filed with the Board. Amendments to this subsection shall only be effective upon the written consent of all the voting owners and their respective mortgagees, deed of trust beneficiaries, and vendee, if any.

8.04 Meetings, Audits, Notices of Meetings, Annual Meetings, Audits

There shall be an annual meeting of the owners in the first quarter of each year at such reasonable place and time as may be designated by written notice of the Board delivered to the owners no less than ten (10) days prior to the date fixed for said meeting. At the annual meeting, there shall be presented an audit of the common expenses, itemizing receipts and disbursements

for the preceding calendar year, and the allocation thereof to each owner, and the estimated common expenses for the coming calendar year. The Board at any time, or by written request of owners having at least twenty-four (24%) percent of the total votes, may require that an audit of the Association and management books be presented by any special meeting. A unit owner, at his own expense, may at any reasonable time make an audit of the books of the Board and Association.

8.05 Special Meetings

Special meetings of the owners may be called at any time for the purpose of considering matters which by the terms of the Act or of this Declaration require the approval of all or some of the owners, or for any other reasonable purpose. Such meetings shall be called by written notice of the president of the Association upon the decision of the president, or after request signed by a majority of the Board, or by written request by the owners having at least twenty-four (24%) percent of the total votes, which notice shall be delivered not less than ten (10) days prior to the date fixed for said meeting. The notice shall specify the date, time and place of the meeting, and in general the matters to be considered.

8.06 Bylaws of Association

8.06.01 Adoption of Bylaws. Bylaws for the administration of the Association and the property, and for other purposes not inconsistent with the Act or with the intent of this Declaration, shall be adopted by the Association by concurrence of those voting owners holding sixty (60%) percent of the voting power at a regular or special meeting. Notice of the time, place and purposed of such meeting shall be delivered to each unit owner at least ten (10) days prior to such meeting.

Amendments to the Bylaws may be adopted by the same vote at a regular or special meeting similarly called. Declarant has adopted initial Bylaws in a separate instrument, a true copy of which is appended hereto and recorded with this Declaration as Schedule "C".

8.06.02 Bylaws Provision. The Bylaws shall contain provisions identical to those provided in this Article 8, and may contain supplementary, not inconsistent, provisions regarding the operation of the condominium and administration of the

property. The Bylaws shall establish such provisions for quorum, ordering of meetings, and details regarding the giving of notice as may be required for the proper administration of the Association and the property.

9 MANAGEMENT OF CONDOMINIUM

9.01 Management by Declarant

Until a date three (3) years from the date of recording this Declaration, the property shall be managed and the Association organized as follows, at the decision of the Declarant:

9.01.01 Declarant may at such times as Declarant deems appropriate select as a temporary Board of Directors three (3) to seven (7) persons who own, or are purchasers of, units. This Board shall have the full authority and all rights, responsibilities, privileges and duties to manage the condominium under this Declaration and Bylaws, and shall be subject to all provisions of the Declaration and Bylaws. Such a Board shall conform to the requirements of the Act, and shall constitute the “management committee” referred to therein.

9.01.02 Until such time as such temporary Board is selected, Declarant or a managing agent selected by Declarant shall have the power and authority to exercise all the rights, duties and functions of the Board, including but not limited to enacting reasonable administrative rules, contracting for required services, property and insurance, and collecting and expending all assessments and association funds. Any such managing agent or the Declarant shall have the exclusive right to contract for all goods and services, payment for which is to be made from any common or maintenance funds.

9.01.03 These requirements and covenants are made in order to assure that the property and condominium will be adequately administered in the initial phases of development, and to assure an orderly transition to Association operations.

9.02 Management by Board

At the expiration of such three-year period, or before at the discretion of Declarant, all administrative power and authority shall best in a Board of Directors of at least five (5) directors

elected from among the unit owners. The Board may delegate all or any portion of such power to a manager, managing agent, or officer of the Association, or in such manner as may be provided by the Bylaw. All Board positions shall be open for election at the first annual meeting after the period of Declarant's authority under section 9.1 ends. The Board shall elect a president from among its members, who shall preside over meetings of the Board and the meetings of the Association. Such Board shall be deemed the management committee in all respects referred to in the Utah Act.

9.03 Authority of the Board

9.03.01 The Board (or the Declarant or Declarant's managing agent as provided in section 9.1 hereof) for the benefit of the condominium and the owners shall enforce the provisions of this Declaration and of the Bylaws, shall have all powers and authority permitted to the Board under the Act and Declaration, and shall acquire and shall pay for out of the common expense fund hereinafter provided for, all goods and services requisite for the proper functioning of the condominium, including but not limited to the following:

(a) Water, sewer, garbage collection, electrical, telephone, gas and any other necessary utility service as required for the common area. If one or more units or the common areas are not separately metered, the utility service may be paid as a common expense, and the Board may by reasonable formula allocate a portion of such expense to each such unit involved as a portion of its common expense.

(b) Policies of insurance or bonds providing coverage for fire and other hazard, liability for personal injury and property damage, and for fidelity of Association officers and other employees, as the same are more fully required hereafter and in the Bylaws.

(c) The services of persons or firms as required to properly manage the affairs of the condominium to the extent deemed advisable by the Board as well as such other personnel as the Board shall determine are necessary or proper for the operation of the common area, whether such personnel as the Board shall determine are necessary or proper for the operation of the common area, and whether such personnel are employed directly by the Board or are furnished by the manager or management firm or agent.

(d) Legal and accounting services necessary or proper in the operation of the Association affairs, administration of the common area, or the enforcement of this Declaration.

(e) Painting, maintenance, repair and all landscaping and gardening work for the common area as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire the same for the common area; provided, however, that the interior surfaces of each unit shall be painted, maintained, and repaired by the owners thereof, all such maintenance to be at the sole cost and expense of the particular owner as more particularly provided in Section 10.5.

(f) Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board is required to secure by law or which in its opinion shall be necessary or proper for the operation of the common area or for the enforcement of this declaration; provided that if for any reason such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments are provided for particular units or their owners, the cost thereof shall be specially assessed to the owner of such units.

(g) Maintenance and repair of any unit, its appurtenances and appliances, if such maintenance or repair is reasonably necessary in the discretion of the Board to protect the common area or preserve the appearance and value of the condominium, and the owner or owners of said unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered by the Board to the owner or owners; provided that the Board shall levy a special assessment against the unit of such owner or owners for the cost of such maintenance or repair.

(h) The Board may also pay any amount necessary to discharge any lien or encumbrance levied against the entire property or any part thereof which is claimed to or may, in the opinion of the Board, constitute a lien against the property or against the common areas, rather than merely against the interest therein of particular owners. Where one or more owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs and expenses incurred by the Board by reason of such lien or liens shall be assessed against the owners and the unit responsible to the extent of their responsibility.

(i) The Board's power hereinabove enumerated shall be limited in that the Board shall have no authority to acquire and pay for out of the maintenance fund capital additions and improvements (other than for purposes of restoring, repairing or replacing portions of the common areas) having a total cost in excess of Five Thousand Dollars (\$5,000.00), without first obtaining the affirmative vote of the owners holding a majority of the power present or represented at a meeting called for such purpose, or if no such meeting is held, then the written consent of voting owners having a majority of the voting power; provided that any expenditure or contract for capital additions or improvements in excess of Twenty-five Thousand Dollars (\$25,000.00) must be approved by owners having not less than seventy-five (75%) percent of the voting power.

(j) Nothing herein contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all the owners or any of them.

(k) The Board shall have the exclusive right to contract for all goods and services, payment of which is to be made from the maintenance fund. The Board may delegate such powers subject to the terms hereof.

(l) The Board may, from common funds of the Association, acquire and hold in the name of the Association, for the benefit of the owners, tangible and intangible personal property and real property and interest therein, and may dispose of the same by sale or otherwise; and the beneficial interest in such property shall be owned by the owners in the same proportion as their respective interests in the common areas, and such property shall thereafter be held, sold, leased, rented, mortgaged or otherwise dealt with for the benefit of the common fund of the Association as the Board may direct. The Board shall not, however, in any case acquire real property or personal property valued in excess of Five Thousand Dollars (\$5,000.00) by lease or purchase except upon a majority vote of the unit owners.

(m) The Board and its agents or employees, may enter any unit or limited common area when necessary in connection with any maintenance, landscaping or construction for which the Board is responsible or in the event of emergencies. Such entry shall be made with as little inconvenience to the owners as practicable, and any damage caused thereby shall be repaired by the Board out of the common expense fund if the entry was due to an emergency (unless the

emergency was caused by the owner of the unit entered, in which case the cost shall be specially assessed to the unit entered) or for the purpose of maintenance, or repairs, to common or limited common areas where the repairs were undertaken by or under the direction or authority of the Board. If the repairs or maintenance were necessitated by or for the unit entered or its owners, or requested by its owners, the costs thereof shall be specially assessed to such unit.

(n) Each owner, by the mere act of becoming an owner or contract purchaser of a unit, shall irrevocable appoint the Association as his attorney-in-fact, with full power of substitution, to take such action as reasonable necessary to promptly perform the duties of the Association and Board hereunder, including but not limited to the duties to maintain, repair and improve the property, to negotiate with insurance carriers upon damage or destruction, and to secure insurance proceeds.

10 USE: REGULATION OF USES: ARCHITECTURAL UNIFORMITY

10.01 Residential Use

The residential units shall be used for single family residential purposes only, on an ownership, rental or lease basis; and for the common social, recreational or other reasonable used normally incident to such purposes, and also for such additional uses for purposes as are from time to time determined appropriate by the Board. Such use as a single family residence shall be deemed to include accessory use as a professional office to the extent permitted by applicable zoning ordinances and to the extent customarily incidental to primary use as a residence. Units of the building may be used for the purposes of operating the Association and for the management of the condominium if required.

10.02 Sales Facilities of Declarant

Notwithstanding any provision in Section 10.1, Declarant, its agents, employees and contractors shall be permitted to maintain during the period of sale of the condominium upon such portion of the property as Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the sale or rental of condominium units and interests, including but not limited to, a business office, storage area, signs, model units, sales office, and parking areas for all prospective tenants or purchasers.

10.03 Vehicle Parking

Parking spaces are restricted to use for parking of operative automobiles; other items and equipment may be parked or kept therein only subject to the rules or regulations of the Board. The Board may require removal of any inoperative vehicles, or any unsightly vehicle, and any other equipment or item improperly stored in parking spaces to an area designated within the property for the storage of such vehicles (the camper-boat storage area). If the same is not removed, the Board may cause removal at the risk and expense of the owner thereof. Use of all parking areas may be regulated and is subject to the provisions of Article 6 of this Declaration.

10.04 Common Drive and Walks

Common drives, walks, corridors and stairways shall be used exclusively for normal transit and no obstruction shall be placed thereon or therein except by express written consent of the Board.

10.05 Interior Unit Maintenance

10.05.01 Each unit owner shall, at his sole expense, have the right and the duty to keep the interior of his unit and its equipment, appliances, and appurtenances in good order, condition and repair and shall do all redecorating and painting at any time necessary to maintain the good appearance and condition of his unit. Each owner shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heaters, fans, heating, air conditioning or other equipment, electrical fixtures or appliances which are in his unit and service his unit.

10.05.02 Without limiting the generality of the foregoing, each owner shall have the right and the duty, at his sole cost and expense, to maintain, repair, paint, paper, panel, plaster, tile, and finish the interior surfaces of the ceilings, floors, window frames, door frames, trim, and the perimeter walls of the unit and the surfaces of the bearing walls located within his unit and shall not permit or commit waste of his unit or the common areas. Each owner shall have the right to substitute new finished surfaces for the finished surfaces then existing on said ceilings, floors and walls. Each owner and his agent has the right to maintain, repair, paint, finish, alter, substitute, add or remove any fixtures attached to said ceilings, floors or

walls. This section 10.5 shall not be construed as permitting an interference with or damage to the structural integrity of the building or interference with the use and enjoyment of the common areas or of the other units or any of them, nor shall it be construed to limit the powers or obligations of the Board hereunder.

10.05.03 Limited common areas, as defined in Article 6, although the use, condition and appearance thereof may be regulated under provisions of this Declaration or the Bylaws or rules, are for the sole and exclusive use of the units for which they are reserved or assigned. Unit owners will be responsible for care and maintenance of the limited common areas reserved for or assigned to their units. Owners may not, however, modify, paint or otherwise decorate, or in any way alter their respective limited common areas without prior approval of the Board. With respect to a limited common area reserved for or assigned to more than one unit for the mutual and joint use thereof, the cost of caring for and maintaining such limited common area shall be divided in equal shares among the units for which such limited common area is reserved with each such share being collected as a special assessment owed by each such unit.

10.06 Exterior Appearance In order to preserve a uniform exterior appearance to all of the buildings and the common and limited common areas visible to the public, the Board may require and provide for the painting and other decorative finish of the buildings, balconies, or other common or limited common areas, and prescribe the type and color of such decorative finished, and may prohibit, require or regulate any modification or decoration of the buildings, balconies, or other common or limited common areas undertaken or proposed by any owner. This power of the Board extends to screens, doors, awnings, rails or other visible portions of each unit and each building. The Board may also require use of a uniform color of draperies, under-draperies or drapery lining for all units.

10.07 Effect on Insurance Nothing shall be done or kept in any unit or in the common area which will increase the rate of insurance on the common area or units without the prior written consent of the Board. No owner shall permit anything to be done or kept in his

unit or in the common or limited common areas which will result in the cancellation of insurance or any unit or any part of the common or limited areas, or which would be in violation of any laws.

- 10.08 Signs No sign of any kind shall be displayed to the public view on or from any unit or common area or limited common area without the prior consent of the Board; provided, that this section shall not apply to Declarant or Declarant's agents during the first four (4) year period after establishment of this condominium.
- 10.09 Pets No animals, which term includes livestock, domestic animals, poultry, reptiles or living creatures of any kind, shall be raised, bred, or kept in any unit or in the common or limited common areas, whether as pets or otherwise, except subject to rules and regulations adopted by the Board, or bylaws adopted by the Association. The Board may at any time require the removal of any animal which it finds is disturbing other owners unreasonably, in the Board's determination, and may exercise this authority for specific animals even though other animals are permitted to remain.
- 10.10 Offensive Activity No noxious, offensive, or illegal activity shall be carried on in any unit or common area, nor shall anything be done therein which may be or become an annoyance or nuisance to the other owners.
- 10.11 Common Area Alterations Nothing shall be altered or constructed in or removed from the common area except upon the written consent of the Board and after procedures required herein or by law.
- 10.12 House Rules The Board or the Association membership is empowered to pass, amend and revoke detailed administrative rules and regulations, or "House Rules", necessary or convenient from time to time to insure compliance with the general guidelines of this Article and the other provisions of this Declaration.

11 COMMON EXPENSES AND ASSESSMENTS

- 11.01 Estimated Expenses Within thirty (30) days prior to the beginning of each calendar year, the Board: shall estimate the charges (including common expenses, and any special assessments for particular units) to be paid during such year; shall make provision for

creating, funding and maintaining reserves for contingencies, operations, and repair, replacement and acquisition of common areas and facilities; and shall take into account any expected income and any surplus available from the prior year's operating fund. The Declarant or initial Board may at any suitable time establish the first such estimate. If the sum estimated and budgeted at any time proves inadequate for any reason (including nonpayment for any reason of any owner's assessment), the Board may at any time levy a further assessment, which shall be assessed to the owners in like proportions.

- 11.02 Payment by Owners Each owner shall be obligated to pay assessments made pursuant to this Article to the treasurer for the Association in equal monthly installments on or before the first day of each month during such year, or in such other reasonable manner as the Board shall designate, and any unpaid assessments shall bear interest at the rate of ten (10%) percent per annum from due date until paid. The budget may be reviewed and revised by the membership at any annual meeting, or any special meeting called for such purpose, but if not so reviewed or if no change is made shall be deemed approved.
- 11.03 Purpose All funds collected hereunder shall be expended for the purposes designated in this Declaration.
- 11.04 Separate Accounts The Board shall require that the Association maintain separate accounts for current operations, reserves, and a special separate reserve account for payment of insurance. Each month the Board shall first deposit to the insurance reserve account that portion of the common expense assessment necessary to pay at least one-twelfth of the total cost of all of the insurance policies provided regarding the condominium and such insurance reserve account shall be held separately and inviolate until utilized for payment of insurance premiums. Thereafter the remainder of the assessments collected may be utilized for payment of other expenses or deposited or credited to other accounts. All such assessments shall be collected and held in trust for, and administered and expended for the benefit of, the unit owners.
- 11.05 Based on Percentage Except for certain special assessments which may be levied against particular units under the provisions of this Declaration, all assessments for common expenses shall be assessed to unit and the owners thereof on the basis of the percentages

set forth in Schedule B hereof and any amendments thereto.

- 11.06 Omission of Assessment The omission by the Board or the Association before the expiration of any year to fix the estimate and assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the owner from the obligation to pay the assessments, or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed.
- 11.07 Records The Board shall cause to be kept detailed, accurate records in the form established by the Association's accountant of the receipts and expenditures of the Association, specifying and itemizing the maintenance and repair expenses and any other expense incurred. Such records and any resolutions authorizing the payments involved shall be available for examination by any owner at convenient hours of week days.
- 11.08 Lien Indebtedness Each monthly assessment and each special assessment shall be joint and several personal debts and obligations of the owner or owners and contract purchasers of units for which the same are assessed as of the time the assessment is made and shall be collectible as such. The amount of any assessment, whether regular or special, assessed to any unit and the owner and/or purchaser of any unit plus interest at the rate of ten (10%) percent per annum, and costs, including reasonable attorney's fees, shall be a lien upon such unit, the appurtenant limited common area and the exclusive use thereof. The said lien for payment of such assessments shall have priority over all other liens and encumbrances, recorded or unrecorded except first mortgages or trust deeds on each unit. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosure or waiving the lien securing the same.
- 11.09 Certificate of Assessment A certificate executed and acknowledged by the treasurer or the president of the Board or authorized agent thereof if neither the president nor treasurer is available, stating the indebtedness for assessments or lack thereof secured by the assessment lien upon any unit shall be conclusive upon the Board 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 a certificate shall be furnished to any owner or any

encumbrancer of a unit within a reasonable time after request, in recordable form, at a reasonable fee. Unless otherwise prohibited by law, any encumbrancer holding a lien on a unit may pay any unpaid common expenses payable with respect to such unit and upon such payment such encumbrancer shall have a lien on such unit for the amounts paid of the same rank as the lien of his encumbrance.

- 11.10 Security Deposit A unit owner may be required, by the Board or by the managing agent, from time to time, to make and maintain a security deposit not in excess of three (3) months estimated monthly assessments, which may be collected as are other assessments. Such deposit shall be held in a separate fund, credited to such owner, and resort may be had thereto at any time when such owner is ten (10) days or more delinquent in paying his monthly or other assessment.
- 11.11 Foreclosure of Assessment Lien; Attorney's Fees and Costs The Declarant, manager, or Board on behalf of the Association may initiate action to foreclose the lien of any assessment. In any action to foreclose a lien of any assessment. In any action to foreclose a lien against any unit for nonpayment of delinquent assessments, any judgement rendered against the able sum for attorney's fees and all costs and expenses reasonably incurred in preparation for or in the prosecution of said action, in addition to taxable costs permitted by law.
- 11.12 Rental Value From the time of commencement of any action to foreclose a lien against a unit for nonpayment of delinquent assessments, the owner or purchaser of such unit shall pay to the Association the reasonable rental value of the unit to be fixed by the Board, and the plaintiff in any such foreclosure shall be entitled to the appointment of a receiver to collect the same, who may, if said rental is not paid, obtain possession of the unit, refurbish it for rental up to a reasonable standard for rental units in this type of condominium, rent the unit or permit its rental to others, and apply rents first to costs of refurbishing the unit, then to costs, fees and charges, of the foreclosure action, then to the payment of the delinquent assessment charges.
- 11.13 Rental Apartments If a unit is rented by its owner, the Board may collect and the tenant or lessee shall pay over to the Board so much of the rent for such unit as is required to pay

any amounts due the Board hereunder, plus interest and costs, if the same are in default over thirty (30) days. The renter or lessee shall not have the right to question payment over to the Board, and such payment will discharge the lessee's or renter's duty of payment to the owner for rent, to the extent such rent is paid to the Association, but will not discharge the liability of the owner or purchaser and the unit under this Declaration for assessments, or operate as an approval of the lease. The Board shall not exercise this power where a receiver has been appointed.

11.14 Termination of Utility Service In addition to and not by way of limitation upon other methods of collecting any assessments, the Board shall have the right, after having given ten (10) days' notice to any unit owner who is delinquent in paying his assessments, to cut off any or all utility services to the delinquent owner's unit unless such assessments are paid.

11.15 Remedies Cumulative The remedies provided are cumulative and the Board may pursue them concurrently, as well as any other remedies which may be available under law although not expressed herein.

12 INSURANCE

12.01 Insurance Coverage The Board shall obtain and maintain at all times as a common expense a policy or policies and bonds required to provide:

12.01.01 Fire insurance, with extended coverage endorsement, in an amount as near as practicable to the full insurable replacement value (without deduction for depreciation, but less any other deductions which the Board may find reasonable after consultation with insurance consultants of the common and limited common areas and the units, with the Board named as insured as trustee for the benefit of owners and mortgagees as their interest may appear, or such other fire and casualty insurance as the Board shall determine to give substantially equal or greater protection insuring the owners, and their mortgagees, as their interest may appear. Said policy or policies shall provided for separate protection for each unit to the full insurable replacement value thereof, (limited as above provided), and a

separate loss payable endorsement, in favor of the mortgagee or mortgagees of each unit, if any, and further, a separate loss payable clause in favor of the mortgagee of the condominium, if any. All insurance shall be obtained from an insurance carrier rated Triple A by Best's Insurance Reports or equivalent rating service, and licensed to do business in the State of Utah.

- 12.01.02 General comprehensive liability insurance insuring the Board, the Association, the owners, Declarant and managing agent against any liability to the public or to the owners of units and of the common and limited common areas, and their invitees, or tenants, incident to the ownership or use of the common and limited common areas and units, (including but not limited to owned and non-owned automobile liability) the liability under which insurance shall be not less than One Million Dollars (\$1,000,000.00) for any one person injured, One Million Dollars (\$1,000,000.00) for any one accident, and Fifty Thousand Dollars (\$50,000.00) for property damage (such policy limits to be reviewed at least annually by the Board and increased in its discretion).
- 12.01.03 Workmen's compensation insurance to the extent required by applicable laws.
- 12.01.04 Fidelity bonds naming the members of the Board, the manager and such other persons as may be designated by the Board as principals and the unit owners as obligees, in an amount equal to at least one-half of the total estimated cash to be collected as assessments each year.
- 12.01.05 Insurance against loss of personal property of the Association by fire, theft and other losses with deductible provisions as the Board deems advisable.
- 12.02 Owner's Additional Insurance Each owner may obtain additional insurance respecting his unit at his own expense; no owner shall, however, be entitled to exercise his right to maintain insurance coverage in any manner which would decrease the amount which the Board, or any trustee for the Board, on behalf of all of the owners, will realize under any insurance policy which the Board may have in force on the condominium at any particular time. Each owner is required to and agrees to notify the Board of all improvements by the owner to his unit the value of which is in excess of One Thousand Dollars

(\$1,000.00). Any owner who obtains individual insurance policies covering any portion of the condominium other than personal property belonging to such owner is hereby required to file a copy of such individual policy or policies with the Board within thirty (30) days after purchase of such insurance, and the Board shall immediately review its effect with the Board's insurance broker, agent or carrier.

- 12.03 Insurance Proceeds Insurance proceeds for damage or destruction to any part of the property shall be paid to the Board on behalf the Association which shall segregate such proceeds from other funds of the Association for use and payment as provided for in Article 13. The Association acting through its Board shall have the authority to settle and compromise any claim under insurance obtained by the Association, and the insurer may accept a release and discharge of liability made by the Board on behalf of the named insureds under the policy.
- 12.04 Additional Policy Provisions To the extent deemed practicable and desirable by the Board, after consultation with the Association's insurance broker, agent or carrier, the insurance policy or policies required under section 12.1 shall:
- 12.04.01 Provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for any unit owner;
- 12.04.02 Contain no provision relieving the insurer from liability for loss occurring while the hazard to such building is increased, whether or not within the knowledge or control of the Board, or because of any breach of warranty or condition or any other act or neglect by the Board or any unit owner or any other persons under either of them;
- 12.04.03 Provide that such policy may not be canceled (whether or not requested by the Board) except by the insurer giving at least sixty (60) days' prior written notice thereof to the Board and every other person in interest who shall have requested such notice of the insurer;
- 12.04.04 Contain a waiver by the insurer of any right of subrogation to any right of the

Board, and the Association, or either to any right of the Board, and the Association, or either against the owner or lessee of any unit; and

12.04.05 Contain a standard mortgagee clause which shall:

(a) Provide that any reference to mortgagee in such policy shall mean and include all holders of mortgages of any unit or unit lease or sublease of the condominium, in their respective order and preference, whether or not named therein;

(b) Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Board or unit owners or any persons under any of them;

(c) Waive any provision invalidating such mortgage clause by reason of the failure of any mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the mortgagee pay any premium thereon, and any contribution clause; and

(d) Provide that without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to the Board or the insurance trustee.

13 DAMAGE OR DESTRUCTION: RECONSTRUCTION

13.01 Initial Board Determinations In the event of damage or destruction to any part of the property, the Board shall promptly, and in all events within sixty (60) days after the date of damage or destruction, make the following determinations with respect thereto employing such advice as the Board deems advisable:

13.01.01 The nature and extent of the damage or destruction, together with an inventory of the improvements and property directly affected thereby.

13.01.02 A reasonably reliable estimate of the cost to repair and restore the damage and destruction, which estimate shall, of reasonably practicable, be based upon two or more firm bids obtained from responsible contractors.

13.01.03 The anticipated insurance proceeds, if any, to be available from insurance covering the loss based on the amount paid or initially offered by the insurer.

13.01.04 The amount, if any, that the estimated cost of repair and restoration exceeds the anticipated insurance proceeds therefor and the amount of assessment to each unit if such excess paid as a maintenance expense and specially assessed against all the

units in proportion to their percentage of interest in the common areas.

13.01.05 The Board's recommendation as to whether such damage or destruction should be repaired or restored.

13.02 Notice of Damage or Destruction The Board shall promptly, and in all events within sixty (60) days after the date of damage or destruction, provide each owner, and each mortgagee who has theretofore requested special notice, with a written notice summarizing the initial Board determination made under Section 13.1. If the Board fails to do so within said sixty (60) days, then any owner or mortgagee may make the determinations required under Section 13.1 and give the notice required under this Section 13.2.

13.03 Definitions: Restoration: Emergency Work

13.03.01 As used in this Article 13, the words :”repair”, “reconstruct”, “rebuild” or “restore” shall mean restoring the improvements to substantially the same condition in which they existed prior to the damage or destruction, with each unit and the common and limited common areas having substantially the same vertical and horizontal boundaries as before.

13.03.02 As used in this Article 13, the term “emergency work” shall mean that work which the Board deems reasonably necessary to avoid further damage, destruction or substantial diminution in value to the improvements and to reasonably protect the owners from liability from the condition of the site.

13.04 Restoration by Board

13.04.01 Unless prior to the commencement of repair and restoration work (other than emergency work referred to in subsection 13.3.2) the owners shall have decided not to repair and reconstruct in accordance with the provisions of either subsection 13.5.2 or 13.6.3, the Board shall promptly repair and restore the damage and destruction, use the available insurance proceeds therefor, and pay for the actual cost of repair and restoration in excess of insurance proceeds secured as a common expense which shall be specially assessed against all units in proportion

to their percentages of interest in the common areas.

- 13.04.02 The Board shall have the authority to employ architects and attorneys, advertise for bids, let contracts to contractors and others, and to take such other action as is reasonably necessary to effectuate the repair and restoration. Contracts for such repair and restoration shall be awarded when the Board, by means of insurance proceeds and sufficient assessments, has provision for the cost thereof. The Board may further authorize the insurance carrier to proceed with repair and restoration upon satisfaction of the Board that such work will be appropriately carried out.
- 13.04.03 The Board may enter into a written agreement in recordable form with any reputable financial institution or trust or escrow company that such firm or institution shall act as an insurance trustee to adjust and settle any claim for such loss in excess of \$50,000.00, or for such firm or institution to collect the insurance proceeds and carry out the provisions of this Article.
- 13.05 Limited Damage; Assessment Under \$3,500 If the amount of the estimated assessment determined under subsection 13.1.4 does not exceed \$3,500 for any one unit then the provisions of this section 13.5 shall apply:
- 13.05.01 Either the Board or a requisite number of owners, within fifteen (15) days after the notice required under Section 13.2 has been given, may, but shall not be required to, call a special owners' meeting in accordance with subsection 8.4.2 to consider such repair and restoration work.
- 13.05.02 Except for emergency work, no repair and restoration work shall be commenced until after said fifteen (15) day period and until after the conclusion of said special meeting if such meeting is called within said fifteen (15) days.
- 13.05.03 A unanimous decision of the unit owners will be required to avoid the provisions of subsection 13.4.1 and to determine not to repair and restore the damage and destruction; provided, that the failure of the Board or the owners within said fifteen (15) days period to call for said special meeting shall be deemed a unanimous decision to undertake such work.
- 13.06 Major Damage; Assessment over \$3,500 If the amount of the estimated assessment

determined under subsection 13.1.4 exceeds \$3,500 for any one apartment, then the provisions of this Section 13.6 shall apply:

- 13.06.01 The Board shall promptly, and in all events within sixty (60) day period, then notwithstanding the provisions of subsection 8.4.2 any owner or mortgagee may convene and conduct the meeting required under this subsection 13.6.1
- 13.06.02 *Omitted in original document*
- 13.06.03 A concurring vote of more than two thirds (2/3) of the total voting power will be required to avoid the provision of subsection 13.4.1 and to determine not to repair and restore the damage and destruction; provided, however, that failure of the Board, or owners, or mortgagees to convene the special meeting required under subsection 13.6 1 within ninety (90) days after the date of damage or destruction shall be deemed a unanimous decision not to undertake such repair and restoration work.
- 13.07 Decision Not to Restore; Disposition In the even of a decision under either subsections 13.5.2 or 13.6.3 not to repair and restore damage and destruction, the Board may nevertheless expend such of the insurance proceeds and common funds as the Board deems reasonably necessary for emergency work (which emergency work may include but is not necessarily limited to removal of the damaged or destroyed buildings and clearing, filling and grading the real property), and the remaining funds, if any, and property shall thereafter be held and distributed as follows:
 - 13.07.01 The property shall be owned in common by the unit owners and shall no longer be subject to this Declaration or to condominium ownership;
 - 13.07.02 The undivided interest in the property owned in common which appertains to each unit owner shall be the percentage of undivided interest previously owned by such owner in the common areas and facilities;
 - 13.07.03 Any mortgages or lien affecting any of the units shall be deemed transferred in accordance with the existing priorities to the percentage of the undivided interest of the unit owner in the property as provided herein; and
 - 13.07.04 The property shall be subject to an action partition at the suit of any unit owner, in

which event the net proceeds of sale, together with the net proceeds of the insurance of the property, if any, shall be considered as one fund; such fund shall be divided into separate shares one for each unit owner in a percentage equal to the percentage of undivided interest owned by each such owner in the property; the, after first paying out of the respective share of each unit owner in a percentage equal to the percentage of undivided interest owned by each such owner in the property; then, after first paying out of the respective share of each unit owner, to the extent sufficient for the purpose, all mortgages and liens on the undivided interest in the property owned by such unit owner, the balance remaining in each share shall then be distributed to each unit owner respectively.

- 13.08 Miscellaneous The provisions of this Article 13 shall constitute the procedure by which a determination is made by the unit owners to repair, restore, reconstruct or rebuilt as provided in the Act. By the act of accepting an interest in the property, each unit owner and party claiming by, through or under such owner hereby consents and agrees to the provisions thereof. In the event that any provision of this Article 13 shall be determined to be invalid or unenforceable by any court of competent jurisdiction, such determination shall not effect the validity of any other provision of this Declaration. The purpose of this Article 13 shall be to provide a fair and equitable method of allocating the cost of repair and restoration and making a determination for repair and restoration if all or a portion of the improvements are damaged or destroyed. The provisions of this Article 13 shall be liberally construed to accomplish such purpose. The dollar amounts specified in this Article 13, may, in the discretion of the Board, be increased proportionately by the increase in the consumer price index for all items prepared by the United States Department of Labor for the year preceding the damage over the year 1976 to adjust for any inflation in the value of the dollar. By unanimous vote, which vote shall be taken within ninety (90) days after the damage of destruction, the owners may determine to do otherwise than provided in this Article 13.

14 CONDEMNATION

- 14.01 Consequences of Condemnation If at any time or times during the continuance of the condominium ownership pursuant to this Declaration, all or any part of the property shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in advance thereof, the provisions of this Article 14 shall apply.
- 14.02 Proceeds All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award", shall be payable to the Association.
- 14.03 Complete Taking In the event that the entire property is taken or condemned or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant thereto shall terminate. The Condemnation Award shall be apportioned amount the owners in proportion to the respective undivided interest in the common area; provided, that if a standard different from the value of the property as a whole is employed to measure the Condemnation Award in the negotiation, judicial decree, or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable. On the basis of the foregoing principle, the Board shall as soon as practicable determine the share of the Condemnation award to which each owner is entitled. After first paying out of the respective share of each owner, to the extent sufficient for the purpose, all mortgages and liens on the interest of such owner, the balance remaining in each share shall then be distributed to each owner respectively.
- 14.04 Partial Taking In the event that less than the entire property is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each owner shall be entitled to a share of the Condemnation Award to be determined in the following manner:
- 14.04.01 As soon as practicable the Board shall, reasonably and in good faith, allocated the Condemnation Award between compensation, damages, or other proceeds.
- 14.04.02 The Board shall apportion the amounts so allocated to taking of or injury to the common areas which in turn shall be apportioned among owners in proportion to their respective undivided interests in the common areas.
- 14.04.03 The total amount allocated to severance damages shall be apportioned to those units which were not taken or condemned.

- 14.04.04 The respective amounts allocated to the taking of or injury to a particular unit and/or improvements an owner had made within his own unit shall be apportioned to the particular unit involved.
- 14.04.05 The amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Board determines to be equitable in the circumstances.
- 14.04.06 If an allocation of the Condemnation Award is already established in negotiation judicial decree, or otherwise, then in allocating the Condemnation Award the Board shall employ such allocation to the extent it is relevant and applicable.
- 14.04.07 Distribution of apportioned proceeds shall be made to the respective owners and their respective mortgagees in the manner provided in Section 14.3
- 14.05 Reconstruction and Repair Any reconstruction and repair necessitated by condemnation shall be formed by the procedures specified in Article 13 above, provided that the Board may retain and apply such portion of each owner's share of the Condemnation Award as is necessary to discharge said owner's liability for any special assessment arising from the operation of said Article 13.

15 COMPLIANCE WITH DECLARATION

- 15.01 Enforcement Each owner shall comply strictly with the provisions of this Declaration and with the Bylaws and administrative rules and regulations passed hereunder, as the same may be lawfully amended from time to time, and with all decisions adopted pursuant to this Declaration and the Bylaws and administrative rules and regulations. Failure to comply shall be grounds for an action to recover sums due for damages, or injunctive relief, or both, maintainable by the Board acting through its officers on behalf of the owners, or by the aggrieved owner on his own.
- 15.02 No Waiver of Strict Performance The failure of the Board in any one or more instances to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, or of the Bylaws, or to exercise any right or statute any action, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall

remain in full force and effect. The receipt by the Board of any assessment from an owner, with knowledge of any such breach shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed for the Board. This section also extends to the Declarant or Declarant's managing agent, exercising the powers of the Board during the initial period of operation of the Association and the condominium.

16 LIMITATION OF LIABILITY

- 16.01 Liability for Utility Failure, etc. Except to the extent covered by insurance obtained by the Board pursuant to Article 12, neither the Association nor the Board (or the Declarant or Declarants' managing agent exercising the powers of the Board) shall be liable for: any failure of any utility or other service to be obtained and paid for by the Board; or for injury or damage to person or property caused by the elements, or resulting from electricity, water, rain, dust or sand which may lead or flow from outside or from any parts of the buildings, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place; or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance or orders of a governmental authority. No diminution or abatement of common expense assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.
- 16.02 No Personal Liability So long as a Board member, or Association committee member, or Association officer, or Declarant or Declarant's managing agent exercising the powers of the Board, has acted in good faith, without willful or intentional misconduct, upon the basis of such information as may be possessed by such person, then no such person shall be personally liable to any owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of such person; provided, that this section shall not apply where the consequences of such act, omission, error or negligence are covered by insurance obtained by the Board pursuant to Article 12.

16.03 Indemnification of Board Members Each Board member or Association committee member, or Association officer, or Declarant or Declarant's managing agent exercising the powers of the Board, shall be indemnified by the owners against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of holding or having held such a position, or any settlement thereof, whether or not he holds such position at the time such expenses or liabilities are incurred except in such cases wherein such person is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, that in the even of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association.

17 MORTGAGEE PROTECTION

17.01 Priority of Mortgages Notwithstanding all other provisions hereof and as provided in the Act, the liens created under this Declaration upon any unit for assessments shall be subject to the rights of the secured party in the case of any indebtedness secured by mortgages or deeds of trust which were made in good faith and for value upon the unit. Where such mortgage of the unit as defined in Section 18.1, or other purchaser of a unit, obtains possession of a unit as a result of mortgage foreclosure or deed of trust sale, such possessor and his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such unit which become due prior to such possession, but will be liable for the common expenses and assessments accruing after such possession. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the unit owners including such possessor, his successor and assigns.

17.02 Change in Manager In the event that professional management is employed by the Association, at least thirty (30) days notice of any contemplated change in the professional manager shall be given to any institutional first mortgagee or institutional deed of trust beneficiary which has requested to be notified, and the agreement with such professional manager shall permit cancellation on ninety (90) days written notice and

shall have a term not in excess of three (3) years.

- 17.03 Abandonment of Condominium Status Except when acting pursuant to the provisions of the Act involving damage, destruction, or condemnation, the Association shall not, without consent of all institutional first mortgagees and institutional first deed of trust beneficiaries of any unit, seek to abandon the condominium status of the project.
- 17.04 Partitions and Subdivision The Association shall not partition or subdivide any unit or the appurtenant common and limited common elements, or accept any proposal so to do, without the prior approval of all institutional first mortgagees or institutional first deed of trust beneficiaries of the unit being subdivided or partitioned.
- 17.05 Change in Percentages The Association shall not change the percentages of interest in the common areas without the prior approval of all institutional first mortgagees or institutional first deed of trust beneficiaries of the units, for which the percentages would be changed.
- 17.06 Copies of Notices In the event the Association gives to any owner of a unit any notice that such owner has for more than thirty (30) days failed to meet any obligation under the condominium documents, it shall also give a copy of such notice to any institutional first mortgagee or institutional first deed of trust beneficiary which has requested to be notified.
- 17.07 Effect of Declaration Amendments No amendment of this Declaration shall be effective to modify, change, limit or alter the rights expressly conferred upon mortgagees in this instrument with respect to any unsatisfied mortgage duly recorded unless the amendment shall be consented to in writing by the holder of such mortgage.
- 17.08 Insurance Where the mortgagee of a unit as defined in Section 18.1 has filed a written request with the Board, the Board shall:
- 17.08.01 Furnish the mortgagee with a copy of any insurance policy or evidence thereof which is intended to cover the unit on which such mortgagee has a lien;
- 17.08.02 Require any insurance carrier to give such mortgagee at least ten (10) days written notice before canceling any insurance with respect to such property on which mortgagee has a lien;

- 17.08.03 Not make any settlement of any insurance claims for loss or damage to any such unit exceeding \$2,500.00 without the approval of such mortgagee; provided, that the withholding of such approval shall not be unreasonable or in conflict with the provisions of Article 13.
- 17.08.04 Give the mortgagee written notice of any loss or taking affecting common areas, if such loss or taking exceeds \$10,000.00.
- 17.09 Inspection of Books Institutional first mortgagees and institutional deed of trust beneficiaries shall be entitled to inspect at all reasonable hours of week days all of the books and records of the Association.

18 MORTGAGEE DEFINED

Mortgagee of the unit refers to the holder of the mortgage or deed of trust on a unit which was recorded simultaneously with or after the recordation of this Declaration.

19 EASEMENTS

- 19.01 In General It is intended that in addition to rights under the statute, each unit has an easement in and through each other unit and the common and limited common areas for all support elements and utility, wiring, heat and service elements, and for reasonable access thereto, as required to effectuate and continue proper operation of this condominium plan. Without limiting the generality of the foregoing, each unit and all common and limited common areas, are specifically subject to an easement for the benefit of each of the other units in the building for all duct work for the several units for flues or chimneys. In addition, each unit and all the common and limited common areas, are specifically subject to easements as required for the intercom and electrical entry system, for the electrical wiring and plumbing, for the air conditioning lines and equipment, if any, for each unit, for the intercom system, if any, and for the master antenna cable system. Finally, each unit as it is constructed is granted an easement to which each other unit and all common and limited common areas are subject for the

location and maintenance of all the original equipment and facilities and utilities for such unit. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement for common facilities reserved by law.

19.02 Association Functions There is hereby reserved to Declarant and the Association, or their duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations of the Association as are set forth in the Declaration, or in the Bylaws, and the Association Rules.

19.03 Encroachments Each unit and all common and limited common areas are hereby declared to have an easement over all adjoining units and common and limited common area for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of owners shall not be altered in any way by said encroachment, settling or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an owner or owners if said encroachment occurred due to the willful act or acts with full knowledge of said owner or owners. In the event a unit or common or limited common area is partially or totally destroyed, and then repaired or rebuilt, the owners agree that minor encroachments over adjoining units and common and limited common areas shall be permitted, and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist. The foregoing encroachments shall not be construed to be encumbrances affecting the marketability of title to any unit.

20 INTERPRETATION

20.01 Liberal Construction The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of this Condominium under the provisions of Utah law. It is intended and covenanted also that, insofar as it affects this Declaration and condominium, the provisions of the Act

referenced herein under which this Declaration is operative, shall be liberally construed to effectuate the intent of this Declaration insofar as reasonably possible.

- 20.02 Consistent with Act The terms such as, but not limited to, “unit”, “unit owner”, “association of unit owners”, “building”, “common areas and facilities”, “common expenses”, “land”, “limited common areas” and “property”, used herein are intended to have the same meaning given in the Act unless the context clearly requires otherwise or to so define the terms would produce an illegal or improper result.
- 20.03 Covenant Running with Land It is intended that this Declaration shall be operative as a set of covenants running with the land, or equitable servitudes, supplementing and interpreting the Act, and operating independently of the Act, and operating independently of the Act should be Act be, in any respect, inapplicable.
- 20.04 Unit and Building Boundary In interpreting the Record Survey Map, the existing physical boundaries of the buildings and each unit as constructed shall be conclusively presumed to be its boundaries.
- 20.05 “Person” etc. When interpreting this Declaration, the term “person” includes natural person, partnership, corporation, association, trustee or other legal entity. The term “mortgage” may be read to include deed of trust. The singular may include the plural and the masculine may include the feminine, or vice versa, where the context so admits or requires.
- 20.06 Captions and Schedules Captions given to the various Articles and Sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof. The various schedules referred to herein by reference as though fully set forth where such reference is made.

21 PROCEDURES FOR SUBDIVIDING OR COMBING

- 21.01 Procedure Subdivision and/or combining of any unit or units, common areas and facilities, or limited common areas and facilities are authorized only as follows:
- 21.01.01 Any owner of any unit or units may propose any subdividing or combining of an unit or units, and appurtenant common areas or limited common areas in writing,

together with complete plans and specifications for accomplishing the same and a proposed amendment to the Declaration, Survey Map and Plans covering such subdividing or combining, to the Board, which shall then notify all other unit owners of the requested subdivision or combination.

- 21.01.02 Upon written approval of such proposal by sixty percent (60%) of the owners, the owner making the proposal may proceed according to such plans and specifications; provided that the Board may in its discretion (but it is not mandatory that the Board exercise this authority) require that the Board administer the work or that the provisions for the protection of other units or common areas or reasonable deadlines for completion of the work be inserted in the contracts for the work.
- 21.01.03 The changes in the Survey Map, if any, and the changes in the Plans and Declaration shall be placed of record as amendments to the Survey Map, Plans, and Declaration of Condominium in accordance with the provisions of Section 22.1.

22 AMENDMENT OF DECLARATION, SURVEY PAY, PLANS

- 22.01 Declaration Amendment Amendments to the Declaration shall be made by an instrument in writing entitled "Amendment to Declaration" which sets forth the entire amendment. Except as otherwise specifically provided for in this Declaration, any proposed amendment must be approved by a majority of the Board prior to its adoption by the Owners. Amendments may be adopted at a meeting of the owners if sixty (60%) percent of the owners vote for such amendment, or without any meeting if all owners have been duly notified and sixty (60%) percent of the owners consent in writing to such amendment. In all events, the amendment when adopted shall bear the signature of the president of the Association and shall be attested by the secretary, who shall state whether the amendment was properly adopted, and shall be acknowledged by them as officers of the Association. Amendments once properly adopted shall be effective upon recording in the appropriate governmental offices. Any decision changing the values or percentages of

interest expressed herein, except as provided herein, shall require the unanimous consent of the unit owners and their mortgagees. It is specifically covenanted and understood that any amendment to this Declaration properly adopted will be completely effective to amend any and all of the covenants, conditions and restrictions contained herein which may be affected and any or all clauses of this Declaration or Record of Survey, unless otherwise specifically provided in the section being amended or the amendment itself.

- 22.02 Record of Survey Map Amendment Except as otherwise provided herein, the Record of Survey Map may be amended by revised versions or revised portions thereof referred to and described as to effect in an amendment to the Declaration adopted as provided for herein. Copies of any such proposed amendment to the Record of Survey Map shall be made available for the examination of every owner. Such amendment to the Record of Survey Map shall also be effective, once properly adopted, upon recordation in the appropriate county office in conjunction with the Declaration amendment.
- 22.03 Amendments by Declarant The Declarant may at any time record an amendment to the Declaration showing, correcting or revising the assignment of parking spaces or storage lockers to units and during the initial four (4) years changing the person who is to receive service of process, and such amendment need be acknowledged only by the Declarant and need not otherwise comply the requirements of this Article 22.
- 22.04 Amendments to Conform to Construction In addition, Declarant, upon Declarant's sole signature, may file an amendment to the Declaration and to the Record of Survey Map, from time to time, to conform them to the actual location of any of the constructed improvements and to establish, vacate and relocate utility easements, access roads easements, and parking areas.
- 22.05 Discontinuance of Condominium It is further specifically covenanted that any decision of failure to act by the owners under this Declaration or any applicable provision of law which intends or required discontinuance of this condominium or removal of the property from the provisions of the Act, shall, if such decision or failure to act is sufficient with respect to condominiums under the Act, also terminate and discontinue the effect of any and all of the covenants, conditions and restrictions set forth herein, and all provisions of

the Record of Survey Map, unless other specific provision is made by recorded amendments to the Declaration, and, if required, to the Record of Survey Map.

23 MISCELLANEOUS

23.01 Service of Process Jake Amos, whose address is 88 West 50 South, Box 665, Centerville, Utah 84014, is the person upon whom process may be served as provided for in the Act. After organization of the Association, service of process for the purposes provided in the Act may also be made upon the president of the Association. The Board may at any time designate a new or different person or agency for such purposes by filing an amendment to this Declaration limited to the sole purpose of making such change, and such amendment need only be signed and acknowledged by the then president of the Association. The Declarant may, at any time before the Board is organized, change such designation to the Declaration signed and acknowledged only by Declarant.

23.02 Notices for All Purposes

23.02.01 Delivery of Notice. Any notice permitted or required to be delivered under the provisions of this Declaration or by the Bylaws may be delivered either personally or by mail. If delivery is made by mail, any such notice shall be deemed to have been delivered twenty-four (24) hours after a copy has been deposited in the United States mail, postage prepaid, for first class mail, addressed to the person entitled to such notice at the most recent address given by such person to the Board, in writing, for the purpose of service of such notice, or to the most recent address known to the Board. Notice to the owner or owners of any apartment shall be sufficient if mailed to the apartment of such person or persons if no other mailing address has been given to the Board by any of the persons so entitled. Mailing addresses may be changed from time to time by notice in writing to the Board.

23.02.02 Mortgage Notice. Upon written request therefor, a vendor, mortgagee, or deed of trust beneficiary of any unit shall be entitled to be sent a copy of any notices respecting the unit covered by his security instrument until the request is

withdrawn or the security right discharged.

23.03 Severability The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof, if the remainder complies with the Act or as covenants effect the common plan..

23.04 Effective Date This Declaration shall take effect upon recording.

23.05 Reference to Record of Survey Map The Record of Survey Map of the buildings referred to herein were filed with the Recorder of Salt Lake County, Utah, simultaneously with the recording of this Declaration under File No. _____ in Volume _____ of Condominiums, pages _____.

24 SALE OR LEASE, RIGHT OF FIRST REFUSAL, OPTION

24.01 In General In the event any owner of a unit shall wish to sell, rent or lease the same, and has received any bonafide offer therefor from a prospective purchaser or tenant, the Board shall be given written notice of all terms thereof, together with the name and address of the contemplated lessee, renter or purchaser, and such credit, character and other references as the Board may request. Such notice and references shall be given to the Board for all of the owners. The owners through the Board, or an assignee of the Board for such assignee's own behalf and with such assignee's own funds, shall have the irrevocable option or right to purchase or lease or rent the subject unit upon the same terms and conditions as set forth in the offer, provided written notice of such election to purchase, rent or lease is given to the selling, renting, or leasing owner, and a matching down payment or deposit is provided to the selling, renting, or leasing owner during the fifteen (15) day period immediately following the delivery of the notice of the bonafide offer to the Board. After the Board or its assignee shall have elected to exercise the option, it shall have thirty (30) days from the date of such election to close the transaction, but the owner shall not be entitled to proceed with any different or other transaction without first again complying with this right of first refusal.

24.02 Acquisition by Board The Board shall not exercise this option on behalf of all owners

without the prior written consent of all owners and contract purchasers and sellers.

Acquisitions by the Board of units or interests therein under the provisions of this section shall be made from the maintenance fund. If the fund is insufficient, the Board may levy a special assessment against each unit in proportion to the interests of the owners thereof in the common areas. The Board in its discretion may borrow money to finance, the acquisition of a unit or interest therein, which acquisition is authorized by this section; provided, however, that no financing may be secured by an encumbrance of any portion of the property other than the unit or interest therein to be acquired, and shall not permit a deficiency judgment against the Association. Units or interests therein acquired pursuant to the terms of this section shall be held of record in the name of the Board or nominees of the Board in trust for all the owners. Such units or interest therein shall be leased, rented, held or sold by the Board for the benefit of the owners. The net proceeds of such leasing, renting or sale shall be deposited in the Association accounts, or distributed to the owners, as the Board determines.

- 24.03 Assignment or Subletting The assignment or subleasing of a unit shall be subject to the same limitations as are applicable to the leasing or renting thereof. The liability of the owner under these covenants shall continue for subsequent transactions, notwithstanding the fact that he may have on one or more times assigned, leased or rented said unit and complied herewith.
- 24.04 Right to Mortgage In no case shall the right of first refusal reserved herein affect the right of an owner to subject his unit to a trust deed, mortgage or other security instrument in a transaction which is not a sale or lease.
- 24.05 Waiver of Board's Rights The failure or refusal of the Board to exercise the right to so purchase or lease shall not constitute or be deemed to be a waiver of such right to purchase or lease when an owner receives any subsequent bona fide offer from a prospective purchaser or tenant.
- 24.06 Deceased Owner The Board may proceed to purchase the unit or interest therein of any deceased owner which shall be offered for sale, upon the prior written consent of all unit owners, which consent shall set forth a maximum price which the Board is authorized to

bid and pay for the unit or interest therein.

25 TRANSACTIONS NOT AFFECTED BY RIGHT OF FIRST REFUSAL

- 25.01 Foreclosure In the event of any default on the part of any owner under any mortgage or deed of trust made in good faith and for value, which entitled the holder thereof to foreclose same, any sale under such foreclosure or deed of trust, or any delivery of a deed to the mortgagee or beneficiary in lieu of such foreclosure, shall be made free and clear of the provisions of Article 24, and the purchaser (or grantee under such deed in lieu of foreclosure) of such unit shall be thereupon and thereafter subject to the provisions of this Declaration. If the purchaser following such foreclosure sale (or grantee under deed given in lieu of such foreclosure) or sale under deed of trust shall be the holder of the mortgage or the deed of trust beneficiary, or its nominee, the said holder or nominee may thereafter sell and convey or rent or lease the unit free and clear of the provisions of Article 24, but its grantee or vendee shall thereupon and thereafter be subject to all of the provisions thereof; except however, in the case where the mortgagee conveys to the Federal Housing Administration, Veterans Administration, or other mortgage insurer, pursuant to legal requirements of the mortgage insurance, such mortgage insurer shall be entitled to convey to its purchaser, free and clear of Article 24, in which case its grantee or vendee shall thereupon and thereafter be subject to all the provisions thereof.
- 25.02 Inheritance The transfer of a deceased joint tenant's interest to the surviving joint tenant or the transfer of a deceased's interest to a devisee by Will, under a community property agreement, or to his heirs at law under intestate laws shall not be subject to the provisions of Article 24, in which case its grantee or vendee shall thereupon and thereafter be subject to all the provisions thereof.
- 25.03 Other If an owner of a unit can establish to the satisfaction of the Board that a proposed transfer is not a sale or lease or rental, then such transfer shall not be subject to the provisions of Article 24.
- 25.04 Declarant and First Purchaser Transfer The restrictions on sale, conveyance, leasing or rental of units contained in Article 24 shall not apply to Declarant and owners of record

30 days after date of filing of this Declaration. Declarant is the seller of each of the units created hereby. Acceptance of deeds to or contracts for purchase of any interest whatsoever respecting a unit constitutes a recognition by the owner of purchaser of such unit that Declarant may continue to own and lease or rent some of all of the other units herein.

26 CERTIFICATE OF SATISFACTION OF FIRST REFUSAL

26.01 In General Upon written request of any owner or purchaser, or any prospective transferee, purchaser, tenant, or an existing or prospective mortgagee of any unit, it shall be the duty of the secretary of the Board and the president, or of any two Board members, (if the secretary and president are unavailable) to as rapidly as reasonably possible issue a written and acknowledged certificate in recordable form for a reasonable fee not to exceed ten dollars (\$10.00), evidencing:

26.01.01 Whether for any proposed tenancy, lease or sale under Article 24 proper notice was given by the selling or leasing owner, and whether the remaining owners did or did not elect to exercise the option to purchase, lease or rent;

26.01.02 With respect to a deed to a vendor, first mortgagee or deed of trust beneficiary or its nominee in lieu of foreclosure or forfeiture, and a deed from a vendee, mortgagee or beneficiary or its nominee, pursuant to Article 24, whether or not the deeds were in fact given in lieu of foreclosure and were or were not subject to the provisions of Article 24.

26.01.03 With respect to any contemplated transfer, whether or not it is a sale or lease or rental subject to the provision of Article 24.

26.02 Conclusive Proof Such a certificate shall be conclusive evidence of the facts and recitals contained therein as respects the Board and the Association.

SCHEDULE "A"

CEDAR SPRINGS CONDOMINIUM DECLARATION

Legal Description

Beginning on the north line of Lot 6, at a point N89°54'W 259.60 feet from the Northeast corner of Lot 6, Block 21, Big Creek Plat, Centerville Townsite Survey and running thence SO°06'W 138.82 feet; thence S89°59'W 91.12 feet; thence SO°02'E 595.21 feet; thence N89°59'E 70.01 feet to a point of a curve to the left; the radius point of which is SO°01'E 20.0 feet; thence Southwesterly along the arc of said curve 31.42 feet to a point of tangency; thence Southwesterly along the arc of said curve 81.88 feet; thence S5°14'25"E 133.32 feet; thence S89°59'W 499.44 feet; thence So°02'E 340.0 feet; thence S89°59'W 58.0 feet thence No°02'W 1348.32 feet; thence S89°54'E 629.44 feet to the point of beginning. Contains 13.377 acres.

SCHEDULE "B"
TO
CEDAR SPRINGS CONDOMINIUM

Unit Designation	Percentage of Undivided Interest in the Common Areas and Facilities	Assigned Limited Facilities Parking Space	Common Areas and Storage Space
			Building A
A 1	.00327	A 1	1
A 2	.00327	A 2	2
A 3	.00347	A 3	3
A 4	.00347	A 4	4
A 5	.00347	A 5	5
A 6	.00347	A 6	6
A 7	.00347	A 7	7
A 8	.00347	A 8	8
A 9	.00672	A 9	
A10	.00672	A10	
A11	.00672	A11	
A12	.00672	A12	
			Building B
B 1	.00299	B 1	1
B 2	.00299	B 2	2
B 3	.00347	B 3	3
B 4	.00347	B 4	4
B 5	.00347	B 5	5
B 6	.00347	B 6	6
B 7	.00347	B 7	7
B 8	.00347	B 8	8
B 9	.00672	B 9	
B10	.00672	B10	
B11	.00672	B11	
B12	.00672	B12	
			Building C
C 1	.00299	C 1	1
C 2	.00299	C 2	2
C 3	.00347	C 3	3
C 4	.00347	C 4	4
C 5	.00347	C 5	5
C 6	.00347	C 6	6
C 7	.00347	C 7	7
C 8	.00347	C 8	8

C 9	.00672	C 9
C10	.00672	C10
C11	.00672	C11
C12	.00672	C12
D 1	.00528	D 1
D 2	.00528	D 2
D 3	.00528	D 3
D 4	.00528	D 4
D 5	.00528	D 5
D 6	.00528	D 6
D 7	.00528	D 7
D 8	.00528	D 8
D 9	.00528	D 9
D10	.00528	D10
E 1	.00528	E 1
E 2	.00528	E 2
E 3	.00528	E 3
E 4	.00528	E 4
E 5	.00528	E 5
E 6	.00528	E 6
E 7	.00528	E 7
E 8	.00528	E 8
E 9	.00528	E 9
E10	.00528	E10
F 1	.00528	F 1
F 2	.00528	F 2
F 3	.00528	F 3
F 4	.00528	F 4
F 5	.00528	F 5
F 6	.00528	F 6
F 7	.00528	F 7
F 8	.00528	F 8
F 9	.00528	F 9
F10	.00528	F10
G 1	.00528	G 1
G 2	.00528	G 2
G 3	.00528	G 3
G 4	.00528	G 4
G 5	.00528	G 5

G 6	.00528	G 6
G 7	.00528	G 7
G 8	.00528	G 8
G 9	.00528	G 9
G 10	.00528	G 10
H 1	.00528	H 1
H 2	.00528	H 2
H 3	.00528	H 3
H 4	.00528	H 4
H 5	.00528	H 5
H 6	.00528	H 6
H 7	.00528	H 7
H 8	.00528	H 8
H 9	.00528	H 9
F10	.00528	F10
J 1	.00528	J 1
J 2	.00528	J 2
J 3	.00528	J 3
J 4	.00528	J 4
J 5	.00528	J 5
J 6	.00528	J 6
J 7	.00528	J 7
J 8	.00528	J 8
J 9	.00528	J 9
J10	.00528	J10
K 1	.00528	K 1
K 2	.00528	K 2
K 3	.00528	K 3
K 4	.00528	K 4
L 1	.00528	L 1
L 2	.00528	L 2
L 3	.00528	L 3
L 4	.00528	L 4
L 5	.00528	L 5
L 6	.00528	L 6
M 1	.00528	M 1
M 2	.00528	M 2
M 3	.00528	M 3

M 4	.00528	M 4	
M 5	.00528	M 5	
M 6	.00528	M 6	
M 7	.00528	M 7	
M 8	.00528	M 8	
N 1	.00528	N 1	
N 2	.00528	N 2	
N 3	.00528	N 3	
N 4	.00528	N 4	
P 1	.00327	P 1	Building P 1
P 2	.00327	P 2	2
P 3	.00327	P 3	3
P 4	.00327	P 4	4
P 5	.00347	P 5	5
P 6	.00347	P 6	6
P 7	.00347	P 7	7
P 8	.00347	P 8	8
P 9	.00672	P 9	
P10	.00672	P10	
P11	.00672	P11	
P12	.00672	P12	
P13	.00327	P13	9
P14	.00327	P14	10
P15	.00327	P15	11
P16	.00327	P16	12
P17	.00347	P17	13
P18	.00347	P18	14
P19	.00347	P19	15
P20	.00347	P20	16
P21	.00672	P21	
P22	.00672	P22	
P23	.00672	P23	
P24	.00672	P24	
Q 1	.00327	Q 1	Building Q 1
Q 2	.00327	Q 2	2
Q 3	.00327	Q 3	3
Q 4	.00327	Q 4	4
Q 5	.00347	Q 5	5
Q 6	.00347	Q 6	6
Q 7	.00347	Q 7	7

Q 8	.00347	Q 8	8
Q 9	.00672	Q 9	
Q10	.00672	Q10	
Q11	.00672	Q11	
Q12	.00672	Q12	
Q13	.00327	Q13	9
Q14	.00327	Q14	10
Q15	.00327	Q15	11
Q16	.00327	Q16	12
Q17	.00347	Q17	13
Q18	.00347	Q18	14
Q19	.00347	Q19	15
Q20	.00347	Q20	16
Q21	.00672	Q21	
Q22	.00672	Q22	
Q23	.00672	Q23	
Q24	.00672	Q24	
R 1	.00528	R 1	
R 2	.00528	R 2	
R 3	.00528	R 3	
R 4	.00528	R 4	
R 5	.00528	R 5	
R 6	.00528	R 6	
S 1	.00528	S 1	
S 2	.00528	S 2	
S 3	.00528	S 3	
S 4	.00528	S 4	
T 1	.00528	T 1	
T 2	.00528	T 2	
T 3	.00528	T 3	
T 4	.00528	T 4	
U 1	.00528	U 1	
U 2	.00528	U 2	
U 3	.00528	U 3	
U 4	.00528	U 4	
U 5	.00528	U 5	
U 6	.00528	U 6	

V 1	.00528	V 1
V 2	.00528	V 2
V 3	.00528	V 3
V 4	.00528	V 4
V 5	.00528	V 5
V 6	.00528	V 6
W 1	.00528	W 1
W 2	.00528	W 2
W 3	.00528	W 3
W 4	.00528	W 4
W 5	.00528	W 5
W 6	.00528	W 6
X 1	.00528	X 1
X 2	.00528	X 2
X 3	.00528	X 3
X 4	.00528	X 4
TOTAL:	<hr/> 100.00000%	

SCHEDULE “C”

BYLAWS

OF

CEDAR SPRINGS CONDOMINIUM ASSOCIATION

1 OBJECT AND DEFINITIONS

- 1.01 Purpose The purpose for which this Association is formed is to govern the condominium property situate in the County of Davis, State of Utah, which property is described in Exhibit A attached to the Declaration and by this reference is made a part hereof, and which property has been submitted to the provisions of the Condominium Ownership Act of the State of Utah by a Declaration entitled “Declaration and Covenants, Conditions, Restrictions and Reservations” establishing a plan for condominium ownership of the Cedar Springs Condominium (hereinafter referred to as the “Declaration”).
- 1.02 Assent All present or future owners, tenants, future tenants, or any other person using the facilities of the project in any manner are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the condominium units (hereinafter referred to as “units”) in the project or the mere act of occupancy of any of said units shall constitute ratification of these Bylaws.
- 1.03 Definitions Unless otherwise specified, all terms shall have the same meaning in these Bylaws as such terms have in the Declaration. The terms “owners” and “members” as used herein shall be synonymous.

2 MEMBERSHIP, VOTING, MEETINGS AND ADMINISTRATION

- 2.01 Matters Governed by Declaration With regard to various matters including membership, meetings and voting, reference is made to the Declaration.
- 2.02 Administrative Provisions
 - 2.02.01 Majority of Owners. As use in these Bylaws the term “majority of owners” shall mean those owners of more than fifty percent (50%) of the undivided ownership

of the general common elements.

- 2.02.02 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of a “majority of owners” as above defined shall constitute a quorum. An affirmative vote of a majority of the owners present, either in person or by proxy, shall be required to transact business; provided, however, that no business shall be transacted unless a minimum of thirty percent (30%) of all of the owners, either in person or by proxy, vote affirmatively, and no Board member shall be removed unless a majority of unit owners vote affirmatively therefor.
- 2.02.03 Proxies. Votes may be cast in person or by proxy. Proxies shall be in writing and the signatures must be witnessed or acknowledged. Proxies must be filed with the Secretary before the appointed time of each meeting. No proxy shall be valid for a period longer than 11 months after the date thereof.
- 2.02.04 Voting by Mail. The Board may decide that voting of the members shall be by mail with respect to any particular election of the Board or with respect to adoption of any proposed amendment to the Declaration or Bylaws, or with respect to any other matter for which approval by owners is required by the Declaration or Bylaws.
- 2.02.05 Adjourned Meeting. If any meeting of the 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 forty-eight hours from the time the original meeting was called.

3 MANAGEMENT OF CONDOMINIUM

- 3.01 In General The affairs of the Association shall be governed by a Board which, after Declarant’s management authority ends, shall be composed for four (4) members
- 3.02 Additional Provisions Regarding Board
- 3.02.01 Election and Term of Office. The members of the initial Board (that is the first Board elected by the owners after Declarant’s management authority ends) shall serve for a one-year term of office.

- 3.02.02 Vacancies. Vacancies in the Board caused by any reason other than the removal of a Board member by a vote of the Association shall be filled by vote of the majority of the remaining Board members, even though they may constitute less than a quorum; and each person so elected shall be a Board member until a successor is elected at the next annual meeting of the Association.
- 3.02.03 Organization Meeting. The first meeting of a newly elected Board shall be held immediately following the annual meeting and no notice shall be necessary to the newly elected Board members in order to legally constitute such meeting.
- 3.02.04 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board members, but at least two such meetings shall be held during each fiscal year and one such meeting shall be held immediately following the annual meeting of owners.
- 3.02.05 Special Meetings. Special meetings of the Board may be called by the President on three days notice to each Board member. Special meetings of the Board shall be called by the President or Secretary on the written request of at least two Board members.
- 3.02.06 Waiver of Notice. Before, at or after any meeting of the Board, any Board 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 Board member at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Board members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.
- 3.02.07 Quorum. At all meetings of the Board, a majority thereof shall constitute a quorum for the transaction of business, and the acts of the majority of the Board members present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time.
- 3.02.08 Fidelity Bonds. The Board 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.

4 OFFICERS

- 4.01 Designation The officers of the Association shall be a President, Secretary and a Treasure, all of whom shall be elected by the Board.
- 4.02 Election of Officers The officers of the Association shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board. Any person may hold concurrently any two offices (and may also concurrently be a Board member), except that the same person may not concurrently hold the offices of President and Secretary.
- 4.03 Removal of Officers Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.
- 4.04 President The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and the Board. He shall have all of the general powers and duties which are usually vested in the office of the President of a nonprofit association including, but not limited to, the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.
- 4.05 Secretary The Secretary shall keep the minutes of meetings of the Board and minutes of meetings of the Association; he shall have charge of such books and papers as the Board may direct; and he shall in general perform all the duties incident to the office of Secretary. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their registered mailing addresses. Such list shall also show opposite each member's name the number or other appropriate designation of the unit owned by such member. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times

during regular business hours.

- 4.06 Treasurer The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He 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 Board of Directors.

5 INDEMNIFICATION OF OFFICERS AND MANAGERS

- 5.01 Indemnification The association shall indemnify every Board Member or officer, and his or her heirs, executors and administrators as provided in Article 16 of the Declaration.

6 OBLIGATIONS OF OWNERS

- 6.01 Use of General Common Elements and Limited Common Elements Each owner shall use the general common elements and the limited common elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other owners.

6.02 Right of Entry

- 6.02.01 An owner shall permit the Managing Agent or other person authorized by the Board the right of access to the owner's unit and appurtenant limited common areas from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of the common areas, or at any time deemed necessary by the Managing Agent or Board of the making of emergency repairs or to prevent damage to any of the common areas.
- 6.02.02 An owner shall permit the Managing Agent or other persons authorized by the Board, or other owners, or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, or to the unit and limited common areas of such other owners; provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry

shall be immediate.

- 6.03 Destruction or Obsolescence Each owner shall, upon becoming an owner of a condominium unit, execute a power of attorney in favor of the Association, irrevocably appointing the Association his attorney in fact to maintain, repair and improve the building and general and limited common areas, and to deal with the owner's condominium unit upon this destruction or obsolescence and regarding insurance proceeds as is provided in the Declaration. The purpose of such execution shall be more fully to evidence such appointment, but failure to execute such power of attorney shall in no way derogate from the appointment provided in the Declaration.

7 BYLAWS

- 7.01 Amendments Bylaws (and amendments thereto) for the administration of the Association and the property, and for other purposes not inconsistent with the Act or with the intent of the Declaration, shall be adopted by the Association by concurrence of those voting owners holding sixty (60%) percent of the voting power at a regular or special meeting.

8 MORTGAGES

- 8.01 Notice to Association An owner who mortgages his unit shall notify the Association through the Managing Agent, if any, or the President of the Board, giving the name and address of his mortgagee. The association shall maintain such information in a book or list entitled "Mortgagees of Units".
- 8.02 Notice of Unpaid Assessment The Association shall at the request of a mortgagee of a unit report any unpaid assessments due from the owner of such unit.

9 EVIDENCE OF OWNERSHIP

Any person on becoming an owner of a unit shall furnish to the Managing Agent or Board a photocopy of a certified copy of the recorded instrument vesting that person with an interest or ownership, which instrument shall remain in the files of the Association. A member shall not be

deemed to be in good standing nor shall he be entitled to vote at any annual or at a special meeting of members unless this requirement is first met.

10 CONFLICT WITH DECLARATION OR LAW

These Bylaws are intended to comply with and supplement the requirements of the Utah Condominium Act and the Declaration. If any of these Bylaws conflict with the provisions of said statute of Declaration, the provisions of the Statute and Declaration will apply.

11 NONPROFIT ASSOCIATION

This association is not organized for profit. No member, member of the Board or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operations thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any members of the Board. The foregoing, however, shall neither prevent nor restrict the following:

- (1) Reasonable compensation may be paid to any member or manager while acting as an agent or employee of the Association for services rendered in effecting one or more of the Association, and
- (2) Any member or Board member may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with administration of the affairs of the Association.

12 FISCAL YEAR

The fiscal year of the Association shall begin on January 1, and end on December 31.

Adopted as Bylaws by the Declaration on this 15th day of September, 1976.

DECLARANT:

By: Colin W. Radford

**THE ARTICLES OF INCORPORATION
OF
CEDAR SPRINGS CONDOMINIUM**

THE UNDERSIGNED, acting as Incorporations of a Corporation under the Utah Non-Profit Corporation and Co-operative Association Act, do hereby adopt the following Articles of Incorporation of such Corporation:

I NAME

The name of this Corporation shall be CEDAR SPRINGS CONDOMINIUM ASSOCIATION, hereinafter referred to as the "Association".

II DURATION

The period of its duration is perpetual.

III PURPOSE

1 The purpose for which the Association is organized is to provide an entity for the operation, on a nonprofit basis, of the Cedar Springs Condominium Project, (consisting of buildings and improvements contained in Lots 6 and 7, Block 21, Big Creek Plat, Centerville Townsite) developed by Radford and Company, located n the City of Centerville, County of Davis, State of Utah.

2 To this end the Association shall have full power and authority to do all things necessary or desirable relating to the management and administration of said Condominium and the enforcement of the Declarations (or Amended Declarations) of Covenants, Conditions, and Restrictions applicable thereto recorded or will be recorded in the Office of the County Recorder of Davis County, Utah, with respect to the rights and duties of the owners of Condominium units or any interests therein. The Association shall also have the power to own and operate recreational facilities and other assets for the benefit of the condominium and the Owners. The Association shall have such other rights, powers, and duties as the owners and members may from time to time specify.

IV NO PECUNIARY GAIN

1 The Association shall make no distribution of income to its members, directors or officers, or nonprofit co-operative association, and it shall not afford a pecuniary gain, incidentally or otherwise, to its members.

2 All of the directors and officers of the Association shall act as such without compensation.

V NO CAPITAL STOCK

This Association shall issue no shares of stock evidencing membership therein or interests in property rights, but the board of directors may, if it so desires, issue a membership certificate or card to the owner(s) of a condominium unit.

VI MEMBERSHIP

1 Membership in the Association, except for membership of the Incorporators and the first Board of Directors, shall be limited to record owners of condominium units in said Cedar Springs Condominium Project, (consisting of buildings and improvements contained in Lots 6 and 7, Block 21, Big Creek Plat, Centerville Townsite) developed by Radford and Company, according to the recorded plat thereof in the Office of the County Recorder of Davis County, Utah, subject to the Declarations (or Amended Declarations) of Covenants, Conditions, and Restrictions of record applicable to said condominium project. Membership in the Association shall be automatically conferred upon the record owner or owners of any unit subject to the Declarations or Amended Declarations. A person who, for any reason, ceases to be a record owner of a unit shall automatically cease to be a member.

2 The membership in the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to a member's unit.

VII VOTING RIGHTS

The total voting power of all owners shall be 100 votes and the total number of votes available to owners of any one unit shall be equal to the percentage of undivided interest in the

common areas and facilities appertaining to such unit.

VIII DIRECTORS

1 The affairs of the Association shall be managed by a board of not less than three nor more than nine in number, who shall serve without compensation, and shall be elected annually at a meeting of the members of the Association on such date as may be fixed by the By-Laws. Each director shall be qualified to hold office only so long as he is an owner of a condominium unit in Cedar Springs Condominium Project. A majority of the Board of Directors shall constitute a quorum at any meeting.

2 The directors herein named shall serve until the first election of directors, and any vacancies in their number occurring before the first election shall be filled by the remaining directors.

3 The names and addresses of the first Board of Directors who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

<u>NAME</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>
Kevin Edward Orton	P.O. Box 234	Centerville, Utah
Harold Kent Price	P.O. Box 291	Centerville, Utah
Danny Wayne Livingston	P.O. Box 454	Centerville, Utah
Sam Lee	P.O. Box 112004	Salt Lake City, Utah
Jan Coe	P.O. Box 443	Centerville, Utah

IX OFFICERS

The affairs of the Association shall be administered by officers elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association, which officers shall serve at the pleasure of the Board of Directors. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

President:	Kevin Edward Orton	P.O. Box 234	Centerville, Utah
Secretary:	Jan Coe	P.O. Box 443	Centerville, Utah

Treasurer: Harold Kent Price P.O. Box 291 Centerville, Utah

X REGISTERED AGENT

The initial registered agent of the corporation is: Kevin Edward Orton, 2106 South 900 East, Bountiful, Utah 84010

XI INDEMNIFICATION

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, or any settlement thereof, whether or not he is a director or officer at the time of such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

XII BY-LAWS

The first By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended, or rescinded in the manner provided by the By-Laws.

XIII AMENDMENTS

These Articles of Incorporation may be amended by the affirmative vote of two-thirds (2/3) of the total 100 votes by members present or represented by proxy at any regular or special meeting, provided that a quorum as prescribed in the By-Laws is present at any such meeting.

XIV INCORPORATORS

The names and addresses of the Incorporators of this Association are:

<u>NAME</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>
Kevin Edward Orton	P.O. Box 234	Centerville, Utah
Jan Coe	P.O. Box 443	Centerville, Utah
Harold Kent Price	P.O. Box 291	Centerville, Utah

XV PRINCIPAL OFFICE

The street address of the initial principal office of the Association is 88 West 50 South, Centerville, Utah.

IN WITNESS WHEREOF, the Undersigned have duly signed these Articles of Incorporation on the 23 day of August, 1984

INCORPORATORS:

Kevin Edward Orton

Jan Coe

Harold Kent Price

STATE OF UTAH }
 } ss.
COUNTY OF DAVIS }

I, the Undersigned, a Notary Public for the State of Utah, hereby certify that on the 23rd day of August, 1984, personally appeared before me, Kevin Edward Orton, Jan Coe and Harold Kent Price who, being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as Incorporators, and that the statements therein contained are true.

Paul R. Michaelson
Notary Public
Residing at:
Centerville, Utah

My Commission Expires:
3-12-86