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DECLARATION OF CONDOMINIUM
OF THE
COURTYARD CONDOMINIUM

A Utah Condominium Project

DECLARATION OF CONDOMINIUM

THE

COURTYARD CONDOMINIUM

A Utah Condominium Project

This Declaration of Condominium, hereinafter referred to as the "Declaration", is made and executed this _____ day of _____, 19 __, by Kenneth Jones, hereinafter referred to as the "Declarant".

RECITALS

A. Description of Land. The Declarant is the owner of the following described parcels of land, hereinafter collectively referred to as the "land", which are located in the County of Cache, State of Utah:

Beginning at a point 10.5 rods South of the Northwest corner of Block 49, Plat "A" Logan City Survey and running thence South 50.25 feet; then East 92 feet; then South 66 feet; then East 172.8 feet more or less to the west bank of the Logan and Hyde Park Canal; then Northeasterly along said canal to a point due East of the point of beginning; then West to the point of beginning. Section 34 T12NRIE Salt Lake Meridian.

B. Building and Improvements. The Declarant has constructed or will construct on the Land certain Buildings and other Improvements, as shown on the Map referred to below.

C. Record of Survey Map. The Declarant intends to execute, acknowledge, and record in the office of the County Recorder of Cache County, State of Utah, a certain instrument pertaining to the Project and entitled "Record of Survey Map for The Courtyard Condominium, a Utah Condominium Project."

D. Intent and Purpose. The Declarant intends by recording this Declaration and the Map to submit the Land, the Buildings, and all other improvements situated in or upon the Land to the provisions of the Utah Condominium Ownership Act, Title 57, Chapter 8, Utah Code Annotated (hereinafter referred to as the "Condominium Act") as a fee simple Condominium Project and to impose upon said property mutually beneficial restrictions under a general plan of improvement for the benefit of all Condominiums within said Project and the Owners thereof.

NOW, THEREFORE, the Declarant does hereby make the following Declaration:

ARTICLE I

DEFINITIONS

D 1.01 Defined Terms. Unless the context clearly indicates otherwise, certain terms as used in this Declaration shall have the meanings set forth in this Article I.

D 1.02 "Additional Land". Additional land shall mean the real property described in Section 16.02 which has not yet been submitted to the provisions of the Act, but which may hereafter be added as a whole or in part to the Project as provided in Article XVI and the Act.

D 1.03 "Association" shall mean The Courtyard Condominium Owners Association, a Utah nonprofit corporation, organized to be the Association referred to herein.

D 1.04 "Board of Trustees" shall mean the governing board or management committee of the Association, appointed or elected in accordance with the Declaration and in accordance with the Articles of Incorporation and Bylaws of the Association.

D 1.05 "Building" shall mean one of the buildings which have been or will hereafter be constructed on the Land and which contain one or more units as such buildings are shown on the Map.

D 1.06 "Common Areas" shall mean all physical portions of the Project, except all Units.

D 1.07 "Common Expense Fund" shall mean the fund created or to be created pursuant to the provisions of Article IX of this Declaration and into which all monies of the Association shall be deposited.

D 1.08 "Common Facilities" shall mean all furniture, furnishings, equipment, facilities, and other property (real, personal, or mixed) and interests therein at any time leased, acquired, owned, or held by the Association for the use and benefit of all Owners and all other property (real, personal or mixed) hereafter purchased in accordance with this Declaration with monies from the Common Expense Fund. Common Facilities shall be deemed to be part of the Common Areas, except to the extent otherwise expressly provided in this Declaration.

D 1.09 "Condominium" shall mean a Unit and the undivided interest (expressed as a percentage of the entire ownership interest) in the Common Areas appurtenant to such Unit, as set forth in Exhibit A attached hereto and by this reference made a part hereof.

D 1.10 "Condominium Act" shall mean the Utah Condominium Ownership Act and amendments thereto. (Title 57, Chapter 8, Utah Code Annotated).

D 1.11 "Convertible Space" shall mean a portion of a structure within the Project, which portion may be converted into one or more Units or Common Areas and facilities in accordance with the provisions of Section 16.10 and the Act.

D 1.12 "Declarant" shall mean Kenneth Jones, and successors and assigns.

D 1.13 "Institutional Holder" shall mean a mortgagee which is a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency which has a first mortgage lien on any unit in the Project.

D 1.14 "Land" shall mean the land upon which the Project is situated, as more particularly described in Paragraph A of the Recitals above.

D 1.15 "Lease" shall mean any agreement for the leasing or rental of the property.

D 1.16 "Limited Common Areas" shall mean any Common Areas designated as reserved for use of a certain Unit or Units to the exclusion of the other Units in the Project. Structural separations between Units or the space which would be occupied by such structural separations may become Limited Common Areas for the exclusive use of the Owner or Owners of the Units on either side thereof as provided in Section 4.03 hereof. Any balconies, porches, parking stalls, or storage facilities that are identified on the Map with the same number or other designation by which a Unit is identified shall be Limited Common Areas for the exclusive use of the Owner of the Unit bearing the same number of designation.

D 1.17 "Manager" shall mean the person, firm or company, if any, designated from time to time by the Association to manage, in whole or in part, the affairs of the Association and the Project.

D 1.18 "Map" shall mean the Record of Survey Map for The Courtyard Condominium, a Utah Condominium Project pertaining to the Project and recorded or to be recorded in the office of the County Recorder of Cache County, State of Utah.

D 1.19 "Mortgage" shall mean any mortgage, deed of trust, or other security instrument by which a Condominium or any part thereof is encumbered.

D 1.20 "Mortgagee" shall mean (i) any person named as the holder of a Mortgage or beneficiary under any Deed of Trust by which the interest of any Owner is encumbered, or (ii) any successor to the interest of such person under such Mortgage or Deed of Trust.

D 1.21 "Owner" shall mean the person or persons, including the Declarant, owning in fee simple a Condominium in the Project, as such ownership is shown by the records of the County Recorder of Cache County, State of Utah. The term "Owner" shall not refer to any Mortgagee (unless such Mortgagee has acquired title for other than security purposes) or to any person or persons purchasing a Condominium under contract (until such contract is fully performed and legal title conveyed of record).

D 1.22 "Project" shall mean the Land, the Buildings, and all improvements submitted by this Declaration and the Map to the provisions of the Condominium Act.

D 1.23 "Total Votes of the Association" shall mean the total number of votes appertaining to all Condominiums in the Project, as shown in Exhibit A attached hereto.

D 1.24 "Unit" shall mean an individual air space unit, consisting of enclosed rooms occupying part of a Building and bounded by the unfinished interior surfaces of the walls, floors, ceilings, windows, and doors along the perimeter boundaries of the air space, as said boundaries are shown on the Map, together with all fixtures and improvements therein contained. Paint and other wall, ceiling, or floor coverings on interior surfaces shall be deemed to be a portion of the Unit. Notwithstanding the fact that they may be within the boundaries of such air space, the following are not part of a Unit insofar as they are necessary for the support or for the use and enjoyment of another Unit: Bearing walls, floors, ceilings, and roofs (except the interior surfaces thereof), foundations, ceiling equipment, tanks, pumps, pipes, vents, ducts, shafts, flues, chutes, conduits, wires, and other utility installations, except the outlets thereof when located within the Unit. The interior surfaces of a window or door mean the points at which such surfaces are located when the window or door is closed.

D 1.25 "Withdrawable Land" shall mean one or more portions of the land within the Project which may be withdrawn in accordance with the provisions of the Declaration and the Act.

ARTICLE II

SUBMISSION AND DIVISION OF PROJECT

D 2.01. Submission to Condominium. The Declarant hereby submits the Land, the Buildings, and all other improvements now or hereafter made in or upon the Land to the provisions of the Condominium Act. All of said property is and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, and improved as a fee simple Condominium Project to be known as The Courtyard Condominium, a Utah Condominium Project. All of said property is and shall be subject to the covenants, conditions, restrictions, uses, limitations, and obligations set forth herein, each and all of which are declared and agreed to be for the benefit of said Project and in furtherance of a plan for improvement of said property and division thereof into Condominiums; further, each and all of the provisions hereof shall be deemed to run with the land and shall be a burden and a benefit to the Declarant, its successors and assigns, and to any person acquiring, leasing, or owning an interest in the real property and improvements comprising the Project, and to their respective personal representatives, heirs, successors, and assigns.

D 2.02. Division into Condominiums. The Project is hereby divided into Condominiums, each such Condominium consisting of a Unit and an appurtenant undivided interest in the Common Areas, as set forth in Exhibit A attached hereto.

ARTICLE III

BUILDINGS AND IMPROVEMENTS

D 3.01. Buildings and Improvements. The Buildings and other improvements constructed or to be constructed on the Land are described on the Map. The following information regarding the Buildings is also contained on the Map: (i) the number of floors and basements in the Buildings; (ii) the number of Units on each floor of each Building; and (iii) a description of the principal materials of which the Buildings are constructed.

D 3.02. Description of Units. The Map contains the unit number, location, and dimensions of each Unit in the Project and all other information necessary to identify each such Unit. Each Unit shall have at least one parking space which is reserved for its exclusive use as a limited common area which shall not be severed from such Unit.

D 3.03. Description of Common Areas. The Map contains a description of the Common Areas of the Project. The Map also contains a description of the Limited Common Areas and a designation of the particular Unit or Units to which use thereof is reserved.

D 3.04. Description of Limited Common Areas. The Map contains a description of the Limited Common Areas of the Project. The Map also designates the Unit or Units to which each of the Limited Common Areas is reserved.

ARTICLE IV

NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP

D 4.01. Interior of Units. Each Owner shall have the exclusive right to paint, repaint, tile, wax, paper, carpet, or otherwise decorate the interior surfaces of the walls, ceilings, floors, and doors forming the boundaries of his Unit and the surfaces of all walls, ceilings, floors, and doors within such boundaries. Each Owner shall also have the right to construct partition walls, fixtures, and improvements within the boundaries of his Unit; provided, however, that such partition walls, fixtures, and improvements (i) shall comply with all applicable laws, ordinances, and building codes, (ii) shall not interfere with facilities necessary for the support, use or enjoyment of any other part of the Project, (iii) shall not impair the structural soundness or integrity of the Building in which it is located, and (iv) shall not encroach upon

the Common Areas or any part thereof, unless the Association shall consent in writing to such encroachment.

D 4.02. Maintenance of Units. Each Owner shall keep the interior of his Unit, including without limitation, interior walls, windows, ceilings, floors, and permanent fixtures and appurtenances thereto, in a clean and sanitary condition and in a state of good repair. In the event that any such Unit shall develop an unsanitary or unclean condition or fall into a state of disrepair, and in the event that the Owner of such Unit shall fail to correct such condition or state of disrepair promptly following written notice from the Association, the Association shall have the right, at the expense of the Owner and without liability to the Owner for trespass or otherwise, to enter said Unit and correct or eliminate said unsanitary or unclean condition or state of disrepair; provided, however, that the Association shall in no event have the obligation to correct or eliminate any such condition or state of disrepair.

D 4.03. Right to Combine Units. With the written consent of the Association, which consent shall not be unreasonably withheld, two or more Units may be utilized by the Owner or Owners thereof as if they were one Unit. To the extent permitted in the written consent of the Association, any walls, floors, or other structural separations between any two such Units, or any space which would be occupied by such structural separations but for the utilization of the two Units as one Unit, may, for as long as the two Units are utilized as one Unit, be utilized by the Owner or Owners of the adjoining Units as Limited Common Areas, except to the extent that any such structural separations are necessary or contain facilities necessary for the support, use, or enjoyment of other parts of the Project. At any time, upon the request of the Owner of one of such adjoining Units, any opening between the two units which, but for joint utilization of the two Units, would have been occupied by structural separation, shall be closed, at the equal expense of the Owner or Owners of each of the two Units and the structural separations between the two Units shall thereupon become Common Areas.

D 4.04. Title. Title to a Condominium within the Project may be held or owned by any person or entity, or any combination thereof, and in any manner in which title to any other real property may be held or owned in the State of Utah, including without limitation joint tenancy or tenancy in common.

D 4.05. Ownership of Common Areas. The undivided interest in the Common Areas appurtenant to each Unit in the Project shall be as set forth in Exhibit A attached hereto. The percentages appurtenant to each Unit as shown in said Exhibit A shall have a permanent character and shall not be altered without the unanimous written consent of all Owners expressed in an amendment to this Declaration duly recorded. Except as otherwise provided in this Declaration, any Owner shall be entitled to nonexclusive use of the Common Areas (other than limited Common Areas) in any manner that does not hinder or encroach upon the rights of other Owners and is not contrary to any rules and regulations promulgated by

the Association. Except as otherwise provided in this Declaration, any Owner shall have the exclusive right to use and enjoy any Limited Common Areas that may be designated for exclusive use by such Owner.

D 4.06. Inseparability. Title to no part of a Condominium within the Project may be separated from any other part thereof, and each Unit and the undivided interest in the Common Areas appurtenant to each Unit shall always be conveyed, devised, encumbered, and otherwise affected only as a complete Condominium. Every devise, encumbrance, conveyance, or other disposition of a Condominium, or any part thereof, shall be construed to be a devise, encumbrance, conveyance, or other disposition, respectively, of the entire Condominium, together with all appurtenant rights created by law or by this Declaration, including appurtenant Membership in the Association as hereinafter set forth.

D 4.07. No Partition. The Common Areas shall be owned in common by all of the Owners, and no Owner may bring any action for partition thereof.

D 4.08. Separate Mortgages by Owners. Each Owner shall have the right separately to mortgage or otherwise encumber his Condominium. No Owner shall attempt to or shall have the right to mortgage or otherwise encumber the Common Areas or any part thereof, except the undivided interest therein appurtenant to his Condominium. Any mortgage or other encumbrance of any Condominium within the Project shall be subordinate to all of the provisions of this Declaration, and in the event of foreclosure the provisions of this Declaration shall be binding upon any Owner whose title is derived through foreclosure by private power of sale, judicial foreclosure, or otherwise.

D 4.09. Separate Taxation. Each Condominium within the Project, including each Unit and appurtenant undivided interest in the Common Areas, shall be deemed to be a parcel and shall be assessed separately for all taxes, assessments, and other charges of the State of Utah or of any political subdivision or of any special improvement district or of any other taxing or assessing authority. For purposes of such assessment, the valuation of the Common Areas shall be apportioned among the Units in proportion to the undivided interests in Common Areas appurtenant to such Units. All such taxes, assessments, and other charges on each respective Condominium shall be separately levied against the Owner thereof. No forfeiture or sale of any Condominium for delinquent taxes, assessments, or other governmental charges shall divest or in any way affect the title to any other Condominium.

D 4.10. Mechanics Liens. No labor performed or material furnished for use in connection with any Unit with the consent or at the request of an Owner or his agent or subcontractor shall create any right to file a statement of mechanic's lien against the Unit of any other Owner not expressly consenting to or requesting the same or against any interest.

in the Common Areas, except the undivided interest therein appurtenant to the Unit of the Owner for whom such labor shall have been performed and such materials shall have been furnished.

D 4.11. Description of Condominium. Every contract for the sale of a Condominium and every other instrument affecting title to a Condominium within the Project may describe a Unit by its identifying number or symbol as indicated in this Declaration or as shown on the Map. Such description will be construed to describe the Unit, together with its appurtenant undivided interest in the Common Areas, and to incorporate all of the rights incident to ownership of a Condominium within the Project and all of the limitations on such ownership.

ARTICLE V

EASEMENTS

D 5.01. Easements for Encroachments. If any part of the Common Areas encroaches or shall hereafter encroach upon any Unit, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas, or upon an adjoining Unit, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of the Common Areas or any part of a Unit shall hereafter encroach on real property now owned by the Declarant outside the Boundaries of the Land, an easement for such encroachment shall and does exist. Such encroachments shall not be considered to be encumbrances either on the Common Areas or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the Building or any improvements constructed or to be constructed within the Project, by error in the Map, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project, or any part thereof, in accordance with the provisions of this Declaration.

D 5.02. Easements for Maintenance, Cleaning, and Repair. Some of the Common Areas are or may be located within the Units or may be conveniently accessible only through the Units. The Association shall have the irrevocable right to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, cleaning, repair, or replacement of any Common Areas or for making emergency repairs at any time therein necessary to prevent damage to the Common Areas or to any Unit. In addition, agents of the Association may enter any Unit when necessary in connection with any cleaning, maintenance, repair, replacement, landscaping, construction, or reconstruction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Association with funds from the Common Expense Fund.

D 5.03. Right to Ingress, Egress, and Support. Each Owner shall have the right to ingress and egress over, upon, and across the Common Areas as necessary for access to such Owner's Unit and to any Limited Common Areas appurtenant to such Unit, and shall have the right to horizontal, vertical, and lateral support of such Unit, and such rights shall be appurtenant to and pass with title to each Condominium.

D 5.04. Association's Right to Use Common Areas. The Association shall have an easement to make such use of the Common Areas as may be necessary or convenient to perform the duties and functions that it is obligated or permitted to perform pursuant to this Declaration, including without limitation the right to construct and maintain in the Common Areas (other than Limited Common Areas) facilities for use by Owners generally or by the Association and its agents exclusively.

D 5.05. Easement for Completion of Project. The Declarant shall have a transferable easement over and on the Common Areas for the purpose of completing construction of the Project and making improvements therein as shown on the Map and for the purpose of doing all things reasonably necessary or appropriate in connection therewith. To the extent that damage is inflicted on any part of the Project by any person utilizing said easement, the Declarant and the person causing the damage shall be liable to the Association for the prompt repair of such damage.

D 5.06. Easements Deemed Created. All conveyances of Condominiums within the Project hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as are provided herein, even though no specific reference to such easements appears in any such conveyance.

ARTICLE VI

RESTRICTIONS ON USE

D 6.01. Primary Residential Use. All units within the Project shall be used exclusively for primary residential and for no other purpose.

D 6.02. No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on, in or upon any part of the Project, nor shall anything be done or placed in or upon any part of the Project which is or may become a nuisance or which may cause disturbance or annoyance to Owners. No activities shall be conducted, nor improvements constructed, in or upon any part of the Project which are or may become unsafe or hazardous to any person or property.

D 6.03. Restriction on Signs. No signs, flags, or advertising devices of any nature, including without limitation commercial, political, informational, or directional signs or devices, shall be erected or maintained on any part of the Project, without the prior inspection and written approval of the Association, except as may be necessary temporarily

to caution or warn of danger. If the Association consents to the erection of any such signs or devices, the same shall be removed promptly at the request of the Association.

D. 6.04. Pets and Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept in any unit or in the Common Areas except that household pets may be kept or housed in units when expressly permitted in writing by the Board of Trustees. Each owner who desires to keep a pet in his unit shall apply in writing to the Board of Trustees for permission to keep such pet. In no event shall any pet be permitted in any portions of the Common Areas unless carried or on a leash. Each owner who keeps a pet in a unit shall indemnify and hold all other owners harmless against any loss or liability of any kind or character whatsoever arising from or as a result of having such pet in the Project. If a pet disturbs other owners by barking or biting or in other ways becoming obnoxious, the Board of Trustees will give notice to the owner of such pet to cause such annoyance to be discontinued; and if such annoyance is not discontinued and corrected, the Board of Trustees may revoke its permission to keep the pet in the Project and the pet shall be removed therefrom.

D 6.05. No Alterations. No Owner shall, without the prior written consent of the Association in each specific instance, make or cause to be made any alteration, addition, removal, or improvement in or to the Common Areas or any part thereof, or do any act that would impair the structural soundness or integrity of the Buildings or jeopardize the safety of persons or property or impair any easement or hereditament appurtenant to the Project; provided that the Owners shall have the right to landscape the Limited Common Areas appurtenant to their respective units without obtaining in each specific instance the prior written consent of the Association so long as any landscaping undertaken in such Limited Common Areas is completed in a timely fashion, does not detract from the attractiveness of the Project as a whole, does not create a harmful or unsafe condition, and does not result in an increase in the cost of insurance on the Common Areas of the Project.

D 6.06. No Obstructions. No Owner shall obstruct the Common Areas or any part thereof. No Owner shall store or cause to be stored in the Common or Limited Common Areas any property whatsoever, including recreation vehicles such as trucks, camper shells, boats, trailers, snowmobiles, motorcycles, or vehicles under repair or otherwise not used for ordinary daily transportation, unless the Association shall consent thereto in writing.

D 6.07. No Overloading . No Owner shall bring anything into his Unit or permit anything to be done in his Unit that will cause damage to the Building. No Owner shall overload the floor of his Unit. No Owner shall permit the use or operation in his Unit of any equipment, machinery, or other apparatus that will in any manner injure, vibrate, or shake the Building or portions thereof.

D 6.08. Prohibition of Damage and Certain Activities. Except with the prior written consent of the Association, nothing shall be done or kept in any Unit, in the Common Areas, or in any other part of the Project that would result in cancellation of the insurance on the Project or any part thereof, nor shall anything be done or kept in any Unit that would increase the rate of insurance on the Project or any part thereof over that which the Association, but for such activity, would pay. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirement of any governmental authority. No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Owner or guest of any Owner, and each Owner shall indemnify and hold harmless the Association and the other Owners from and against all loss resulting from any such damage or waste caused by such Owner or by the guests, tenants, licensees, or invitees of such Owner.

D 6.09. No Commercial Business. No commercial business shall be permitted within the project.

D 6.10. No Lease for Transient or Hotel Purposes. With the exception of a lender in possession of a condominium unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no unit owner shall be permitted to lease his unit for transient or hotel purposes. No unit owner shall lease less than the entire unit. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, the Articles, and the Bylaws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing.

D 6.11. Rules and Regulations. Each Owner shall comply strictly with all rules and regulations adopted by the Association for the governance of the Units, the Common Areas, and the Project, as such rules and regulations may be modified, amended, and construed by the Association in the sole discretion of its Board of Trustees.

D 6.12. Construction Period Exemption. During the course of actual construction of any permitted structures or improvements within the Project, the provisions, covenants, conditions, and restrictions contained in this Declaration shall be deemed waived to the extent necessary or convenient to permit such construction; provided, however, that during the course of such construction, nothing shall be done which will result in a violation of any said provisions, covenants, conditions, or restrictions upon completion of the construction.

ARTICLE VII

THE ASSOCIATION

D 7.01. Membership. Each Owner shall be entitled and required to be a Member of the Association; Membership shall begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Condominium is held by more than one person, the Membership appurtenant to that Condominium shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which title to the Condominium

is held. An Owner shall be entitled to one Membership for each Condominium owned by him. Each Membership shall be appurtenant to the Condominium to which it relates and shall be transferred automatically by conveyance of that Condominium. Ownership of a Condominium within the Project cannot be separated from Membership in the Association appurtenant thereto, and any devise, encumbrance, conveyance, or other disposition of a Condominium shall be construed to be a devise, encumbrance, conveyance, or other disposition, respectively, of the Owner's Membership in the Association and rights appurtenant thereto. No person or entity other than an Owner may be a Member of the Association, and Membership in the Association may not be transferred except in connection with the transfer of a condominium.

D 7.02. Board of Trustees. Until such time as the responsibility for electing the Trustees of the Association is turned over to the Owners in accordance with Utah law, the Declarant shall have the exclusive right to appoint and to remove all such Trustees. This exclusive right shall terminate after the first to occur of the following:

(a) Six years from the date on which this Declaration is recorded, or

(b) After units to which three-fourths (3/4) of the undivided interest in the common areas and facilities appertain have been conveyed.

D 7.03. Votes. The number of votes appurtenant to each respective condominium shall be as set forth in Exhibit A attached hereto and by this reference made a part hereof. The number of votes appurtenant to each Condominium as set forth in said Exhibit A shall have a permanent character and shall not be altered without the unanimous written consent of all Owners expressed in a duly recorded amendment to this Declaration.

D 7.04. Amplification. The provisions of this Article VII may be amplified by the Articles of Incorporation and Bylaws of the Association; provided, however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners set forth in this Declaration. The initial Bylaws of the Association shall be in the form of Exhibit B attached hereto and by this reference made a part hereof.

ARTICLE VIII

CERTAIN RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

D 8.01. The Common Areas. The Association, subject to the rights and duties of the Owners as set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including the Common Facilities), and shall keep the same in a good, clean, attractive, safe, and sanitary condition, order, and repair; provided, however, that each Owner shall keep the Limited Common Areas designated for use in connection with his

Unit, if any, in a good, clean safe, sanitary, and attractive condition. The Association shall be responsible for the maintenance and repair of the exterior of the buildings and grounds, including without limitation painting thereof, repair and replacement of exterior trim and roofs and fences, and maintenance of landscaping, walkways, driveways, and parking areas (except that the Owners shall be responsible for the maintenance, upkeep and replacement of all landscaping located in the Limited Common Areas appurtenant to their respective units). The Association shall also be responsible for maintenance, repair, and replacement of Common Areas within the Buildings, including without limitation landings, stairways, utility lines, Common Facilities, and all improvements and other items located within or used in connection with the Common Areas. The specification of duties of the Association with respect to particular Common Areas shall not be construed to limit its duties with respect to other Common Areas. All goods and services procured by the Association in performing its responsibilities under this Section shall be paid for with funds from the Common Expense Fund.

D 8.02 Manager. The Association may, by written contract, delegate in whole or in part to a professional Manager such of the Association's duties, responsibilities, functions, and powers hereunder as are delegable. The services of any Manager retained by the Association shall be paid for with funds from the Common Expense Fund. Any management agreement for the Project will be terminable by the Association for cause upon thirty (30) days written notice thereof, and the term of any such agreement may not exceed one year, renewable by agreement of the parties for successive one-year periods.

D 8.03. Miscellaneous Goods and Services. The Association may obtain and pay for the services of such personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration. In addition to the foregoing, the Association may acquire and pay for out of the Common Expense Fund water, sewer, garbage collection, electrical, gas, and other necessary or desirable utility services for the Common Areas (and for the Units to the extent not separately metered or billed), insurance, bonds and other goods and services common to the units.

D 8.04. Real and Personal Property. The Association may acquire and hold real, personal, and mixed property of all types for the use or benefit of all of the Owners and may dispose of such property by sale or otherwise. All such property, including Common Facilities, shall be paid for out of the Common Expense Fund and all proceeds from the disposition thereof shall be part of such fund.

D 8.05. Rules and Regulations. The Association may make reasonable rules and regulations governing the use of the Units, the Common Areas, the Limited Common Areas, and all parts of the Project, which rules and regulations shall be consistent with the rights and duties established by this Declaration. The Association may take judicial action against any Owner to enforce compliance with such rules and regulations or other obligations of such Owner arising hereunder, or to obtain damages for noncompliance herewith, as permitted by law. In the event of such judicial action, the Association shall be entitled to recover its costs, including reasonable attorneys' fees, from the offending Owner.

D 8.06. Granting Easements. The Association may, without the vote or consent of the Owners or of any other person, grant or create, on such terms as it deems advisable, utility and similar easements and rights-of-way over, under, across, and through the Common Areas.

D 8.07. Statutory Duties and Powers. All duties, responsibilities, rights, and powers imposed upon or granted to the "management committee" or to the "manager" under the Condominium Act shall be duties, responsibilities, rights, and powers of the Association hereunder.

D 8.08. Implied Rights. The Association may exercise any right, power, or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonably implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE IX

ASSESSMENTS

D 9.01 Agreement to Pay Assessments. The Declarant, for each Condominium owned by it within the Project, and for and as the owner of the Project and every part thereof, hereby covenants and each Owner of any Condominium by the acceptance of instruments of conveyance and transfer therefor, whether or not it be so expressed in said instruments, shall be deemed to covenant and agree with each other and with the Association to pay to the Association all assessments made by the Association for the purposes provided in this Declaration. Such assessments shall be fixed, established, and collected from time to time as provided in this Article IX.

D 9.02. Annual Assessments. Annual Assessments shall be computed and assessed against all Condominiums in the Project as follows:

(a) Common Expense. Annual Assessments shall be based upon advance estimates of the Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with maintenance and operation of the Common Areas and/or furnishing utility services and other common items to the Units. Such estimated expenses

may include, among other things, the following: Expenses of management; real property taxes and special assessments (unless and until the Condominiums are separately assessed); premiums for all insurance that the Association is required or permitted to maintain hereunder; repairs and maintenance; wages for Association employees, including fees for a Manager (if any); utility charges, including charges for utility services to the Units to the extent not separately metered or billed; legal and accounting fees; any deficit remaining from a previous period; creation of a reasonable contingency reserve, major maintenance reserve, and/or sinking fund; creation of an adequate reserve fund for maintenance repairs, and replacement of those Common Areas and Facilities that must be replaced on a periodic basis, and such reserve shall be funded by monthly payments rather than extraordinary special assessments; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration. Such shall constitute the Common Expense, and all funds received from assessments under this Section 9.02 shall be part of the Common Expense Fund.

(b) Apportionment. Expenses attributable to the Common Expense or to the Project as a whole shall be apportioned among and assessed to all Owners in proportion to their respective undivided interests in the Common Areas. The Declarant shall be liable for the amount of any assessments against Condominiums owned by it.

(c) Annual Budget. Annual Assessments shall be determined on the basis of a fiscal year beginning January 1 and ending December 31 next following; provided the first fiscal year shall begin on the date of this Declaration. On or before December 15, of each year thereafter, the Association shall prepare and furnish to each Owner, or cause to be prepared and furnished to each Owner, an operating budget for the upcoming fiscal year. The budget shall itemize the estimated expenses of Common Expense for such fiscal year, anticipated receipts (if any), and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the Annual Assessment for the upcoming fiscal year and as the major guideline under which the Project shall be operated during such annual period. Such budgets shall be unnecessary for Annual Assessments relative to, or for operation of the Project during, any operating period ending before January 1, 1982.

(d) Notice and Payment. Annual Assessments shall be levied on the basis of a fiscal year beginning January 1 and ending December 31 next following; provided the first fiscal year shall begin on the date of this Declaration. Except with respect to the first fiscal year, the Association shall notify each Owner as to the amount of the Annual Assessment against his Condominium on or before December 15 each year for the fiscal year beginning on January 1 next following. Each annual Assessment shall be payable in three equal installments, one such installment due on the first day of January, May and September during the fiscal year to which the assessment relates; provided, however, the Annual Assessment for the first fiscal year shall be based upon such portion of the first fiscal year and shall be payable in such installments and at such times as the Association, in the sole discretion of its Board of Trustees, may determine.

All unpaid installments of any Annual Assessment shall bear interest at the rate of fifteen percent (15%) per annum from the date each such installment becomes due until paid. In the event that any installment of any Annual Assessment is not paid on the date such installment becomes due, it shall be subject to a penalty for late payment of three dollars (\$3.00) per day from the date each such installment becomes due until paid. The failure of the Association to give timely notice of any Annual Assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay such assessment or any other assessment; but the date when the payment shall become due in such case shall be deferred to a date fifteen (15) days after notice of such assessment shall have been given to the Owner in the manner provided in this Declaration.

(e) Inadequate Funds. In the event that the Common Expense Funds proves inadequate at any time for whatever reason, including non-payment of any Owner's assessment, the Association may levy additional assessments in accordance with the procedure set forth in Section 9.03 below, except that the vote therein specified shall be unnecessary.

D 9.03. Special Assessments. In addition to the Annual Assessments authorized by this Article, the Association may levy, at any time and from time to time, upon affirmative vote of at least fifty-one percent (51%) of the Total Votes of the Association, Special Assessments, payable over such periods as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration (including without limitation Common Expenses). This Section shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections or Articles hereof. Any amounts assessed pursuant hereto shall be assessed to owners in proportion to their respective undivided interests in the Common Areas. Notice in writing of the amount of each such Special Assessment and the time for payment thereof shall be given promptly to the Owners; no payment shall be due less than fifteen (15) days after such notice shall have been given. All unpaid portions of any Special Assessment shall bear interest at the rate of fifteen percent (15%) per annum from the date such portions become due until paid. In the event that any Special Assessment is not paid on the date such Special Assessment becomes due, it shall be subject to a penalty for late payment of three dollars (\$3.00) per day from the date each such Special Assessment becomes due until paid. All funds received from assessments under this Section shall be part of the Common Expense Fund.

D 9.04. Lien for Assessments. All sums assessed to Owners of any Condominium within the Project pursuant to the provisions of this Article IX, together with interest thereon as provided herein, shall be secured by a lien on such Condominium in favor of the Association. To evidence a lien for

sums assessed pursuant to this Article IX, the Association may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Condominium, and a description of the Condominium. Such a notice shall be signed and acknowledged by a duly authorized officer of the Association and may be recorded in the office of the County Recorder of Cache County, State of Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property may be foreclosed under the laws of the State of Utah. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees) and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessments against the Condominium which shall become due during the period of foreclosure, and all such assessments shall be secured by the lien being foreclosed. The Association shall have the right and power to bid in at any foreclosure sale, and to hold, lease, mortgage, or convey the subject Condominium.

D 9.05. Personal Obligation of Owner. The amount of any Annual or Special Assessment against any Condominium shall be the personal obligation of the Owner of such Condominium to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No owner may avoid or diminish any such personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of his Condominium or by waiving any services or amenities provided for in this Declaration. In the event of any suit to recover a money judgment for unpaid assessments hereunder, the involved Owner shall pay the costs and expenses incurred by the Association in connection therewith, including reasonable attorneys' fees.

D 9.06. Statement of Account. Upon payment of a reasonable fee not to exceed \$10.00 and upon written request of any Owner, Mortgagee, or prospective purchaser of a Condominium, the Association shall issue a written statement setting forth the following: The amount of the unpaid assessments, if any, with respect to such Condominium; the amount of the current Annual Assessment and the date or dates upon which installments thereof become due; credit for advanced payments or prepaid items, including without limitation the Owner's share of prepaid insurance premiums. Such statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith.

D 9.07. Personal Liability of Purchaser. Subject to the provisions of Section 9.06, a purchaser of a Condominium shall be jointly and severally liable with the seller thereof for all unpaid assessments against such Condominium up to the time of the grant or conveyance; provided, however, that the provisions of this Section shall not prejudice the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

D 9.08. Amendment of Article. This Article IX shall not be amended unless the Owners of all Condominiums in the Project unanimously consent and agree to such amendment in a duly recorded instrument.

ARTICLE X

INSURANCE

D 10.01. Types of Insurance. The Association shall obtain and keep in full force and effect at all times the following types of insurance coverage, provided by companies licensed to do business in the State of Utah:

(a) Master Property Insurance. The Association shall obtain and maintain a "master" or "blanket" policy of property insurance equal to a full replacement value (i.e., 100% of current "replacement cost" exclusive of land, foundation, excavation and other items normally excluded from coverage) of the Project (including all building service equipment and the like and any fixtures or equipment within the condominium unit which is financed under the mortgage) with an Agreed Amount Endorsement or its equivalent, if available, or an Inflation Guard Endorsement, and an Increased Cost of Construction Endorsement, and other endorsements as necessary. Such insurance shall afford protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage; and such other risks as are customarily covered in similar projects. All policies or property insurance shall provide that, despite any provisions giving the insurance carrier the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable without the prior written approval of the Association (or any Insurance Trustee) or when in conflict with the provisions of any Insurance Trust Agreement to which the Association may be a party, or any requirement by law. Any blanket policy of property insurance shall contain or have attached a standard mortgage clause (without contribution) customarily used in the area in which the Project is located.

(b) Public Liability Insurance. The Association shall obtain and maintain a comprehensive policy of public liability insurance covering all of the Common Areas and Facilities in the Project, with a Severability of Interest Endorsement or equivalent coverage which would preclude the company from denying the claim of a unit owner because of the negligent acts of the Association or another unit owner, (not less than \$1,000,000 covering all claims for personal injury and/or property damage arising out of a single occurrence), including protection against water damage liability, liability for non-owned and hired automobile, liability for property of others, and such other risks as are customarily covered in similar projects.

D 10.03. Custody of Insurance Policies. The Association shall provide a copy of the "master" or "blanket" policy of property insurance, a copy of the comprehensive policy of public liability insurance, and an appropriate certificate or memorandum of insurance as to each unit in the Project to each unit owner.

D 10.04. Additional Coverage. The provisions of this Declaration shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage in addition to any insurance coverage required by this Declaration, in such amounts and in such forms as the Association may deem appropriate from time to time.

D 10.05. Owner's Own Insurance. Each Owner, at his own expense, may procure and maintain at all times fire and extended coverage insurance covering personal property of such owner and additional fixtures and improvements added by such owner against loss by fire and other casualties, including without limitation vandalism and malicious mischief. All policies providing such casualty insurance shall provide that they do not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Article. Notwithstanding the provisions hereof, each Owner may obtain insurance at his own expense providing such other coverage upon his Condominium, his personal property, for his personal liability, and covering such other risks as he may deem appropriate; provided that each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Article. If obtainable under industry practice without an unreasonable additional charge for such waiver, all such insurance shall contain a waiver of the insurance company's right of subrogation against the Association, the Declarant, the Manager, other Owners, and their respective servants, agents, and guests.

D 10.06. Review of Insurance. The Association shall review annually the coverage and policy limits of all insurance on the Project and adjust same at its discretion. Such annual review may include an appraisal of the improvements in the Project by a representative of the insurance carrier or carriers providing the policy or policies on the Project, or by such other qualified appraisers as the Association may select.

ARTICLE XI

DAMAGE OR DESTRUCTION

D 11.01. Association as Attorney in Fact. All of the Owners irrevocably constitute and appoint the Association their true and lawful attorney in fact in their name, place, and stead for the purpose of dealing with the Project upon its damage or destruction as hereinafter provided. Acceptance by any grantee of a deed from the Declarant or from any Owner shall constitute an appointment by said grantee of the Association as

his attorney in fact as herein provided. As attorney in fact, the Association shall have full and complete authorization, right, and power to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an Owner which may be necessary or appropriate to exercise the powers herein granted.

D 11.02. Definition of Repair and Reconstruction. Repair and reconstruction of the improvements as used herein means restoring the Project to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas having substantially the same vertical and horizontal boundaries as before.

D 11.03. Procedures. In the event any part of the Project is damaged or destroyed, the Association shall proceed as follows:

(a) Notice to First Mortgage Holders. The Association shall give timely written notice to any institutional holder of any first mortgage on a unit in the event of substantial damage to or destruction of any unit or any part of the Common Areas.

(b) Estimate of Costs. As soon as practicable after an event causing damage to or destruction of any part of the Project, the Association shall obtain complete and reliable estimates of the costs to repair and reconstruct that part of the Project damaged or destroyed.

(c) Sufficient Insurance. If the proceeds of the insurance maintained by the Association exceed the estimated costs to repair and reconstruct the damaged or destroyed part of the Project, such repair and reconstruction shall be carried out. In the event the proceeds of such insurance prove insufficient to pay the actual costs of such repair and reconstruction, the Association shall levy a Special Assessment sufficient to provide funds to pay such actual costs of repair and reconstruction. Such Special Assessment shall be allocated and collected as provided in Section 9.03 hereof, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected (together with the proceeds of insurance) are insufficient to pay all actual costs of such repair and reconstruction.

(d) Insufficient Insurance -- Less Than 75% Destruction. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project and if less than seventy-five percent (75%) of a Building is damaged or destroyed, such repair and reconstruction shall nevertheless be carried out. The Association shall levy a Special Assessment sufficient to provide funds to pay the actual costs of such repair and reconstruction to the extent that such insurance proceeds are insufficient to pay such costs. Such Special Assessment shall be allocated and collected as provided in Section 9.03 hereof, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected (together with the proceeds of insurance) are insufficient to pay all actual costs of such repair and reconstruction.

(e) Insufficient Insurance --75% of More Destruction.

If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project and if seventy-five percent (75%) or more of a Building is damaged or destroyed, such damage or destruction shall be repaired and reconstructed as provided in Section 11.03 (c) hereof if, but only if, within one hundred (100) days following the damage or destruction, the Owners shall elect by a vote of at least seventy-five percent (75%) of the Total Votes of the Association to carry out such repair and reconstruction. If, however, the Owners shall not, within one hundred (100) days after such damage or destruction, elect by a vote of at least seventy-five percent (75%) of the Total Votes of the Association to carry out such repair and reconstruction, the Association shall record in the office of the County Recorder of Cache County, State of Utah, a notice setting forth such facts. Upon the recording of such notice, the following shall occur:

(i) The Project shall be deemed to be owned in common by the Owners;

(ii) The undivided interest in the Project owned in common which shall appertain to each Owner shall be the percentage of the undivided interest previously owned by such Owner in the Common Areas;

(iii) Any liens affecting any of the Condominiums shall be deemed to be transferred, in accordance with the existing priorities, to the undivided interest of the respective Owner in the Project; and

(iv) The Project shall be subject to an action for partition at the suit of any Owner, in which event the net proceeds of any sale resulting from such suit for partition, together with the net proceeds of the insurance on the Project, if any, shall be considered as one fund and shall be divided among all Owners in a percentage equal to the percentage of undivided interest owned by each respective Owner in the Common Areas, as set forth in Exhibit A hereto, after first paying out of the respective share of each Owner, to the extent sufficient for the purposes, all liens on the undivided interest in the Project owned by such Owner.

(f) In no event shall an owner of a unit or any other party have priority over the institutional holder of any first mortgage on such unit with respect to the distribution to such unit of any insurance proceeds.

D 11.04. Repair or Reconstruction. If the damage or destruction is to be repaired and reconstructed as provided above, the Association shall, as soon as practicable after receiving the said estimate of costs, commence and diligently pursue to completion the repair and reconstruction of that part of the Project damaged or destroyed. The Association may take all necessary or appropriate action to effect repair and reconstruction, as attorney in fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith, except as otherwise expressly provided herein. The Project shall be restored or repaired to substantially the same condition in

which it existed prior to the damage or destruction, with each Unit and the Common Areas having the same vertical and horizontal boundaries as before.

D 11.05. Disbursement of Funds for Repair and Reconstruction. If repair or reconstruction is to occur, the insurance proceeds held by the Association and any amounts received from assessments made pursuant to Sections 11.03 (c) and (d) hereof shall constitute a fund for the payment of costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for cost of repair and reconstruction shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to their respective percentages of Ownership of the Common Areas.

D 11.06. Amendment of Article. This Article XI shall not be amended unless the Owners of all Condominiums in the Project unanimously consent and agree to such amendment by duly executed and recorded instruments

ARTICLE XII

MORTGAGE PROTECTION

D 12.01. Matters Requiring Prior Mortgage Holder Approval. The prior written approval of at least seventy-five percent (75%) of all institutional holders which have a first mortgage lien on units in the Project, based on one vote for each mortgage, shall be required for the following:

(a) The abandonment or termination of the Project, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(b) Any material amendment to the Declaration, the Articles, or to the Bylaws, including, but not limited to, any amendment which would change the percentage interests of the unit owners in the Project.

D 12.02. Partitioning and Subdividing of Units. No unit in the Project may be partitioned or subdivided without the prior written approval of the holder of any first mortgage lien on such unit.

D 12.03. Subordination of Common Expense Lien. Any lien which the Association may have on any unit in the Project for the payment of common expense assessments attributable to such unit shall be subordinate to the lien or equivalent security interest of any first mortgage on the unit recorded prior to the date of any such common expense assessments become due.

D 12.04. Information Made Available to Mortgage Holder Upon Request. Any institutional holder of a first mortgage on a unit in the Project shall, upon request, be entitled to: (a) inspect the books and records of the Association during normal business hours; and (b) receive an annual audited financial statement of the Association within 90 days following the end of any fiscal year of the Project; and (c) written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

D 12.05. Priority of Mortgage Holder in Event of Damage. In the event of substantial damage to or destruction of any unit or any part of the common areas and facilities, the institutional holder of any first mortgage on a unit shall be entitled to timely written notice of any such damage or destruction and no provision of the Declaration, Articles, or Bylaws or any amendment thereto shall entitle the owner of a unit or other party to priority over such institutional holder with respect to the distribution to such unit of any insurance proceeds.

D 12.06. Priority of Mortgage Holder in Event of Condemnation. If any unit or portion thereof or the common areas and facilities or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the institutional holder of any first mortgage on a unit shall be entitled to timely written notice of any such proceeding or proposed acquisition and no provision of the Declaration, Articles, or Bylaws or any amendment thereto, shall entitle the Owner of a unit or other party to priority over such institutional holder with respect to the distribution to such unit of the proceeds of any award or settlement.

D 12.07. Mortgage Holder Rights in Event of Foreclosure. Each holder of a first mortgage lien on a unit who comes into possession of the unit by the virtue of mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the unit free of any claims for unpaid assessments and charges against the unit which accrue prior to the time such holder comes into possession of the unit, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all units in the Project, including the mortgaged unit.

D 12.08. Notice of First Mortgage Holders. The Association shall give institutional holders for first mortgages prompt notice of any default in the unit mortgagor's obligations under the condominium documents not cured within thirty (30) days of default.

D 12.09. Amendment. No provision of this Article XII shall be amended without the prior written consent of at least seventy-five percent (75%) of all institutional holders which have a first mortgage on any unit in the Project, based on one vote for each mortgage.

ARTICLE XIII

COMPLIANCE WITH DECLARATION AND BYLAWS

D 13.01. Compliance. Each Owner shall comply strictly with the provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association, rules and regulations promulgated by the Association, and the decisions and resolutions of the Association adopted pursuant thereto, as the same may lawfully be modified and amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due for damages or for injunctive relief or for both, maintainable by the Association or, in a proper case, by an aggrieved Owner.

D 13.02. Enforcement and Remedies. The obligations, provisions, covenants, restrictions, and conditions contained in this Declaration, or in any Supplemental or Amended Declaration, with respect to the Association or Condominiums within the Project shall be enforceable by the Declarant or by any Owner of a Condominium within the Project, subject to this Declaration, by a proceeding for a prohibitive or mandatory injunction. The obligations, provisions, covenants, restrictions, and conditions contained in this Declaration, or in any Supplemental or Amended Declaration, with respect to a person or entity or property of a person or entity other than the Association or the Declarant shall be enforceable by the Declarant or by the Association or, in a proper case, by an aggrieved Owner by a proceeding for a prohibitive or mandatory injunction or by a suit or action to recover damages or to recover any amount due or unpaid.

ARTICLE XIV

EXPANDABLE CONDOMINIUM

D 14.01. Reservation of Right to Expand. The Declarant hereof expressly reserves the option and right to expand the Courtyard Condominium pursuant to Section 57-8-13.6 of the Act or use of the Common Area for access and subject to the provisions of this Article:

(a) Consent of Owners or Mortgagees Not Required. The consent of the unit owners in the Project or mortgagees shall not be required for such expansion and the Declarant may proceed with such expansion at its sole option;

(b) Expiration of Right to Expand. This option to expand the Project or use of the Common Area for access shall expire seven (7) years after the recording of this Declaration; however, the

Declarant may, at any time prior to the expiration of such period, terminate its option to expand by recording among the land records wherein this Declaration is recorded an executed and notarized document terminating this option.

D 14.02. Description of Additional Land. The additional land which may, at the option of Declarant, be made part of the Project or allowed use of the Common Area for access is located in Cache County, State of Utah, and is more particularly described as follows, to-wit:

Parcel 1 - Beginning at a point 7.5 rods South of the Northwest corner of Block 49, Plat "A" Logan City Survey and running then South 3 rods; then East 285 feet more or less to the west bank of the Logan and Hyde Park Canal; then Northeasterly along said canal to a point due East of the point of beginning; then West to the point of beginning in Section 34 T12NR1E. Salt Lake Meridian.

Parcel 2 - Beginning at a point 289.5 feet South of the Northwest corner of Block 49, Plat "A" Logan City Survey and running then South 3 rods; then East 9 rods; then North 3 rods; then West to the point of beginning. Section 34 T12NR1E Salt Lake Meridian.

D 14.03. Declarant's Right to Add All or Portions of Additional Land. The Declarant need not add all or any portion of the additional land to the Project; however, the Declarant may, at its sole discretion and without limitation, add all or any portion or portions of the additional land to the Project and may do so at different times.

D 14.04. Location of Improvements. Declarant makes no assurance as to the locations of any improvements that may be made on any portions of the additional land added to the Project.

D 14.05. Maximum Number of Units. The additional land shall contain no more than eight (8) residential condominium units.

D 14.06. Compatibility with Structures in Initial Project. Although Declarant may erect structures on any portion of the additional land added to the Project that will be compatible with the structures on the land initially within the Project, Declarant makes no assurances in those regards. Declarant hereby reserves the right to select the design and configuration of any improvements erected on any portion of the additional land added to the Project or Common Area that in the judgment of the Declarant may be required to achieve the best development of the Project and additional land.

D 14.07. Other Improvements. Other improvements to be placed on the additional land shall be limited to structures allowed by Logan City Zoning, parking, recreational, maintenance and service facilities.

D 14.08. Units Not Identical to Initial Units. Although Declarant may create units and convertible spaces in the improvements on the additional land that will be compatible with the units initially constructed within the Project, Declarant makes no assurances as to whether units and convertible spaces that may be created in the improvements on the additional land will be compatible with or identical to units initially constructed within the Project.

D 14.09. Limited Common Areas. The Declarant hereby reserves the right, in its sole discretion and without limitation, to create Limited Common Areas within any portion of the additional land and to designate Common Areas and Common Facilities therein which may subsequently be assigned as Limited Common Areas for the purpose of making parking spaces, carports, patios, decks, entries, and such other traditional types of Limited Common Areas as the Declarant may see fit to create.

D 14.10. Convertible Spaces. The Declarant hereby reserves the right, in its sole discretion and without limitation, to create convertible spaces within any structure constructed on any portion of the Additional Land which may hereafter be added to the Project. Declarant shall not be required to obtain the consent of the Owners or mortgagees prior to creating such convertible spaces. Further, the Declarant reserves the sole and exclusive right to convert any convertible spaces so created to Units, Common Areas and Limited Common Areas; provided that Declarant does so in compliance with the requirements set forth in Section 57-8-13.4 of the Act.

D 14.11. Withdrawable Land. The Declarant hereby reserves the right, in its sole discretion and without limitation, to create withdrawable land within any portion of the Additional Land which may hereafter be added to the Project. Declarant shall not be required to obtain the consent of the Owners or mortgagees prior to creating such withdrawable land. Further, the Declarant reserves the sole and exclusive right to withdraw all or any portion or portions of any withdrawable land so created from the Project; provided that Declarant does so in compliance with the requirements set forth in Section 57-8-13.8 of the Act.

ARTICLE XV

GENERAL PROVISIONS

D 15.01. Intent and Purpose. The provisions of this Declaration, and any Supplemental or Amended Declaration, shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of a Condominium Project. Failure to enforce any provision, restriction, covenant, or condition contained in this Declaration, or in any Supplemental or Amended Declaration, shall not operate as a waiver of any such provision, restriction, covenant, or condition or of any other provisions, restrictions, covenants, or conditions.

D 15.02. Construction. The provisions of this Declaration shall be in addition and supplemental to the provisions of the Condominium Act and all other provisions of law. Whenever used herein, unless the context shall otherwise require, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both genders. The Article and Section headings set forth herein are for convenience and reference only and are not intended to expand, limit, or otherwise affect the meaning or interpretation of this Declaration or any provision hereof. 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.

D 15.03. Notices and Registration of Mailing Address. Each Owner shall register from time to time with the Association his current mailing address. All notices, demands, and other communications to any Owner as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally served or if sent by first class U.S. mail, postage prepaid, addressed to the Owner at his registered mailing address, or if no address has been registered, to the Unit of such Owner. All notices, demands, and other communications to the Association as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally served or if sent by first class U.S. mail, postage prepaid, addressed to the Association at its office, or to such other address as the Association may hereafter specify to the Owners in writing. Any notice, demand, or communication referred to in this Declaration shall be deemed to have been given and received when personally served or when deposited in the U.S. mail, postage prepaid, and in the form provided for in this Section, as the case may be.

D 15.04. Audit. Any Owner may at any reasonable time, upon appointment and at his own expense, cause an audit or inspection to be made of the books and records maintained by the Association. The Association, at the expense of the Common Expense Fund, shall obtain an audit, by certified public accountants, of all books and records pertaining to the Project at no greater than annual intervals, and copies thereof shall be furnished to the Owners.

D 15.05. Amendment. Except as otherwise provided herein, this Declaration may be amended if Owners holding at least seventy-five percent (75%) of the Total Votes in the Association consent and agree to such amendment by instruments which are duly recorded in the office of the County Recorder of Cache County, State of Utah, provided that the prior written approval of at least seventy-five percent (75%) of all institutional holders which have a first mortgage lien on any unit in the Project, based on one vote for each mortgage, shall be required before making any material amendment to the Declaration, the Articles, or the Bylaws, including but not limited to any amendment which would change the percentage interests of the Unit owners in the Project.

D 15.06. Effective Date. This Declaration shall take effect upon recording.

D 15.07. Agent for Service. The name and address of the person to receive service of process in all cases provided by the Condominium Act shall be the registered agent and address of the Association as shown on the official corporate records maintained in the office of the Secretary of State of the State of Utah. On the date of this Declaration, the registered agent of the Association is Kenneth Jones, whose address is 1738 East 8080 South, Sandy, Utah 84092.

D 15.08. Limitation on Association's Liability. The Association shall not be liable for any failure of water service or other utility service (if any) to be obtained and paid for by the association hereunder, or for injury or damage to any person or property caused by the elements or by another Owner or person in or upon the Project, or resulting from electricity, water, rain, snow, or ice which may leak or flow from outside or from any parts of the Building or its drains, pipes, conduits, appliances, or equipment, or from any other place, unless caused by the grossly negligent or willful misconduct of the Association. No diminution or abatement of any assessments under this Declaration shall be claimed or allowed for inconvenience or discomfort arising from the making of any repairs or improvements to or maintaining the Project or any part thereof, or from any action taken to comply with the provisions of this Declaration or with the laws, ordinances, regulations, rules, or order of any governmental authority.

D 15.09. Owner's Obligations. All obligations of an Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may be leasing, renting, or selling under contract his Condominium. The Owner of a Condominium within the Project shall have no obligation for expenses or other obligations accruing after he conveys such Condominium.

D 15.10. Model Units, Sales Offices and Advertising Signs. Declarant and Declarant's duly authorized agents, representatives and employees shall have the right to establish and maintain model units and sales offices on the land within the Project, and the right to use such model units and sales offices during the period that units in the Project remain

unsold. No more than one model unit and one sales office will be established and maintained by Declarant in the Project at any given time. Declarant reserves the right to relocate the same from time to time within the Project. Declarant further reserves the right to maintain advertising signs on the Project and to place the same in any location, and to relocate, replace, and remove the same at the sole discretion of Declarant during the period that units in the Project remain unsold.

D 15.11 Abandonment. The prior written approval of at least seventy-five percent (75%) of all institutional holders which have a first mortgage lien on any unit in the Project, based on one vote for each mortgage, shall be required before the Project may be abandoned or terminated as provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain.

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

DECLARANT:
Kenneth Jones

By Kenneth Jones

STATE OF UTAH }
County of Cache } ss.

On the 28th day of May, 1981, personally appeared before me KENNETH JONES, and being duly sworn by me declared that he is the person who signed the foregoing document as DECLARANT and the statements therein contained are true and correct.

Carole H. Platis
Notary Public
Residing at:

My Commission Expires:

June 16, 1982



CONSENT OF MORTGAGEE
TO SUBMIT PROPERTY TO CONDOMINIUM OWNERSHIP

First Security Bank of Utah, N.A., the undersigned, a corporation of the United States, with its office at 15 South Main Street, Logan, Utah, being the Trustee and Beneficiary of the Trust Deed affecting the real property hereinbefore submitted by Declarant to the provisions of the Utah Condominium Ownership Act, does hereby consent to such submission by the Declarant. In so consenting, the undersigned merely submits its interests in said real property to the provisions of the said Act. The undersigned has made no representations or warranties in the Declaration and does not assume any of the obligations of a sponsor of the said Condominium Project.

Dated this 6th day of April, 1981.

By Paul L. Morrell
Its Vice Pres.

ATTEST:

Secretary

STATE OF UTAH }
COUNTY OF CACHE } ss
~~SALT LAKE~~

On the 6th day of April, 1981, personally appeared before me PAUL L. MORRELL and _____, who being by me duly sworn, did say, each for himself, that he, the said PAUL L. MORRELL is the VICE PRESIDENT and he, the said _____ is the _____ of First Security Bank of Utah N.A., a Corporation of the United States, and that the within and foregoing instrument was signed in behalf of said Corporation by the authority of a resolution of its board of directors, and the said PAUL L. MORRELL and _____ each duly acknowledged to me that said Corporation executed the same.

Janice Smith
Notary Public
Residing at: Smithfield, Utah

My Commission Expires: 2-15-83

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EXHIBIT A

(Attached to and forming a part of the Declaration of Condominium of The Courtyard Condominium, a Utah Condominium Project).

UNITS, UNDIVIDED OWNERSHIP INTERESTS, AND VOTES:

<u>UNIT NO.</u>	<u>SIZE (Square Feet)</u>	<u>UNDIVIDED OWNERSHIP INTERESTS (Percentage)</u>	<u>VOTES</u>
1	1257	12.5	12.5
2	1257	12.5	12.5
3	1257	12.5	12.5
4	1257	12.5	12.5
5	1257	12.5	12.5
6	1257	12.5	12.5
7	1257	12.5	12.5
8	1257	12.5	12.5