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DEPT. OF PUBLIC SAFETY  
WEBER COUNTY CLERK  
DEPUTY *David H. Clark*  
JUL 6 12 38 PM '87  
FILED AND RECORDED FOR  
*Millstone Dev.*

DECLARATION  
OF  
STONEGATE  
(AN EXPANDABLE CONDOMINIUM)

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This Declaration is made on the 24<sup>th</sup> day of  
JUNE, 1987, by MILLSTONE DEVELOPMENT, a Utah cor-  
poration, hereinafter called "Declarant".

RECITALS

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

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

B. Declarant hereby submits the territory,  
together with all improvements, easements, rights and  
appurtenances theretunto belonging to the provisions of the  
Utah Condominium Ownership Act (57-8-1 et seq., Utah Code  
Annotated, 1953, as amended) and hereby creates, with respect  
to the territory, an expandable condominium to be known as  
STONEGATE.

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ARTICLE IDefinitions

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

Section 1. Unit. Unit shall mean that part of the property owned in fee simple by Unit Owners for independent use and shall include the elements of the condominium property which are not owned with the Owners of other units as shown on the Map and shall consist of:

(a) The space contiguous to the undecorated interior surfaces of common bearing walls, ceilings and floors and the walls within a unit;

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

(c) Non-supporting interior walls;

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

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

Section 2. Common Areas. Common areas shall be as defined in the Act and includes covered and uncovered parking spaces which shall be assigned to units by the Management Committee.

Section 3. Limited Common Areas and Facilities. The locations of the common areas and facilities to which each unit has direct access are the patios and decks and are shown on the Record of Survey Map and such areas and facilities as may be developed and designated in Supplemental Declarations and Maps.

Section 4. Reserved Common Areas and Facilities. The Management Committee shall have the power, in its discretion, from time to time, to grant revocable licenses in designated common areas and facilities to any Unit Owners under reasonable terms and conditions and for use and/or maintenance thereof. Such designation by the Management Committee shall not be construed as a sale or disposition of the common areas and facilities.

Section 5. Mortgage-Mortgagee-Mortgagor. Reference herein to a mortgage shall be deemed to include a Deed of Trust; reference to a mortgagee shall be deemed to include the beneficiary of a Deed of Trust; reference to a mortgagor shall be deemed to include the trustor of a Deed of Trust.

#### ARTICLE II

##### General Description of Condominium Property

The project consists of one building with a total of 12 units. The building is constructed of concrete, frame with masonry veneer. The unit number of each unit is as designated on the Record of Survey Map.

#### ARTICLE III

##### Ownership and Use

Section 1. Ownership of a Unit. Except with respect to any of the condominium common areas located within the bounds of a unit, each unit shall be entitled to the exclusive ownership and possession of his unit and to the ownership of an undivided interest in the condominium common areas in the equal percentages as provided for hereafter.

Section 2. Prohibition Against Subdivisions of Units. Units may not be subdivided into smaller parcels.

Section 3. Ownership of Common Areas. The common

areas shall be owned by the Unit Owners as tenants in common and ownership thereof shall remain undivided. No action for partition of any part of the condominium common areas shall be maintained except as specifically provided in the Act and shall be subject to the mortgage protective provisions herein; nor may any Unit Owner otherwise waive or release any rights in the common areas.

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

Each unit Owner shall have the use of reserved common areas, when, where and as provided by the Management Committee.

Section 5. Interest in Common Areas. The percentage of interest in the condominium common areas for each unit shall be equal.

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

ARTICLE IV

Percentage of Ownership in the Condominium

Common Areas

Subject to the provisions of ARTICLE XVIII, the percentage of ownership in the common areas for all purposes attributable to each unit is 8.33% and shall be appurtenant to each unit and shall pass with the title to each unit. The percentage interest for each unit for voting purposes shall not be fractionalized.

ARTICLE V

Agent for Service of Process

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

Robert J. Anderson  
6015 South 2950 East  
Ogden, Utah 84403

ARTICLE VI

Administration

A

Meetings

Section 1. Place of Meetings of Owners. Meetings of the Association of Condominium Unit Owners shall be held

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at the property or such other suitable place as close thereto as practicable in Weber County, Utah, convenient to the Owners, as may be designated by the Management Committee.

Section 2. Annual Meeting of Owners. The first annual meeting of Owners shall be held within sixty (60) days after seventy percent (70%) of the sale of all of the units have been closed or within one (1) year after the close of the sale of the first unit, whichever occurs first. Thereafter, the annual meetings of the Association of Condominium Unit Owners shall be held on the anniversary date of the first annual meeting; provided, however, that should the anniversary date fall on a legal holiday, then such annual meeting of the Owners shall be held the next day thereafter which is not a legal holiday. At such annual meeting, there shall be elected by ballot of the Owners, a Management Committee. At the first annual meeting, the members of the Management Committee shall be elected for a term of one (1) year beginning with the first annual meeting. Unless a member of the Management Committee resigns before the expiration of his term of office, each member shall hold his office until his successor has been elected and the first meeting involving such successor is held. The term of office of any member elected to fill a vacancy created by the

resignation of his predecessor shall be the balance of the unserved term of his predecessor. The Unit Owners may also transact such other business of the Association as may properly come before them. Each first mortgagee of a unit may designate a representative to attend all annual meetings of the Owners.

Section 3. Special Meetings of Owners. Special meetings of the Owners may be called at any time by a majority of a quorum of the Management Committee, or upon a petition signed by Owners holding at least fifteen percent (15%) of the voting power having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice, unless by consent of those Owners holding at least four-fifths (4/5ths) of the voting power of the Association, either in person or by proxy. Each first mortgagee of a unit may designate a representative to attend all special meetings of the Owners.

Section 4. Notice of Meetings of Owners. It shall be the duty of the secretary to mail a notice of each annual or special meeting of Owners, stating the purpose thereof as well as the day, hour and place where it is to be held, to



each Owner of record and to each first mortgagee of a unit which has filed a written request for notice with the secretary, at least ten (10) but not more than sixty (60) days prior to such meeting. The notice may set forth time limits for speakers and nominating procedures for the meeting. The mailing of a notice, postage prepaid, in the manner provided in this section shall be considered notice served, after said notice has been deposited in a regular depository of the United States mail. If no address has been furnished to the secretary, notice shall be deemed to have been given to an Owner if posted in a conspicuous place at the condominium project.

Section 5. Adjourned Meeting. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be the presence, in person or by proxy, of the Owners holding at least twenty-five percent (25%) of the voting power of the Association. Such adjourned meetings may be held without notice thereof, except that notice shall be given by announcement at the meeting at which such adjournment is

taken. If a meeting is adjourned for more than thirty (30) days, notice of the adjourned meeting shall be given as in the case of an original meeting.

Section 6. Order of Business. The order of business at all meetings of the Owners shall be as follows:

- (a) Roll call to determine the voting power represented at the meeting;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of Minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of inspector of election;
- (g) Election of Management Committee;
- (h) Unfinished business and
- (i) New business.

Meetings of Owners shall be conducted by the officers of the Association, in order of their priority.

Section 7. Consent of Absentees. The transactions of any meeting of Owners, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, and a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the Owners not present

in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the Minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the Minutes of the meeting.

Section 8. Minutes, Presumption of Notice.

Minutes or a similar record of the proceedings of meetings of Owners, when signed by the Chairman or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the Minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

B

Management Committee

Section 1. Number and Qualification. The

property, business and affairs of the Association of Condominium Unit Owners shall be governed and managed by a Management Committee composed of five (5) persons, each of whom, except for those appointed and serving as first members, must either be an Owner of a unit in the condominium project or an agent of Declarant for so long as Declarant owns a unit in the condominium project. The Management Committee may increase, by resolution, the authorized number

of members of the committee; provided that the Owners shall have the sole right to elect the new committee members. Management Committee members shall not receive any stated salary for their service as members; provided, however, that:

(a) Nothing herein contained shall be construed to preclude any member from serving the Association in some other capacity and receiving compensation therefor; and

(b) Any member may be reimbursed for his actual expenses incurred in the performance of his duties.

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

Section 3. Special Powers and Duties. Without prejudice to such foregoing general powers and duties and such other powers and duties as are set forth in this Declaration, the Management Committee is vested with and responsible for, the following powers and duties:

(a) To select, appoint and remove all officers, agents and employees of the Association; to prescribe such powers and duties for them as may be consistent with law,

with this Declaration; to fix their compensation and to require from them security for faithful service when deemed advisable by the Management Committee;

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

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

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

(e) To fix and levy, from time to time, assessments upon the Owners, to determine and fix the due date for the payment of such assessments and the date upon

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

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

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

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

contract for and pay for improvements and facilities on the condominium common area;

(i) To delegate its powers according to law and this Declaration;

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

(k) To adopt such Rules and Regulations as the Management Committee may deem necessary for the management of the condominium common areas, which Rules and Regulations shall become effective and binding after:

(1) they are adopted by a majority of the Management Committee after a meeting called for that purpose or by the written consent of such number of members attached to a copy of the Rules and Regulations of the Association; and

(2) they are posted in a conspicuous place in the condominium common areas.

For so long as Declarant holds or directly controls at least twenty-five percent (25%) of the voting power of the Association, such Rules and Regulations shall not materially affect the rights, privileges or preferences of any Owner as established by this Declaration, without the prior written

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approval of the Utah Commissioner of Real Estate. Such Rules and Regulations may concern, without limitation, use of the common areas, signs, parking restrictions, minimum standards of property maintenance consistent with this Declaration and any other matters within the jurisdiction of the Association as provided in this Declaration; provided, however, that such Rules and Regulations shall be enforceable only to the extent that they are consistent with this Declaration.

(1) To make available to Unit Owners, prospective purchasers, lenders and the holders and insurers of the first mortgage on any unit, current copies of this Declaration and the Bylaws and other rules governing the condominium project and other books, records and the most recent annual audited financial statement of the Owners' Association. "Available" shall at least mean available for inspection upon request, during normal business hours or under other reasonable circumstances.

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



preceding fiscal year.

Section 4. Management Contract. The Management Committee may contract with any person, firm or association for the management of the common areas.

Section 5. Election and Term of Office. At the first annual meeting of the Owners' Association and thereafter at each annual meeting of the Owners, new members of the Management Committee shall be elected by secret written ballot by a majority of Owners as provided herein. In the event that an annual meeting is not held or the Management Committee is not elected thereat, the Management Committee may be elected at a special meeting of the Owners held for that purpose. Each member shall hold office until his successor has been elected or until his death, resignation, removal or judicial adjudication of mental incompetence. Any person serving as a member may be reelected and there shall be no limitation on the number of terms during which he may serve.

Section 6. Books, Audit. The Management Committee shall cause to be maintained a full set of books and records showing the financial condition of the affairs of the Owners' Association in a manner consistent with generally accepted accounting principles, and at no greater than annual

intervals and shall obtain an independent certified audit of such books and records. A copy of each such audit shall be delivered to an Owner within thirty (30) days after the completion of such audit upon written request from an Owner. A balance sheet and an audited operating (income) statement for the Owners' Association shall be distributed to each Owner (and to any institutional holder of a first mortgage on a unit upon request) within sixty (60) days of accounting dates as follows:

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

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

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

Section 7. Vacancies. Vacancies in the Management Committee caused by any reason other than the removal of a

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

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

Section 9. Organization Meeting. The first

regular Management Committee ("organization") meeting of a newly-elected Management Committee shall be held not less than ten (10) nor more than fifteen (15) days after the election of the Management Committee at such place as shall be fixed and announced by the members at the meeting at which such members were elected, for the purpose of organization, election of officers and the transaction of other business. In addition, notice of such meeting shall be mailed or delivered to such members at least five (5) days prior thereto.

Section 10. Other Regular Meetings. Other regular meetings of the Management Committee shall be open to the Owners and may be held at such time and place within the common areas as shall be determined, from time to time, by a resolution adopted by a majority of a quorum of the members; provided, however, that such meeting shall be held no less frequently than quarterly. Notice of regular meetings of the Management Committee shall be given to each member, personally or by mail, telephone or telegram, at least seventy-two (72) hours prior to the date named for such a meeting and shall be posted at a prominent place or places within the common areas.

Section 11. Special Meetings. Special meetings of

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

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

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

Section 13. Quorum and Adjournment. Except as otherwise expressly provided herein, at all meetings of the Management Committee, a simple majority of the members shall constitute a quorum for the transaction of business and the acts of the majority of the members present at a meeting at which a quorum is present shall be the acts of the Management Committee. If, at any meeting of the Management Committee there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting any business which might have been

transacted at the meeting as originally called may be transacted without further notice.

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

Section 15. Fidelity Bonds. The Management Committee shall require that all officers and employees of the Owners' Association handling or responsible for Association funds and employees of professional managers shall furnish fidelity bonds naming the Owners' Association as an obligee and in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating expenses of the condominium project, including reserves. The premium on such bonds shall be paid by the Owners' Association.

Section 16. Committees. The Management Committee, by resolution from time to time, may designate such committees as it shall desire and may establish the purposes and powers of each such committee created. The resolution designating and establishing the committee shall provide for

the appointment of its members as well as a chairman; shall state the purposes of the committee and shall provide for reports, termination and other administrative matters as deemed appropriate by the Management Committee.

## C

Officers

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

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

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the entire Management Committee, any officer may be removed, either with or without cause and his successor elected at any regular meeting of the Management Committee, or at any special meeting of the Management Committee called for such purpose. Any officer may resign at any time by giving written notice to the Management Committee or to the Chairman or



Secretary/Treasurer. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein and unless otherwise specified in said notice, acceptance of such resignation by the Management Committee shall not be necessary to make it effective.

Section 4. Compensation. Officers, agents and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Management Committee.

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

and duties as may be prescribed by the Management Committee.

Section 6. Vice-Chairman. The Vice-Chairman shall take the place of the Chairman and perform his duties whenever the Chairman shall be absent, disabled, refuses or is unable to act. If neither the Chairman nor the Vice-Chairman is able to act, the Management Committee shall appoint some other member of said Management Committee to do so on an interim basis. The Vice-Chairman shall also perform such other duties as shall, from time to time, be imposed upon him by the Management Committee.

Section 7. Secretary/Treasurer. The Secretary/Treasurer shall keep the Minutes of all meetings of the Management Committee and the Minutes of all meetings of the Owners' Association at the principal office of the Owners' Association or at such other place as the Management Committee may order. The Secretary/Treasurer shall have charge of such books and papers as the Management Committee may direct; the Secretary/Treasurer shall, in general, perform all of the duties incident to the office of Secretary/Treasurer. The Secretary/Treasurer shall give or cause to be given, notices of all meetings of the Owners and of the Management Committee required by this Declaration or by law to be given. The Secretary/Treasurer shall maintain a book

of record Owners listing the names and addresses of the Owners as furnished to the Owners' Association and such books shall be changed only at such time as satisfactory evidence of a change in ownership of a unit is presented to the Secretary/Treasurer.

The Secretary/Treasurer shall have responsibility for the Owners' Association funds and shall be responsible for keeping or causing to be kept, full and accurate accounts, tax records and business transactions of the Owners' Association, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the Owners' Association. The Secretary/Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Owners' Association in such depositories as may, from time to time, be designated by the Management Committee. The Secretary/Treasurer shall sign all checks and promissory notes on behalf of the Owners' Association as may be ordered by the Management Committee in accordance with this Declaration; shall render to the Chairman and the members, upon request, an account of all of his transactions as Secretary/Treasurer and of the financial conditions of the Owners' Association and shall have such other powers and perform such other

duties as may be prescribed by the Management Committee.

Section 8. Name of Management Committee. The Management Committee shall be known by such name or designation as it or the Unit Owners, at any meeting, may assign.

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

D

Assessments

Section 1. Every Owner of a unit which is substantially constructed and ready for occupancy, including Declarant, shall pay his proportionate share of the condominium common expenses. Payment thereof shall be in such amounts and at such times as the Management Committee determines in accordance with the Act, this Declaration and the Bylaws. There shall be a lien for non-payment of condominium common expenses as provided by Utah Code Annotated, Section 57-8-20, 1953, as amended.

In assessing Unit Owners or requiring them to pay

for the building improvements and other improvements of the condominium common areas and facilities following the execution of this Declaration, it is agreed that no assessment for a single improvement in the nature of the capital expenditure exceeding the sum of THREE THOUSAND (\$3,000.00) DOLLARS in cost shall be made without the same having been first voted on and approved by Owners of seventy-five percent (75%) or more of the undivided interests in the condominium common areas and facilities. The foregoing sentence shall not apply in connection with the replacement or reconstruction occasioned by fire or other casualty.

#### ARTICLE VII

##### Destruction or Damage

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

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

(b) If less than seventy-five percent (75%) of the project's improvements are destroyed or substantially damaged and if proceeds of the insurance maintained by the Management

Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all the Unit Owners shall be assessed for any deficiency on the basis of their respective percentages of undivided interest in the common areas and facilities.

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

(d) If seventy-five percent (75%) or more of the project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Management Committee are insufficient to accomplish restoration and if the Unit Owners do not, within 100 days after the destruction or damage and by vote of at least seventy-five percent (75%) elect to repair or reconstruct the affected improvements, the Management Committee shall promptly record, with the Weber County Recorder, a notice setting forth such

facts. Upon the recording of such notice the provisions of subsections (1) through (4) of Section 57-8-31, Utah Code Annotated, 1953, as amended, shall apply and shall govern the rights of all parties having an interest in the project or any of the units.

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

#### ARTICLE VIII

##### Taxes

It is understood that under Utah Code Annotated 57-8-27, 1953, as amended, each unit and its percentage of undivided interest in the condominium common areas and facilities in the project are subject to separate assessments

and taxation by each assessing unit and the special district for all types of taxes authorized by law, and that as a result thereof, no taxes will be assessed or payable against the project as such. Each Unit Owner will, accordingly, pay and discharge any and all taxes which may be assessed against him and his percentage of undivided interest in the condominium common areas and facilities.

ARTICLE IX

Insurance

Section 1. Type and Scope of Insurance Coverage Required

(A) Insurance for Fire and Other Perils. The Owners' Association must obtain, maintain and pay the premiums upon, as a common expense, a "master" or "blanket" type policy of property insurance covering all of the common elements and limited common elements (except land, foundation, excavation and other items normally excluded from coverage), including fixtures, to the extent they are part of the common elements of the condominium, building service equipment and supplies and other common personal property belonging to the Owners' Association. All references herein to a "master" or "blanket" type policy of property insurance are intended to denote single entity condominium insurance



coverage. In addition, any fixtures, equipment or other property within the units which are to be financed by a mortgage to be purchased by FNMA or FHLMC (regardless of whether or not such property is a part of the common elements), must be covered in such "master" or "blanket" policy.

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

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

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

The policies may also be issued in the name of an authorized representative of the Owners' Association, including any insurance trustee with whom the Owners' Association has entered into an Insurance Trust Agreement, or any successor trustee, as insured, for the use and benefit of

the individual owners. Loss payable shall be in favor of the Owners' Association (or Insurance Trustee), as a trustee, for each Unit Owner and each such owner's mortgagee. The Owners' Association or Insurance Trustee, if any, must be required to hold any proceeds of insurance in trust for Unit Owners and their first mortgage holders, as their interests may appear. Each Unit Owner and each Unit Owner's mortgagee, if any, shall be beneficiaries of the policy in the percentage of common ownership. Certificates of Insurance shall be issued to each Unit Owner and mortgagee upon request.

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

Policies are unacceptable where:

(a) Under the terms of the insurance carrier's

charter, bylaws or policy, contributions or assessments may be made against borrowers, FNMA, FHLMC or the designee of FNMA or FHLMC; or

(b) By the terms of the carrier's charter, bylaws or policy, loss payments are contingent upon action by the carrier's Board of Directors, policyholders or members; or

(c) The policy includes any limiting clauses (other than insurance conditions) which could prevent FNMA, FHLMC or the borrowers from collecting insurance proceeds.

The policies must also provide for the following:

(a) Recognition of any Insurance Trust Agreement;

(b) A waiver of the right of subrogation against Unit Owners individually;

(c) That the insurance is not prejudiced by any act or neglect of individual Unit Owners; and

(d) That the policy is primary in the event the Unit Owner has other insurance covering the same loss.

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

(a) Loss or damage by fire and other perils normally covered by the standard extended coverage endorsement;

(b) In the event the condominium contains a steam

boiler, loss or damage resulting from steam boiler equipment accidents in an amount not less than \$50,000.00 per accident per location (or such greater amount as deemed prudent based on the nature of the property);

(c) All other perils which are customarily covered with respect to condominiums similar in construction, location and use, including all perils normally covered by the standard "all-risk" endorsement, where such is available.

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

(B) Liability Insurance. The Owners' Association must obtain and maintain comprehensive general liability insurance coverage covering all of the common elements, commercial space owned and leased by the Owners' Association and public ways of the condominium project. Coverage limits shall be in amounts generally required by private institutional mortgage investors for projects similar in construction, location and use. However, such coverage shall be for at least \$1,000,000.00 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the insureds for property

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

(C) Fidelity Bonds. Fidelity bonds shall be required to be maintained by the Owners' Association for all officers and employees of the Owners' Association and all other persons handling or responsible for, funds of or administered by the Owners' Association. Where the management agent has the responsibility for handling or administering funds of the Owners' Association, the

management agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Owners' Association. Such fidelity bonds shall name the Owners' Association as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Owners' Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three months aggregate assessments on all units plus reserve funds. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. The premiums on all bonds required herein, except those maintained by the management agent, shall be paid by the Owners' Association as a common expense. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment) without at least ten (10) days prior written notice to the Owners' Association or Insurance Trustee. Such bonds must also provide that the FNMA Servicer, on behalf of FNMA, also receive such notice of cancellation or

modification.

Section 2. Insurance Trustee; Power of Attorney.

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

Each Unit Owner appoints the Owners' Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Owners' Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including:

(a) The collection and appropriate disposition of the proceeds thereof;

(b) The negotiation of losses and execution of releases of liability;

- (c) The execution of all documents; and
- (d) The performance of all other acts necessary to accomplish such purposes.

Section 3. Qualifications of Insurance Carriers.  
The Owners' Association shall use generally acceptable insurance carriers.

Section 4. Condemnation and Total or Partial Loss or Destruction. The Owners' Association shall represent the Unit Owners in the condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the common elements, or part thereof, by the condemning authority. Where appropriate under applicable law, this Declaration should contain a provision whereby each Unit Owner appoints the Owners' Association as attorney-in-fact for such purpose.

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



ARTICLE XAssessments Subordinate

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

ARTICLE XIMaintenance of Units

Each Unit Owner, at his own expense, shall keep the

interior of his unit and its appurtenances and equipment in good order, condition and repair and in a clean and sanitary condition and shall do all redecoration and painting which may, at any time be necessary to maintain a good appearance for his unit.

Except to the extent that the Management Committee is protected by insurance against such injury, the Unit Owner shall repair all injury to damages to the unit or condominium project caused by the act or negligence of lessee or any member of the Unit Owner's family or the family of any lessee or sublessee and all such repairs, decorating and painting shall be of a quality and kind equal to the original work.

In addition to decorating and keeping the interior of the unit in good repair, the Unit Owner shall be responsible for the maintenance and/or replacement of any plumbing fixtures that may be in or connected with the unit. In connection with the foregoing responsibilities of Unit Owners, the Management Committee shall give written notice to the affected owner of the unit, stating specifically that which is required and setting a time within which to complete the same. If the Unit Owner disagrees with said requirements or any part thereof, he shall have ten (10) days from the date of the notice within which to object thereto in writing,

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mailed or delivered to the Management Committee, otherwise, he shall comply with such request. In the event of objection aforesaid, the Management Committee shall set the matter for hearing no less than ten (10) nor more than thirty (30) days from the date of the objection and give the Unit Owner at least ten (10) days written notice of the time and place of the hearing. At the hearing, the Management Committee shall take and receive relevant evidence and decide the issues.

With the written permission of the Management Committee, the Unit Owner may make, or permit to be made, structural alterations, improvements or additions in or to the unit, which said permission shall be liberally granted. However, the Unit Owner shall not alter, paint or decorate any portion of the exterior of the building where his unit is located.

#### ARTICLE XII

##### Right of Entry

The Management Committee and its duly authorized agents have the right to enter any and all of the units in case of an emergency originating in or threatening such unit or any other part of the project, whether or not the Unit Owner or occupant thereof is present at the time. The Management Committee and its duly authorized agents shall

also have the right to enter into any and all of said units at all reasonable times as required for the purpose of making necessary repairs upon the condominium common areas and facilities of the project for the purpose of performing emergency installations, alterations or repairs to the mechanical or electrical devices or installations located therein or thereon, provided, however, such emergency installations, alterations or repairs are necessary to prevent damage or threatened damage to other units in the project and provided further, that the Unit Owner affected by such entry shall first be notified thereof if available and if time permits.

#### ARTICLE XIII

##### Obligation to Comply Herewith

Each Unit Owner, tenant or occupant of a unit shall comply with the provisions of the Act, this Declaration and the Rules and Regulations, all agreements and determinations lawfully made and/or entered into by the Management Committee or the Unit Owners when acting in accordance with their authority and any failure to comply with any of the provisions thereof shall be grounds for an action by the Management Committee to recover any loss or damage resulting therefrom or injunctive relief.

ARTICLE XIVIndemnification of Management Committee

Each member of the Management Committee shall be indemnified and held harmless by the Unit Owners against all costs, expenses and liabilities whatsoever, including, without limitation, attorney's fees reasonably incurred by them in connection with any proceeding to which it may become involved by reason of its being or having been a member of such Management Committee. Provided, however, a member of the Management Committee shall not be under this paragraph for any acts which constitute gross negligence or wilful misconduct.

ARTICLE XVTransfer or Lease of Units

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

(a) All leases shall be in writing and shall be subject to this Declaration; and

(b) All leases must have an initial term of at least six (6) months.

ARTICLE XVIFirst Lien Holders' Rights

Section 1. Notice of Action. A holder, insurer or guarantor of a first mortgage, upon written request to the Owners' Association (such request to state the name and address of such holder, insurer or guarantor and the unit number), will be entitled to timely written notice of:

(a) Any proposed amendment of the condominium instruments effecting a change in:

(i) the boundaries of any unit or the exclusive easement rights appertaining thereto;

(ii) the interests in the general or limited common elements appertaining to any unit or the liability for common expenses appertaining thereto;

(iii) the number of votes in the Owners' Association appertaining to any unit; or

(iv) the purposes to which any unit or the common elements are restricted;

(b) Any proposed termination of the condominium regime;

(c) Any condemnation loss or any casualty loss which affects a material portion of the condominium or which affects any unit on which there is a first mortgage held,

insured or guaranteed by such eligible holder;

(d) Any delinquency in the payment of assessments or charges owed by a Unit Owner subject to the mortgage of such eligible holder, insurer or guarantor, where such delinquency has continued for a period of sixty (60) days; and

(e) Any lapse, cancellation or material modification of any insurance policy maintained by the Owners' Association pursuant to paragraph 14(a), (i) and (ii).

Section 2. Other Provisions for First Lien Holders.

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

(B) Any election to terminate the condominium regime after substantial destruction or a substantial taking in condemnation of the condominium property must require the

approval of the eligible holders of first mortgages on units to which at least fifty-one percent (51%) of the votes of units subject to mortgages held by such eligible holders are allocated; and

(C) No reallocation of interests in the common elements resulting from a partial condemnation or partial destruction of the condominium project may be effected without the prior approval of the eligible holders of first mortgages on units to which at least fifty-one percent (51%) of the votes of units subject to mortgages held by such eligible holders are allocated. NOTE: As used in this section, the term "eligible holder, insurer or guarantor" shall mean a holder, insurer or guarantor of a first mortgage on a unit in a condominium which has requested notice in accordance with the provisions of Section 1 above.

#### ARTICLE XVII

##### Expansion

Section 1. Additional Property. The Declarant anticipates that the condominium project may be expanded to include certain real property which adjoins the condominium property and which is described in Exhibit "B" attached hereto. Such expansion shall be contiguous to the development.



Section 2. Reservation of Right to Expand.

Declarant hereby reserves the right to expand the condominium project, without the consent of the Unit Owners, to include additional structures and units which shall be compatible with the structures and units of this present project in terms of quality of construction, the principal materials to be used and architectural style, to be constructed on the real property described at Exhibit "B" or any portion thereof. The total number of units which may be constructed on said additional property shall not exceed 72 units and the entire project, including this present project and all subsequent phases shall not exceed a total of 84 units. The project shall consist of a minimum of 12 units and a possible maximum of 84 units.

Section 3. Supplemental Declarations and

Supplemental Maps. Such expansion may be accomplished by the filing for record by Declarant in the office of the County Recorder of Weber County, Utah, no later than seven (7) years from the date this Declaration is recorded in said office, a supplement or supplements to this Declaration containing a legal description of the site or sites for new units, together with supplemental Map or Maps containing the same information with respect to the new units as was required on

the original Map with respect to the initial units. The expansion may be accomplished in phases by successive supplements or in one supplemental expansion.

Section 4. Expansion of Provisions. In the event of such expansion, the provisions used in this Declaration automatically shall be expanded to encompass and refer to the project as so expanded and reference to this Declaration shall mean this Declaration as so supplemented. All conveyances of units after such expansion shall be effective to transfer rights in the project, as expanded, by use of the forms of description set forth herein, with additional references to the supplemental Declarations and the supplemental Maps. The recordation in the office of the Weber County Recorder, Ogden, Utah, of a supplemental Map incident to any expansion shall operate automatically to grant, transfer and convey pro tanto to then owners of units in the project as a result of such expansion and to reduce pro tanto their percentages of interest in the original condominium property as it then exists. Substantially identical units in all phases will be awarded substantially identical interest in the common areas. Such recordation shall also operate to vest in any then mortgagee of any unit in the project as it exists, such interest so acquired by the

owner of the unit encumbering the new common areas added to the project as a result of such expansion and to conform the percentage interests of Unit Owners and mortgagees to the interests set forth in the supplemental Declaration.

Section 5. Declaration Operative on New Units.

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

Section 6. Right of Declarant to Adjust Percentages of Common Areas. Each deed of a unit shall be deemed to irrevocably reserve to Declarant the power to appoint to Unit Owners, from time to time, the percentages in the common areas set forth in supplemental or amended Declarations. A power coupled with an interest is hereby granted to Declarant, as attorney-in-fact to shift percentages of the common areas and facilities in accordance with supplemental or amended Declarations recorded pursuant hereto and each deed of a unit in the project shall be deemed a grant of such power of said attorney-in-fact. Various

provisions of this Declaration and deeds and mortgages of the units may contain clauses designed to accomplish a shifting of the common areas. None of said provisions shall invalidate the other but each shall be deemed supplementary to the other toward the end that a valid shifting of the common areas and facilities can be accomplished. The maximum interest in the common areas of Unit Owners in this project shall be as indicated in this Declaration. Furthermore, all Unit Owners in this project shall have a maximum interest in the common areas of 8.33% and a minimum interest in the common areas of at least 1.19% after all possible phases of this project have been filed.

Section 7. Improvements, Liens and Consent.

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

(B) Liens arising in connection with the Declarant's ownership of and construction of improvements upon the property to be added must not adversely affect the rights of existing Unit Owners or the priority of first mortgages on units in the existing condominium project. All taxes and other assessments relating to such property covering any period prior to the addition of the property

must be paid or otherwise satisfactorily provided for by the Declarant; and

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

Section 8. Restrictions and/or Limitations. There shall be no restrictions or limitations as to what portion or portions additional land may be added to the condominium project. Portions of additional land may be added without regard to time (except as provided at Section 3 above) or boundaries.

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

Section 9. Liability Insurance. In the event of expansion, developer shall purchase, at its expense, a

liability insurance policy in an amount to cover any liability to which owners of previous sold units might be exposed. This policy shall be endorsed "as owners' interest might appear".

#### ARTICLE XVIII

##### Amendments to Documents

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

(a) The consent of the Owners of units to which at least sixty-seven percent (67%) of the votes in the Owners' Association are allocated and the approval of the eligible holders of first mortgages on units to which at least sixty-seven percent (67%) of the votes of units subject to a mortgage appertain, shall be required to terminate the condominium regime;

(b) The consent of Owners of units to which at least sixty-seven percent (67%) of the votes in the Owners' Association are allocated and the approval of eligible holders of first mortgages on units to which at least fifty-

one percent (5%) of the votes of units subject to a mortgage appertain, shall be required to materially amend any provision of this Declaration or equivalent documents of the condominium or to add any material provision thereto, which establish, provide for, govern or regulate any of the following:

- (1) Voting;
- (2) Assessments, assessment liens or subordination of such liens;
- (3) Reserves for maintenance, repair and replacement of the common elements;
- (4) Insurance or fidelity bonds;
- (5) Right to use of the common elements;
- (6) Responsibility for maintenance and repair of the several portions of the condominium;
- (7) Expansion or contraction of the condominium regime or the addition, annexation or withdrawal of property to or from the regime;
- (8) Boundaries of any unit;
- (9) The interests in the general or limited common elements;
- (10) Convertibility of units into common elements or of common elements into units;

(11) Leasing of units;

(12) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer or otherwise convey his unit in the condominium project; and

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

(a) The consent of Owners of units to which at least sixty-seven percent (67%) of the votes in the Owners' Association are allocated and the approval of eligible holders of first mortgages on units to which at least fifty-one percent (51%) of the votes of units subject to a mortgage appertain, shall be required to amend any provisions included in this Declaration or equivalent documents of the condominium which are for the express benefit of holders or insurers of first mortgages on units in the condominium project.

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

(e) For first mortgages to be eligible holders



under Article XVIII, they must request notice in accordance with the provisions of Article XVI, Section 1.

ARTICLE XX

Declarant's Rights and Restrictions

Section 1. Declarant's Rights. The following rights in the common areas are reserved by Declarant for a reasonable period of time, subject to a concomitant obligation to restore:

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

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

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

(d) Right to exercise the options to expand.

Section 2. Transfer of Control. The Declarant shall relinquish all special rights, express or implied,

through which the Declarant may directly or indirectly control, direct, modify or veto any action of the Owners' Association, its Management Committee or a majority of Unit Owners and control of the Owners' Association shall pass to the Unit Owners within the project not later than the earlier of the following:

(a) 120 days after the date by which seventy-five percent (75%) of the units have been conveyed to unit purchasers; or

(b) Within six (6) years following the first conveyance to a Unit Owner.

ARTICLE XXI

Right of First Refusal

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

ARTICLE XXII

Severability

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

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

ARTICLE XXIII

Gender

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

ARTICLE XXIV

Topical Headings

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

ARTICLE XXV

Effective Date

This Declaration shall take effect upon recording

in the office of the Weber County Recorder, Ogden, Utah.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, have hereunto set their hands and seals this 24<sup>th</sup> day of JUNE, 1987.

MILLSTONE DEVELOPMENT, a Utah corporation

By: George W. Flick  
George W. Flick, President

ATTEST:

Robert J. Anderson  
Robert J. Anderson, Secretary

STATE OF UTAH )  
 ) ss.  
COUNTY OF WEBER )

On the 24<sup>th</sup> day of June, 1987, personally appeared before me GEORGE W. FLICK the President and ROBERT J. ANDERSON, the Secretary of MILLSTONE DEVELOPMENT, a Utah corporation, who being by me duly sworn, did say that the instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors and

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the said GEORGE W. FLICK duly acknowledged to me that said corporation executed the same.

*[Signature]*  
NOTARY PUBLIC  
Residing at: *[Signature]*

My Commission Expires: 11-2-90



1521 PG 477



**GREAT BASIN ENGINEERING, INC.**

Consulting Engineers and Land Surveyors  
P.O. Box 9267                      3305 Grant Avenue  
Ogden, Utah                        Ogden (801) 394-4515  
Zip Code 84409                    Salt Lake (801) 521-8229

January 14, 1987

EXHIBIT A

STONEGATE - WASHINGTON TERRACE  
RELEASE FOR FIRST BUILDING

DESCRIPTION

A part of the Southeast Quarter of Section 17, Township 5 North, Range 1 West, Salt Lake Base and Meridian, U.S. Survey:

Beginning at the intersection of the Northwesterly line of 5450 South Street, and the Northeasterly line of 300 East Street, said point being 1514.65 feet North 0°26' East along the Section Line, 1435.25 feet North 89°34' West 60.00 feet North 60°25'30" East, and 33.00 feet North 29°34'30" West from the Southeast corner of said Quarter Section; and running thence North 29°34'30" West 153.18 feet along said Northeasterly line of 300 East Street; thence North 59°00' East 209.58 feet; thence Southerly along the arc of a 296.86 foot radius curve to the right a distance of 35.09 feet (Long Chord bears South 22°27'53" East 35.07 feet); thence North 77°30' East 31.95 feet; thence South 12°30' East 65.00 feet; thence South 77°30' West 45.00 feet; thence South 35°30' East 54.89 feet to the said Northwesterly line of 5450 South Street; thence Southwesterly two (2) courses along said Northwesterly line of 5450 South Street as follows: Southwesterly along the arc of a 1074.60 foot radius curve to the right a distance of 151.68 feet (Long Chord bears South 56°22'53" West 151.56 feet); thence South 60°25'30" West 28.10 feet to the point of beginning.

**Contains 0.717 Acre**

1521 ME 478  
1001 7449 2012



## GREAT BASIN ENGINEERING, INC.

Consulting Engineers and Land Surveyors

P.O. Box 9267  
Ogden, Utah  
Zip Code 84409

2805 Grant Avenue  
Ogden (801) 294-4313  
Salt Lake (801) 521-8329

February 18, 1987

### EXHIBIT 'B'

#### STONEGATE (WASHINGTON TERRACE) REMAINING PARCEL DESCRIPTION (ROBERT ANDERSON)

A part of the Southeast Quarter of Section 17, Township 5 North,  
Range 1 West, Salt Lake Base and Meridian, U.S. Survey:

Beginning at a point being 153.18 feet North 29°34'30" West along the  
East line of 300 East Street from the intersection of the Northwesterly line  
of 5450 South Street and the Northeasterly line of 300 East Street; said  
intersection being 1514.65 feet North 0°26' East along the Section line;  
1435.25 feet North 89°34' West 60.00 feet North 60°25'30" East and 33.00 feet  
North 29°34'30" West from the Southeast corner of said Quarter Section; and  
running thence North 29°34'30" West 171.50 feet along said Northeasterly line  
of 300 East Street; thence North 62°06' East 120.00 feet; thence  
North 29°34'30" West 40.87 feet to a point 6.0 feet Southeasterly of an  
existing chainlink fence; thence North 48°28'49" East 465.42 feet parallel to  
and 6.0 feet perpendicularly measured from said fence and fence extended; thence  
South 45°00' East 335.02 feet to said Northwesterly line of 5450 South Street;  
thence Southwesterly two (2) courses along said Northwesterly line of  
5450 South Street as follows: South 45°00' West 363.58 feet; Southwesterly  
along the arc of a 1074.60 foot radius curve to the right 137.62 feet  
(Long Chord bears South 48°40'00" West 137.53 feet); thence North 35°30' West  
54.89 feet; thence North 77°30' East 45.00 feet; thence North 12°30' West  
65.00 feet; thence South 77°30' West 31.95 feet; thence Northwesterly along the  
arc of a 296.86 foot radius curve to the left a distance of 33.00 feet

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STONEGATE (WASHINGTON TERRACE)  
REMAINING PARCEL DESCRIPTION (ROBERT ANDERSON)  
EXHIBIT 'B'

Continued.....

(Long Chord bears North 22°27'53" West 35.07 feet); thence  
South 59°00' West 209.58 feet to the point of beginning.

Contains 4.283 Acres

BLA 1521 P. 480



1070530

1550

NOTICE OF ADDITION OF TERRITORY  
 AND  
 AMENDMENT OF DECLARATION  
 OF  
 STONEGATE  
 (Phase VI)

NOTICE OF ADDITION OF TERRITORY  
 AND AMENDMENT OF DECLARATION  
 OF STONEGATE  
 FEB 15 10 24 AM '85  
 FILED AND RECORDED FOR  
*Charles Evans*  
*Millstone Development*

PLATTED  
 ENTERED  
 VERIFIED  
 MICROFILMED

THIS NOTICE OF ADDITION OF TERRITORY AND AMENDMENT OF DECLARATION is made this 13<sup>th</sup> day of February, 1989, by MILLSTONE DEVELOPMENT, a Utah corporation as follows:

1. Pursuant to Article XVII of the Declaration, recorded 7-6-87, in Book 1521, Page 417, Entry number 1017352, Expansion, additional territory is added as is indicated on the Record of Survey Map as follows:

A part of the Southeast Quarter of Section 17, Township 5 North, Range 1 West, Salt Lake Base & Meridian, U.S. Survey: Beginning at a point on the Northeast Corner of Stonegate Phase 4, a Condominium Project in Washington Terrace City, Weber County, Utah, said point being 1514.65 feet North 0 degrees 26' East along the Section line and 1435.25 feet North 89 degrees 34' West and 238.10 feet North 60 degrees 25'30" East and 366.32 feet North 45 degrees 00'00" East and 33.00 feet North 45 degrees 00'00" West from the Southeast Corner of said

PT. 07-053-0948 ✓  
 1550

(3) courses along said Northerly boundary of Stonegate Phase 4 as follows: North 45 degrees 00'00" West 70.50 feet, South 45 degrees 00'00" West 7.50 feet and North 45 degrees 00'00" West 17.50 feet; thence North 34 Degrees 00'00" West 54.13 feet; thence North 23 Degrees 00'00" West 54.61 feet; thence North 54 Degrees 00'00" East 125.52 feet; thence South 45 Degrees 00'00" East 172.13 feet to the Northwesterly line of 5450 South Street; thence South 45 Degrees 00'00" West 147.26 feet along said Northwesterly line of street to the point of beginning.

There shall be developed on said property one (1) building with twelve (12) units and improvements on the common areas and facilities.

2. Article IV of the Declaration, Percentage of Ownership In The Condominium Common Areas is amended to read as follows:

"Section 1. Subject to the provisions of Article XVIII, the percentage of ownership in the common areas for all purposes attributable to each unit is 1.388% and shall be appurtenant to each unit and shall pass with the title to each unit. The percentage interest for each unit for voting purposes shall not be fractionalized."

3. The said Declaration and Amended Declarations and the Record of Survey Maps filed hereto are binding on the owners in all phases, including future phases.

SP# 1555 PAGE 168A

THIS NOTICE OF ADDITION OF TERRITORY AND AMENDMENT OF DECLARATION OF STONEGATE has been executed on the day and year first above written.

MILLSTONE DEVELOPMENT, a Utah corporation

By: George W. Flick  
George W. Flick, President

ATTEST:  
Robert J. Anderson  
Robert J. Anderson, Secretary

STATE OF UTAH )  
 ) ss.  
COUNTY OF WEBER )

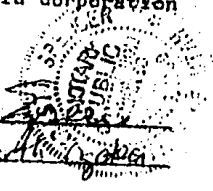
On the 13 day of February, 1989, personally appeared before me GEORGE W. FLICK, the President and ROBERT J. ANDERSON, the Secretary of MILLSTONE DEVELOPMENT, a Utah corporation, who being by me duly sworn did say that the instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors and the said GEORGE W. FLICK and the said ROBERT J.

1555 1685

4  
ANDERSON each duly acknowledged to me that said corporation  
executed the same.

*Kust*  
NOTARY PUBLIC

Residing at: *1644 W. 10th St.*



My Commission Expires: 3-6-89

98175 155 1686

EN 1087417 Bk 1566 Pg 1994  
DOUG CROFTS, WEBER COUNTY RECORDER  
1989 AUG 29 8:14 AM FEE 10.00 DEF 58  
REC FOR MILLSTONE DEVELOPMENT

NOTICE OF ADDITION OF TERRITORY

AND

AMENDMENT OF DECLARATION

OF

STONEGATE

(Phase VII)

PLATTED   
ENTERED

THIS NOTICE OF ADDITION OF TERRITORY AND AMENDMENT OF DECLARATION is made this 28<sup>th</sup> day of August, 1989, by MILLSTONE DEVELOPMENT, a Utah corporation as follows:

1. Pursuant to Article XVII of the Declaration, recorded 7-6-87, in Book 1521, Page 417, Entry number 1017352, Expansion, additional territory is added as is indicated on the Record of Survey Map as follows:

A part of the SE 1/4 of Section 17, T5N, R1W, SLB&M, U.S. Survey: Beginning at the Northeastly corner of Stonegate Phase 6; said point also being 1514.65 feet N 0 degrees 26'E along the section line and 1435.7 feet N 89 degrees 34'W and 238.10 feet N 60 degrees 25'30" E and 513.58 feet N 45 degrees 00'00"E and 205.13 feet N 45 degrees 00'00"W from the Southeast corner of said quarter section; and running thence S 54 degrees 00'00"W 125.52 feet along the Northerly line of said Phase 6 to the Easterly line of Stonegate Phase 5, thence two (2) courses along said Easterly line of Phase 5, as follows: N 23 degrees 00'00"W 10.25 feet

and N 65 degrees 30'00"W 154.10 feet;  
thence N 48 degrees 28'49"E 174.42 feet;  
thence S 45 degrees 00'00" E 162.89 feet  
to the point of beginning.

Contains 0.521 Acre

There shall be developed on said property one (1) building with twelve (12) units and improvements on the common areas and facilities.

2. Article IV of the Declaration, Percentage of Ownership In The Condominium Common Areas is amended to read as follows:

Section 1. Subject to the provisions of Article XVIII, the percentage of ownership in the common areas for all purposes attributable to each unit is 1.19% and shall be appurtenant to each unit and shall pass with the title to each unit. The percentage interest for each unit for voting purposes shall not be fractionalized."

3. The Declaration, Amended Declarations Notices of Additional Territory and the Record of Survey Maps filed in connection therewith are binding on the owners in all phases. This is the final phase.

THIS NOTICE OF ADDITION OF TERRITORY AND AMENDMENT OF DECLARATION OF STONEGATE has been executed on the day and year first above written.

MILLSTONE DEVELOPMENT, a Utah corporation

By: George W. Flick  
GEORGE W. FLICK, President

ATTEST:  
Robert J. Anderson  
ROBERT J. ANDERSON, Secretary

STATE OF UTAH )  
                  ) :ss.  
COUNTY OF WEBER )

On the 28 day of August, 1989,  
personally appeared before me GEORGE W. FLICK, the President  
and ROBERT J. ANDERSON, the Secretary of MILLSTONE  
DEVELOPMENT, a Utah corporation, who being by me duly sworn

did say that the instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors and the said GEORGE W. FLICK and the said ROBERT J. ANDERSON each duly acknowledged to me that said corporation executed the same.



*Kristi Spencer*  
NOTARY PUBLIC  
Residing at: Welder County

My Commission Expires: 3 6 93



E# 1094770 BR:1571 PG2190  
DOUG CROFTS, WEBER COUNTY RECORDER  
AMENDMENT 1989 NOV 20 10:08 AM FEE 48.50 DEP MH  
REC FOR STONEGATE CONDO. ASSOC.

DECLARATION OF STONEGATE  
(AN EXPANDABLE CONDOMINIUM)

\*\*\*\*\*

DATE ~~X~~ VERIFIED ~~X~~  
BY ~~X~~ MICROFILMED

KNOW ALL PERSONS BY THESE PRESENTS:

That at a duly called meeting of the Owners Association at which a majority of the owners holding the voting power of the Association were present in person or by proxy, the Declaration was amended as follows:

1. Article VI A Section 1 was amended to read:

"ARTICLE VI  
ADMINISTRATION

A

MEETINGS

Section 1. Place of Meetings of Owners and Quorum. Meetings of the Association of Condominium Unit Owners shall be held at the property or such other suitable place as close thereto as practicable in Weber County, Utah, convenient to the Owners, as may be designated by the Management Committee. Except as otherwise provided herein, a Quorum shall

be the presence, in person or by proxy, of the Owners holding at least a majority of the voting power of the Association."

2. This amends the Declaration recorded July 6, 1987 in Book 1521, Page 417, Entry No. 1017352 and amendments subsequent thereto.

3. This Amendment affects the following described real property situate in Weber County, State of Utah, to-wit:

All of the units and all of the common areas and facilities in all of the phases of STONEGATE, an Expandable Condominium.

DATED this 15th day of November, 1989.

ASSOCIATION OF CONDOMINIUM UNIT OWNERS OF STONEGATE, AN EXPANDABLE CONDOMINIUM BY THE MANAGEMENT COMMITTEE OF STONEGATE

By: Ernie M. Pellicia Chairman

ATTEST

Robert Owen  
Vice Chairman

Units affected: Phase I, Units 1-12; Phase II, Units 13-24; Phase III, Units 25-36; Phase IV, Units 37-48; Phase V, Units 49-60; Phase VI, Units 61-72; Phase VII, Units 73-84.

07-351-0001 to 0012 -  
07-357-0001 to 0012 -  
07-366-0001 to 0012 -

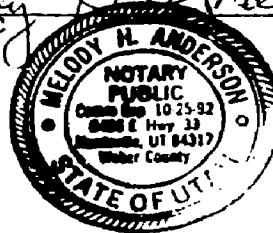
07-336-0001 to 0012 -  
07-334-001 to 0012 -  
Phase 3 should be Phase 4

07-324-0001 to 0012 -  
07-333-0001 to 0012 -

STATE OF UTAH )  
 )  
 ) ss.  
COUNTY OF WEBER )

On the 15 day of November, 1989,  
personally appeared before me Ernest M. Ritchie,  
the Chairman, and Robert D. Lien, the  
Vice Chairman of MANAGEMENT COMMITTEE OF STONEGATE, a Utah  
condominium project, who being by me duly sworn, did say that  
the instrument was signed in behalf of said Committee by  
authority of a resolution of its Members and the said  
Ernest M. Ritchie and Robert D. Lien  
duly acknowledged to me that said Committee executed the  
same.

Melody H. Anderson  
NOTARY PUBLIC



**AMENDMENT TO THE CONDOMINIUM DECLARATION FOR  
STONEGATE (AN EXPANDABLE CONDOMINIUM)**

**RECITALS**

1. The Declaration of Stonegate (an Expandable Condominium) ("the Declaration") was executed on June 24, 1987 and recorded as Entry No. 10117352 in the Weber County Recorder's Office beginning on page 417 of Book 1521.

2. Stonegate (an Expandable Condominium) ("Stonegate") is contained within the real property described in Exhibit "A."

3. During its existence, Stonegate has allowed unit owners to lease their units to tenants without first consulting the owners' association.

4. A number of the unit owners have leased their units to tenants.

5. Some of these tenants have caused problems at Stonegate and have detracted from the peace and enjoyment of other residents of the condominium.

6. The unit owners have decided to take steps to ensure that unit owners take responsibility for their tenants in order to reduce the disruption caused by unruly tenants and to preserve the property values of their units.

Therefore, the owners of the units at Stonegate do hereby adopt the following amendment to the Declaration.

**SECTION ONE**

There is hereby added a new paragraph to Article XV of the Declaration, which shall read as follows:

Unit owners who lease their units under the provisions of this Article shall be deemed to have accepted responsibility for the actions of their lessees. In order to meet this obligation, unit owners who rent their units shall be deemed to have agreed to the following provisions and these provisions shall be deemed to be incorporated into the lease of each unit leased at the project:

(a) Within thirty (30) days of executing any lease, the Unit Owner shall inform the Management Committee in writing of:

(i) the name and phone number of the party or parties who have leased the Unit;

(ii) the number of people who will be occupying the Unit.

This information may be provided to the Management Committee by providing the Management Committee with a copy of the lease, provided that the lease includes this information.

(b) The Unit Owner shall supply the lessee with a copy of this Declaration and the Rules and Regulations governing the project. The Unit Owner shall certify to the

E# 1711317 BK2077 PG1153  
DOUG CROFTS, WEBER COUNTY RECORDER  
15-JUN-00 1005 AM FEE \$99.00 DEP JPM  
REC FOR: STONEGATE.CONDO.ASSOC

Management Committee in writing that he has supplied the lessee with those documents within thirty (30) days of entering into any lease.

(c) The Unit Owner shall remain at all times primarily responsible for the payment of all assessments. In the event the assessments imposed on a leased unit are not paid, the Management Committee may bring suit against the Unit Owner without naming the lessee as a defendant. In any action to recover unpaid assessments, the Unit Owner may not avoid liability for the assessments by claiming that the lessee has assumed the responsibility for paying those assessments.

(d) In the event a lessee violates the terms of this Declaration or one of the rules and regulations established by the Management Committee governing activities and behavior at the project, the Management Committee may levy all applicable fines against the Unit Owner. Any fines levied against the Unit Owner may be levied either in addition to, or instead of, levying a fine against the lessee.

## SECTION TWO

This amendment shall take effect when recorded.

### CERTIFICATION

It is hereby certified that the unit owners representing at least sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the undivided interests in the common areas and facilities in Stonegate (An Expandable Condominium, and fifty-one (51%) of the eligible holders of first mortgages on units to which mortgages appertain have approved and consented to the amendments stated herein.

In witness hereof, executed this 16 day of MAY, 2000.

STONEGATE CONDOMINIUM MANAGEMENT COMMITTEE

By: Randall Brady

Its: President

STATE OF UTAH )  
: ss.  
COUNTY OF WEBER )

On the 16 day of May, 2000, personally appeared before me Randall Brady, who being duly sworn, did say that he is the President of The Stonegate Condominium Management Committee and that the within and foregoing instrument was signed on behalf of said management committee, acknowledged to me that he is the signer of the above instrument, that he has been authorized by the management committee and the owners' association to execute this document, and that the information contained therein is true and correct to the best of his/her knowledge.

Brandon B Larsen  
Notary Public

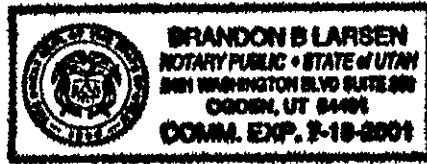


Exhibit "A"

Units 1 through 12, Stonegate Phase 1, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

~~07-324-0001~~ through ~~07-324-0012~~

Units 13 through 24, Stonegate Phase 2, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

~~07-330-0001~~ through ~~07-330-0012~~

Units 37 through 48, Stonegate Phase 3, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

~~07-333-0001~~ through ~~07-333-0012~~

Units 25 through 36, Stonegate Phase 4, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

~~07-334-0012~~ through ~~07-334-0012~~

Units 49 through 60, Stonegate Phase 5, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

~~07-351-0001~~ through ~~07-351-0012~~

Units 61 through 72, Stonegate Phase 6, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

~~07-<sup>365</sup>257-0001~~ through ~~07-357-0012~~

Units 73 through 84, Stonegate Phase 7, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

~~07-366-0001~~ through ~~07-366-0012~~

# AMENDMENT TO THE CONDOMINIUM DECLARATION FOR STONEGATE (AN EXPANDABLE CONDOMINIUM)

## RECITALS

1. The Declaration of Stonegate (an Expandable Condominium) ("the Declaration") was executed on June 24, 1987 and recorded as Entry No. 10117352 in the Weber County Recorder's Office beginning on page 417 of Book 1521.

2. Stonegate (an Expandable Condominium) ("Stonegate") is contained within the real property described in Exhibit "A."

3. During its existence, Stonegate has allowed unit owners to lease their units to tenants without first consulting the owners' association.

4. A number of the unit owners have leased their units to tenants.

5. Some of these tenants have caused problems at Stonegate and have detracted from the peace and enjoyment of other residents of the condominium.

6. The unit owners wish to retain some measure of control over the tenants who live at the project and maintain a right to evict tenants who consistently violate the governing documents of the project.

Therefore, the owners of the units at Stonegate do hereby adopt the following amendment to the Declaration.

## SECTION ONE

There is hereby added a new paragraph to Article XV of the Declaration, which shall read as follows:

In the event a Unit Owner leases his Unit to a lessee and the lessee violates this Declaration or the Rules and Regulations adopted by the Management Committee, the Management Committee shall notify the Unit Owner of the violation in writing. If a lessee violates this Declaration or the Rules and Regulations on three or more separate occasions and the Unit Owner has received notice of at least three violations and the lessee continues to violate this Declaration or the Rules and Regulations, the Management Committee shall have authority to evict the lessee. The eviction shall be accomplished by bringing an action against the lessee and the Unit Owner in compliance with the provisions of Title 78, Chapter 36 of the Utah Code governing eviction of tenants on the grounds of nuisance. In such an action, the Management Committee shall be the plaintiff and both the Unit Owner and the lessee shall be named as defendants. The Management Committee shall be entitled to an order of restitution against the lessee and shall be entitled to collect its costs and attorney's fees from the Unit Owner.

E# 1711318 BK2077 1157  
DOUG CROFTS, WEBER COUNTY RECORDER  
15-JUN-00 1006 AM FEE \$97.00 DEP JPM  
REC FOR: STONEGATE.CONDO.ASSOC



SECTION TWO

This amendment shall take effect when recorded.

CERTIFICATION

It is hereby certified that the unit owners representing at least sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the undivided interests in the common areas and facilities in Stonegate (An Expandable Condominium, and fifty-one (51%) of the eligible holders of first mortgages on units to mortgages appertain have approved and consented to the amendments stated herein.

In witness hereof, executed this 16 day of MAY, 2000.

STONEGATE CONDOMINIUM MANAGEMENT COMMITTEE

BY: Randall Brady

Its: President

STATE OF UTAH )  
 : ss.  
COUNTY OF WEBER )

On the 16 day of May, 2000, personally appeared before me Randall Brady, who being duly sworn, did say that he is the President of The Stonegate Condominium Management Committee and that the within and foregoing instrument was signed on behalf of said management committee, acknowledged to me that he is the signer of the above instrument, that he has been authorized by the management committee and the owners' association to execute this document, and that the information contained therein is true and correct to the best of his/her knowledge.

[Signature]  
Notary Public

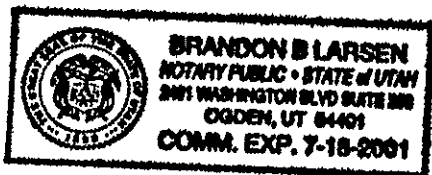


Exhibit "A"

Units 1 through 12, Stonegate Phase 1, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

~~07-324-0001 through 07-324-0012.~~

Units 13 through 24, Stonegate Phase 2, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

~~07-330-0001 through 07-330-0012.~~

Units 37 through 48, Stonegate Phase 3, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

~~07-333-0001 through 07-333-0012.~~

Units 25 through 36, Stonegate Phase 4, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

~~07-334-0012 through 07-334-0012.~~

Units 49 through 60, Stonegate Phase 5, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

~~07-351-0001 through 07-351-0012.~~

Units 61 through 72, Stonegate Phase 6, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

~~07-<sup>351</sup>257-0001 through 07-357-0012.~~

Units 73 through 84, Stonegate Phase 7, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

~~07-366-0001 through 07-366-0012.~~

**AMENDMENT TO THE CONDOMINIUM DECLARATION FOR  
STONEGATE (AN EXPANDABLE CONDOMINIUM)**

**RECITALS**

1. The Declaration of Stonegate (an Expandable Condominium) ("the Declaration") was executed on June 24, 1987 and recorded as Entry No. 10117352 in the Weber County Recorder's Office beginning on page 417 of Book 1521.

2. Stonegate (an Expandable Condominium) ("Stonegate") is contained within the real property described in Exhibit "A."

3. Pursuant to the terms of the Utah Condominium Ownership Act, the Management Committee at Stonegate has adopted rules and regulations governing behavior at Stonegate.

4. During its existence, Stonegate has experienced some problems with unit owners, their tenants, guests and invitees who have failed or refused to follow the rules and regulations.

5. In order to address these problems, the unit owners at Stonegate have decided to grant the Management Committee the right to impose fines on unit owners who fail to follow the rules and regulations.

6. In addition, the unit owners have decided to accept the responsibility for ensuring that their tenants, guests, relatives and invitees follow the rules established at Stonegate.

7. To achieve this end, the unit owners have decided to impose fines on unit owners whose tenants, guests, relatives or invitees fail to obey the rules at Stonegate.

8. The unit owners have also decided to allow the management committee to impose liens against the units in order to collect any fines that may be imposed for violations of the Rules and Regulations.

Therefore, the owners of the units at Stonegate do hereby adopt the following amendment to the Declaration.

**SECTION ONE**

There is hereby added a new Section 2 to Article VI.D of the Declaration, which shall read as follows:

Section 2. In addition to the means of enforcement provided elsewhere in this Declaration, the Management Committee shall have the right to assess fines against a unit owner or its guests, relatives, tenants, and invitees, in the manner provided herein and such fines shall be collectible as any other assessment such that the Association shall have a lien against each unit for the purpose of collecting the fine, as provided in this Section.

E# 1711319 BK2077 PG1160  
DOUG CROFTS, WEBER COUNTY RECORDER  
15-JUN-00 1007 AM FEE \$101.00 DEP JPM  
REC FOR: STONEGATE.CONDO.ASSOC

Amendment to the Declaration of Stonegate  
(An Expandable Condominium)

Page 2

(A) The Management Committee shall determine whether there is probable cause to believe that any provisions of this Declaration, the Articles of Incorporation, the Bylaws and the Rules and Regulations, ("the Governing Documents") are being or have been violated.

(B) Each recurrence of a violation of the Governing Documents shall be a separate offense and each day that a violation of the Governing Documents continues shall be a separate offense and the Management Committee shall have authority to impose separate fines for each separate offense.

(C) If the Management Committee determines that probable cause exists, it shall provide written notice to the person or persons believed to be in violation. If the person believed to be in violation is not the owner of the unit which he or she occupies, the Management Committee shall also notify the owner of the unit which the person occupies.

(D) The notice shall contain:

i) a specific description of the provision of the Governing Documents which has been violated,

ii) a specific description of the violation, including, if possible, a description of the time, date and place of the violation,

iii) a statement that if the owner or the person occupying the unit disputes the allegation that he or she has violated the Governing Documents, the person may request a notice before the Management Committee in writing within ten (10) days of the date of the notice,

iv) a statement that each recurrence of the violation shall be a separate offense for which a separate fine may be imposed,

v) a statement that each day a violation continues shall be considered a separate offense for which a separate fine may be imposed, and

vi) a statement that, in lieu of requesting a hearing, the person alleged to have violated the Governing Documents may respond to the notice, within ten (10) days after the time it is sent, acknowledging in writing that the violation occurred as alleged and promising that it will henceforth cease and will not recur, and that such acknowledgment, promise and performance shall terminate further enforcement activity by the Management Committee with regard to the particular violation.

(E) If a hearing is timely requested, the Management Committee shall hold the hearing. Prior to the hearing, the Management Committee shall provide the alleged violator with the date, time and place of the hearing. At the hearing the Management Committee shall consider any defense to the charge, including any witnesses that the alleged violator or the unit owner may produce. Any party at the hearing may be represented by counsel.

(F) After the hearing, or if no hearing is requested and no acknowledgment and promise to perform is timely made, the Management Committee shall determine whether there is sufficient evidence of a violation or violations under this Section. If the Management Committee determines that there is sufficient evidence, it may levy a fine for each violation in the amount provided in this Section.

(G) A fine imposed under this Section shall be assessed against the unit which the violator occupied at the time of the violation, whether or not the violator is an owner of the unit.

E# 1711319 BK2077 #1161

The fine shall be collectible in the same manner as any other assessment, including by the Association's lien rights as provided in the Declaration and the laws of the State of Utah. Nothing herein shall be construed to interfere with any right that a unit owner may have to obtain payment or reimbursement from a tenant, guest, relative or invitee in the amount of any fine or fines assessed against the owner's unit.

(H) Nothing in this Section shall be construed as a prohibition of or a limitation on the right of the Management Committee to pursue other means to enforce the provisions of the Governing Documents, including the right to pursue unit owners, tenants, guests, relatives and invitees for legal or injunctive relief.

(I) Fines levied under this section shall not exceed \$20.00 for each violation.

(J) Nothing in this Section shall be construed to prevent the Management Committee from creating a Covenants Enforcement Committee to gather information regarding alleged violations of the Governing Documents.

SECTION TWO

This amendment shall take effect when recorded.

CERTIFICATION

It is hereby certified that the unit owners representing at least sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the undivided interests in the common areas and facilities in Stonegate (An Expandable Condominium, and fifty-one (51%) of the eligible holders of first mortgages on units to mortgages appertain have approved and consented to the amendments stated herein.

In witness hereof, executed this 16 day of MAY, 2000.

STONEGATE CONDOMINIUM MANAGEMENT COMMITTEE

BY: *Randall Brady*

Its: *President*

STATE OF UTAH )

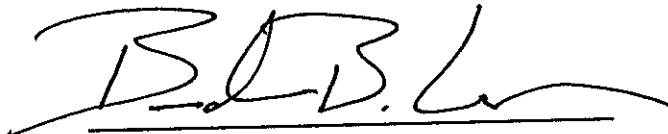
: ss.

COUNTY OF WEBER )

On the 16 day of May, 2000, personally appeared before me *Randall Brady*, who being duly sworn, did say that he is the *President* of

Amendment to the Declaration of Stonegate  
(An Expandable Condominium)  
Page 4

The Stonegate Condominium Management Committee and that the within and foregoing instrument was signed on behalf of said management committee, acknowledged to me that he is the signer of the above instrument, that he has been authorized by the management committee and the owners' association to execute this document, and that the information contained therein is true and correct to the best of his/her knowledge.



Notary Public



E# 1711319 BK2077 1163

Exhibit "A"

Units 1 through 12, Stonegate Phase 1, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

07-324-0001 through 07-324-0012.

Units 13 through 24, Stonegate Phase 2, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

07-330-0001 through 07-330-0012.

Units 37 through 48, Stonegate Phase 3, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

07-333-0001 through 07-333-0012.

Units 25 through 36, Stonegate Phase 4, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

07-334-0012 through 07-334-0012.

Units 49 through 60, Stonegate Phase 5, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

07-351-0001 through 07-351-0012.

Units 61 through 72, Stonegate Phase 6, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

<sup>367</sup>  
07-~~257~~-0001 through 07-357-0012.

Units 73 through 84, Stonegate Phase 7, A Condominium Project, Washington Terrace City,  
Weber County, Utah.

07-366-0001 through 07-366-0012.

E: 1711319 BK2077 61164



\*W2578446\*

# AMENDMENT

TO THE

# DECLARATION OF STONEGATE

(AN EXPANDABLE CONDOMINIUM)

E# 2578446 PG 1 OF 10  
ERNEST D ROWLEY, WEBER COUNTY RECORDER  
29-May-12 11:14 AM FEE \$111.00 DEP 5'  
REC FOR: HELGESEN WATERFALL & JONES  
ELECTRONICALLY RECORDED

This Amendment to the Stonegate Condominium Enabling Declaration ("Amended Declaration") is made and executed on the date shown below by the unit owners in Stonegate after having been voted on and approved by the owners in Stonegate.

## RECITALS

WHEREAS, Stonegate was created by the recording of a "Declaration of Stonegate (an Expandable Condominium)" (hereinafter "Enabling Declaration") recorded in the records of Weber County, Utah, on July 6, 1987, as entry number 1017352, in book 1521, beginning on page 417; and

WHEREAS, the property that is the subject of this Amended Declaration is situated in and upon that certain real property located in Weber County, State of Utah, as specifically described in Exhibit "A", attached hereto and incorporated herein by this reference, and including the common area that is appurtenant to each unit as shown on the plat maps for Stonegate, as recorded in the office of the County Recorder for Weber County, State of Utah. There are 84 units at Stonegate.

WHEREAS, The unit owners in Stonegate are desirous to create the Stonegate Condominium, Inc., a Utah non-profit corporation ("Association"), which will be created by filing Articles of Incorporation with the Utah Division of Corporations and Commercial Code, which Association shall operate for the purpose of managing the common area and enforcing the provisions of the Enabling Declarations and any amendments thereto. The Association will be the governing body of Stonegate and will operate in accordance with this Amended Declaration, the Articles of Incorporation (attached as Exhibit "B") and the Bylaws of the Association (as set forth in Article VI of the Enabling Declaration) for the purpose of managing the common area and enforcing the provisions of the Association documents.

NOW THEREFORE, To accomplish the unit owners' objectives, the following amendments are hereby adopted to amend the Enabling Declaration and to create the Stonegate Condominium, a Utah non-profit corporation. If there is any conflict between this Amended Declaration and the Enabling Declaration, this document shall control, unless otherwise stated.

This Amended Declaration shall become effective upon recording. The Stonegate Enabling Declaration is hereby amended as follows:



**AMENDMENT**

**ARTICLE I  
CREATION OF NON-PROFIT CORPORATION**

- 1.1 The unit owners hereby authorize and approve the creation of a Utah nonprofit corporation, to be known as Stonegate Condominium, Inc., by filing with the State of Utah the Articles of Incorporation for the Association in a form substantially similar to those contained in Exhibit "B", attached hereto. The Association shall be responsible for managing the common area within Stonegate and governing the affairs of Stonegate in accordance with the provisions of the Enabling Declarations, any amendments to the Enabling Declarations, the Articles of Incorporation and the Bylaws.
- 1.2 By voting to approve this Amended Declaration, the unit owners hereby agree to adopt the following documents:
- a. this Amended Declaration;
  - b. the Articles of Incorporation (Exhibit "B" attached hereto); and
  - c. the Bylaws of the Association as set forth in Article VI of the Enabling Declaration

as the governing documents of Stonegate Condominium, Inc., which documents shall constitute equitable servitudes that shall run with the real property described in Exhibit "A".

- 1.3 Pursuant to the provisions in this Amended Declaration wherein Stonegate is incorporated as a non-profit corporation under the laws of the State of Utah, the management of Stonegate and the common area of Stonegate shall hereafter be performed under the direction and authority of the Association's board of directors.

**ARTICLE II  
ADOPTION OF BYLAWS**

The unit owners hereby authorize and approve the adoption of Bylaws for Stonegate Condominium, Inc. The Bylaws which shall govern the Association are set forth in Article VI of the Enabling Declaration.

*[Signatures on following page]*

**CERTIFICATION**

It is hereby certified that unit owners holding at least 67% of the voting interests in the Stonegate have voted to approve this Amended Declaration.

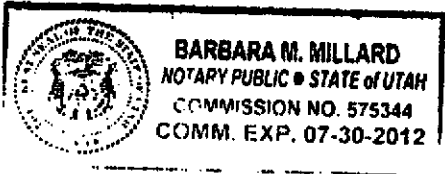
IN WITNESS WHEREOF, this 23 day of MAY, 2012.

By: Stanley R Ferrin  
President

STATE OF UTAH )  
  ) :ss.  
COUNTY OF Weber )

On this 23 day of May, 2012, personally appeared before me Stanley R. Ferrin who, being by me duly sworn, did say that he is President of the Stonegate Condominium and that the within and foregoing instrument was signed in behalf of said Association and he duly acknowledged to me he executed the same.

Barbara M. Millard  
Notary Public



**EXHIBIT "A"****Legal Description of Condominium Units at Stonegate**

Units I through 12, Stonegate Phase 1, A Condominium Project, Washington Terrace City, Weber County, Utah. 07-324-0001 through 07-324-0012. ✓ NP

Units 13 through 24, Stonegate Phase 2, A Condominium Project, Washington Terrace City, Weber County, Utah. 07-330-0001 through 07-330-0012. ✓ NP

Units 37 through 48, Stonegate Phase 3, A Condominium Project, Washington Terrace City, Weber County, Utah. 07-333-0001 through 07-333-0012. ✓ NP

Units 25 through 36, Stonegate Phase 4, A Condominium Project, Washington Terrace City, Weber County, Utah. ~~07-334-0012~~ through 07-334-0012.

07-334-0001

Units 49 through 60, Stonegate Phase 5, A Condominium Project, Washington Terrace City, Weber County, Utah. 07-351-0001 through 07-351-0012. ✓ NP

Units 61 through 72, Stonegate Phase 6, A Condominium Project, Washington Terrace City, Weber County, Utah. ~~07-357-0001~~ through 07-357-0012.

07-357-0001

Units 73 through 84, Stonegate Phase 7, A Condominium Project, Washington Terrace City, Weber County, Utah. 07-366-0001 through 07-366-0012. ✓ NP

**EXHIBIT "B"**

**Articles of Incorporation**

# ARTICLES OF INCORPORATION

FOR

## STONEGATE CONDOMINIUM, INC.

The undersigned adult natural persons, acting as incorporators, hereby establish a nonprofit corporation pursuant to the Utah Revised Nonprofit Corporation Act (the "Act") and adopt the following articles of incorporation for such corporation;

### ARTICLE I NAME

The name of the corporation is "Stonegate Condominium, Inc." (hereinafter the "Association").

### ARTICLE II DURATION

The Association shall have perpetual existence.

### ARTICLE III PURPOSES AND POWERS

- 3.1 **Purposes** The Association is organized as a nonprofit corporation and shall be operated to promote the health, safety and welfare of all members of the Association in connection with Stonegate and to establish, provide, and maintain a desirable community and environment for all member unit owners.
- 3.2 **Powers** In furtherance of the foregoing purposes, and subject to the restriction set forth in paragraph 3 of this Article, the Association shall have and may exercise all of the powers now or hereafter conferred upon nonprofit corporations organized under the laws of Utah and may do everything necessary or convenient for the accomplishment of any of the corporate purposes, either alone or in connection with other organizations, entities or individuals, and either as principal or agent, subject to such limitations as may be prescribed by law.
- 3.3 **Restrictions Upon Purposes and Powers** The foregoing purposes and powers of the Association are subject to the following limitations:
- Earnings of Association** No part of the net earnings of the Association (if any) shall inure to the personal benefit of any member of the Association; however, this restriction shall not limit or impair the Association's right to compensate

Members for services rendered or for goods sold or leased to the Association;

**Nonprofit Organization** The Association shall be organized and operated exclusively for non-profitable purposes as set forth in Section 528 of the Internal Revenue Code as it is now or may hereafter be amended, or in any corresponding provision of any future law of the United State of America providing for exemption of similar organizations from income taxation; and

**ARTICLE IV  
DIVIDENDS & DISTRIBUTIONS**

The Association shall not pay any dividends. No distribution of the corporate assets to Members (as such) shall be made except as permitted by the Internal Revenue Code and the Utah Code sections governing condominiums and community associations. Upon dissolution of the Association, the assets shall be distributed as provided in Article X herein.

**ARTICLE V  
MEMBERSHIP AND VOTING**

- 5.1 **Members** The Association shall have Members. Every owner of a unit which is subject to assessment shall be a Member of the Association. Each membership shall be pertinent to and may not be separated from ownership of the unit to which the membership is attributable.
- 5.2 **Stock** No stock in the Association shall be issued. The Board may, in its discretion, issue certificates evidencing a Member's membership in the Association. A person's membership, however, is not affected by the holding of such a certificate and a Member is entitled to all the benefits and subject to all obligation of membership whether or not the Member holds a membership certificated.
- 5.3 **Voting** The Association shall have one class of voting membership. Each unit shall be entitled to one vote on any given matter, regardless of the number of Members owing an interest in such unit. The Members owning a particular unit are authorized to cast the vote attributable to the unit. The Board may suspend the voting rights of Members for a particular unit if the Members are in violation of the Declaration.
- 5.4 **Right to Vote** No change in the ownership of a membership shall be effective for voting purposes unless and until the Board is given actual written notice of such change and is provided satisfactory proof thereof. The vote for each unit must be cast as a unit, and factional votes shall not be allowed. If a unit is owned by more than one person or entity and such owners are unable to agree among themselves as to show their vote or votes shall be cast, they shall not be entitled to vote on the matter in question. If any Member casts a vote representing a certain unit, it will thereafter be conclusively presumed for all purposes that he was acting with the authority and consent of all other owners of the same unit unless objection thereto is made at the time the vote is cast. If more than one vote is cast for a particular unit, none of the said votes shall be counted and all said votes shall

be deemed void. Voting by proxy is allowed as set forth in the Association's Bylaws.

- 5.5 **No Cumulative Voting** In any election of the members of the Board, the owner(s) of a given unit shall collectively have one vote for each Director position to be elected. The candidate receiving the highest number of votes for a given Director position shall be deemed elected to such position. Cumulative voting shall not be allowed in the election of members of the Board or for any other purpose.
- 5.6 **Transfer of Membership** The rights and obligations of memberships in the Association shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership to an owner's unit and then only to the new owner of the unit. A transfer of ownership to a unit may be effected by deed, intestate succession, testamentary disposition, foreclosure of a mortgage of record, or such other legal process as now in effect or as may hereafter be established under or pursuant to the laws of the State of Utah. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership to a unit shall automatically transfer the membership appurtenant to said unit to the new owner thereof.

**ARTICLE VI  
SHARE OF STOCK**

The Association shall not issue any shares of stock.

**ARTICLE VII  
DIRECTORS**

The management of the affairs of the Association shall be vested in a Board of Directors, except as otherwise provided in the Act, these Articles of Incorporation or the Bylaws of the Association. The number of Directors, their classification, if any, their terms of office and the manner of their election or appointment shall be determined according to the Bylaws of the Association from time to time in force.

Five Directors shall constitute the Board of Directors. Their names and addresses are as follows:

<u>Name</u>	<u>Address</u>
Stanley R. Ferrin, President	5415 South 350 East #59, Washington Terrace, Utah 84405
Sherrie Hartman, Board Member	5435 South 350 East #4, Washington Terrace, Utah 8440
Janelle Gardner, Board Member	5420 South 350 East #46, Washington Terrace, Utah 84405
Wayne Palmer, Board Member	5420 South 350 East #42, Washington Terrace, Utah 84405
Rachelle Pierce, Secretary	5445 South 350 East #28, Washington Terrace, Utah 84405

**ARTICLE VIII  
BYLAWS**

The current Bylaws of the Association shall be those adopted as the Bylaws of the Association in connection with the Enabling Declaration. The Bylaws of the Association may contain any provisions for the regulation or management of the affairs of the Association which are not inconsistent with law or these articles of incorporation, as these articles may from time to time be amended.

**ARTICLE IX  
INITIAL PRINCIPAL OFFICE, REGISTERED OFFICE AND AGENT**

The address of the initial principal office of the Association is Stonegate Condominium, 4605 Harrison Blvd., Ogden, UT 84403. The address of the initial registered office is 4605 Harrison Blvd., Ogden, UT 84403. The name of the Association's registered agent at such address is Richard W. Jones.

**ARTICLE X  
DISSOLUTION**

The Association may be dissolved only upon termination of Enabling Declarations for Stonegate. Written notice of a proposal to dissolve, setting forth the reasons therefore and the disposition to be made of the assets, as set forth below, shall be mailed to every Member at least 30 days in advance of any action taken. Upon dissolution of the Association, the assets both real and personal of the Association, shall be distributed according to the provisions of the Act and the Utah Code sections governing condominiums and community associations.

**ARTICLE XI  
INCORPORATOR**

The name and address of the incorporator of this Association is:

Stanley R. Ferrin, 5415 S. 350 E. #59, Washington Terrace, UT 84405

**ARTICLE XII  
AMENDMENT**

The Association may amend these Articles of Incorporation by a vote of not less than 67% of the members.



IN WITNESS WHEREOF, I, Stanley R. Ferrin have executed these Articles of Incorporation this 18 day of MAY, 2012, and say: That I am the incorporator herein and have read the above and foregoing Articles of Incorporation and know the contents thereof and that the same is true to the best of my knowledge and belief.

  
Stanley R. Ferrin

**ACKNOWLEDGMENT OF ACCEPTANCE BY REGISTERED AGENT**

The undersigned hereby accepts and acknowledges appointment as the initial registered agent of the Association named above.

  
Richard W. Jones