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DOUG CROFTS, WEBER COUNTY RECORDER
21-JUN-94 1157 AM FEE \$104.00 DEP MH
REC FOR: MARIAN HOLLINGSWORTH

**AMENDED DECLARATION OF CONDOMINIUM
OF
VALLE GRANDE EAST CONDOMINIUMS**

THIS AMENDED DECLARATION, containing covenants, conditions and restrictions relating to the Valle Grande East Condominiums and the By-laws attached hereto and made a part hereof are made and executed in Weber County, State of Utah this 21st day of June, 1994 by all the Valle Grande East Condominium Unit Owner. This amended Declaration is made pursuant to the provisions of the Utah Condominium Ownership Act, Utah Code Ann § 57-8-1 et seq, hereinafter referred to as "the Act."

Recitals

I

WHEREAS, Unit Owners are the owners of all the Units, Common Areas and Facilities at Valle Grande East Condominiums located in Weber County, Utah, described in the Record Survey Map recorded herewith and in Appendix "A" attached hereto and made a part hereof; and

II

WHEREAS, when the condominium was created by recording the original Declaration on July 13, 1981, and the Record of Survey Map on July 18, 1991, 27 units were created and declared. However only 12 units been constructed at Valle Grande East and 15 units which have been declared have not been constructed; and

III

WHEREAS, the Unit Owners desire by filing this Amended Declaration and the Amended Record of Survey Map to continue the condominium regime at Valle Grande East Condominium; and

IV

WHEREAS, the Management Committee desires and intends to complete the above condominium project by amending the Record of Survey Map by reducing the

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total number of units from 27 to 24 and completing the project which will not consist of 24 units contained within five (5) buildings, three of the buildings having been completed and the other two yet to be constructed;

DECLARATION

NOW, THEREFORE, for such purposes, the Management Committee hereby makes the following Declaration containing covenants, conditions and restrictions relating to this project which, pursuant to the provisions of the Condominium Ownership Act of the State of Utah, shall be enforceable equitable servitudes, where reasonable, and shall run with the land.

1. Name of the Project: The name by which the Project shall be known is the Valle Grande East Condominiums.

2. Definitions: The terms used herein shall have the meaning stated in the Utah Condominium Ownership Act and as given in this section 2 unless the context otherwise requires.

(a) The words "The Act" shall mean and refer to the Utah Condominium Ownership Act, Utah Code Annotated 1953, Section 57-8-1, et. seq., as the same may be amended from time to time.

(b) The words "Association of Unit Owners" or "Association" shall mean and refer to the Valle Grande East Condominium Owners Association. The Association shall be governed in accordance with the Declaration and By-Laws.

(c) The words "Common Areas and Facilities" shall mean and refer to:

(1) The land described in Exhibit "A" hereto, including convertible land.

(2) That portion of the Property not specifically included in the respective Units as herein defined:

(3) All foundations, columns, girders, beams, supports, main walls, roofs, stairways, exterior walkways, streets, such recreational areas and facilities as may be provided, yards, fences, service and parking areas and entrances and exits, and in general all other apparatus, installations and other parts of the Property necessary or convenient to the existence, maintenance and safety of the Common Areas and Facilities or normally in common use;

(4) Those areas specifically set forth and designated in the Map

as "Common Ownership" or "Limited Common Area"; and

(5) All Common Areas and Facilities as defined in the Act, whether or not expressly listed herein.

(d) The words "Common Expenses" shall mean and refer to all expenses of administration, maintenance, repair or replacement of the Common Areas and Facilities, except as expressly limited; to all items, things and sums described in the Act which are lawfully assessed against the Unit Owners in accordance with the provisions of the Act, this Declaration, the By-Laws, such rules and regulations pertaining to the Project as the Association of Unit Owners or the Management Committee may from time to time adopt, and such other determinations and agreements lawfully made and/or entered into by the Management Committee.

(e) The word "Condominium" shall mean and refer to the ownership of a single unit in this Project together with an undivided interest in the Common Areas and Facilities of the Property.

(f) The words "Condominium Project" or sometimes the "Project" shall mean and refer to the entire Property, as defined below, together with all rights, obligations and organizations established by this Declaration. At any point in time the Project shall consist of the first Phase and all subsequent Phases which theretofore have been added to and merged with the first Phase.

(g) The word "Declaration" shall mean this instrument by which the Valle Grande East Condominiums are established as a Condominium Project and shall include "Amended Declarations".

(h) The words "Limited Common Areas and Facilities" or "Limited Common Areas" shall mean and refer to those Common Areas and Facilities designated herein or on the Map as reserved for use of a certain Unit to the exclusion of the other Units including the driveways, parking stalls, patios, terraces, and/or balconies which lead to and/or are associated with certain Units.

(i) The words "Management Committee" or "Committee" shall mean and refer to the committee as provided in the Declaration and the By-Laws hereto attached as Exhibit B. Said Committee is charged with and shall have the responsibility and authority to make and to enforce all of the reasonable rules and regulations covering the operation and maintenance of the Project.

(j) The term "Manager" shall mean and refer to the person, persons or corporation selected by the Management Committee to manage the affairs of the Condominium Project.

(k) The word "Map" shall mean and refer to the Record of Survey Map of the Valle Grande East Condominiums recorded concurrently herewith.

(l) The word "Mortgage" shall mean and include both a first mortgage on any Unit and a first deed of trust on any Unit.

(m) The word "Mortgagee" shall mean and include 1) the mortgagee under a first mortgage on any Unit, 2) the beneficiary under a first deed of trust on any Unit and 3) the guarantor or insurer of any first mortgage, first trust deed or first lien on any unit.

(n) The word "Property" shall mean and include the land, the building, all improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

(o) The word "Unit" shall mean and refer to one of the Condominium Units designated as a Unit on the Map including the detached garage, if any, designated as appurtenant to the Unit. Mechanical equipment and appurtenances located within any one Unit or located without said Unit but designated and designed to serve only that Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, fixtures and the like, shall be considered part of the Unit, as shall all decorated interiors, all surfaces of interior structural walls, floors and ceilings, windows and window frames, doors and door frames, and trim, consisting of, among other things, and as appropriate, wallpaper, paint, flooring, carpeting and tile. All pipes, wires, conduits, or other public utility lines or installations constituting a part of the Unit and serving only the Unit, and any structural members of any other property of any kind, including fixtures and appliances within any Unit, which are removable without jeopardizing the soundness, safety or usefulness of the remainder of the building within which the Unit is situated shall be considered part of the Unit.

(p) The words "Unit Number" shall mean and refer to the number, letter or combination thereof designating the Unit in the Declaration and in the Map.

(q) The words "Unit Owner" or "Owner" shall mean the person or persons owning a Unit of the Valle Grande East Condominiums in fee simple and an undivided interest in the fee simple estate of the Common Areas and Facilities as shown in the records of the County Recorder of Weber County, Utah. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term Unit Owner or Owner shall not mean or include a mortgagee or a beneficiary or trustee under a deed of trust unless and until such a party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

(r) "Eligible Holder" shall mean a holder, insurer or guarantor of a first mortgage on a Unit who has requested notice in writing from the Owners' Association. The notice must contain the name and address of the holder insurer or guarantor and the Unit number(s) in which the holder, insurer or guarantor holds an interest.

(s) Those definitions contained in the Act, to the extent they are applicable to and not inconsistent herewith, shall be and are hereby incorporated herein by reference and shall have the same effect as if expressly set forth herein and made a part hereof.

3. Submission to Condominium Ownership. Declarant hereby submits the above-described Property, tract of land, buildings and other improvements constructed thereon or hereafter to be constructed, together with all appurtenances thereto, to the provisions of the Act as a Condominium Project and this Amended Declaration is submitted in accordance with the terms and provisions of the Act and shall be construed in accordance therewith. It is the intention of the Declaration that the provisions of the Act shall apply to the Property.

4. Covenants to Run with the Land. This Amended Declaration containing covenants, conditions and restrictions relating to the Project shall be an enforceable equitable servitude which shall run with the land and this Amended Declaration and its servitude shall be binding upon the Management Committee, its successors and assigns and upon all Unit Owners or subsequent Unit Owners, their grantees, mortgagees, successors, heirs, executors, administrators, devisees and assigns.

5. Description of Property.

(a) Description of Land. The land is that tract or parcel in Weber County, Utah, more particularly described in Exhibit "A" hereto.

(b) Description of Improvements. The significant improvements contained or to be contained in the project include include five buildings. Three of the buildings (Buildings A, C and E) are constructed principally of concrete foundations with exterior walls of brick and wood stud. Two of the buildings (Buildings B and D) are to be constructed in the future primarily of concrete foundations with some exterior brick on the lower portion of the walls and with stucco or siding on the upper portions. The unit owners (who are acting as the developers for the purpose of completing the construction of the remaining condominiums) as of the date this amended declaration is recorded shall have full authority to determine the type, style and exterior finish of the 12 units that have yet to be constructed and may do so without the approval of any unit owners who purchase units after this amended declaration is recorded.

(c) Description and Legal Status of Units. The Map shows the Unit Number of each Unit, its location, those Limited Common Areas and Facilities which are reserved for its use, and Common Areas and Facilities to which it has immediate access. All Units, of whatever type, shall be capable of being independently owned, encumbered and conveyed. The boundary lines of each Unit are the undecorated

and/or unfinished interior surfaces of its perimeter walls, bearing walls, lowermost floor, uppermost ceiling, all window panes, interior surfaces of doors, window frames and door frames and trim. Each Unit shall include both the portions of the building that are not common areas and facilities within such boundary lines and the space so encompassed. Without limitation, a Unit shall include any finishing material applied or affixed to the interior surfaces of the interior walls, floors and ceilings, non-supporting interior walls and all utility pipes, lines, systems, fixtures or appliances found within the boundary lines of the unit and servicing only that unit.

(d) Common Areas and Facilities. Except as otherwise provided in the Declaration, the Common Areas and Facilities shall consist of the areas and facilities described in the definitions and constitute in general all of the parts of the Property except the Units. Without limiting the generality of the foregoing, the Common Areas and Facilities shall include the following, whether located within the bounds of a Unit or not;

(1) All structural parts of the buildings including, without limitation, foundations, columns, joists, beams, supports, supporting walls, floors, ceilings and roofs;

(2) Parking areas, lawns, shrubs, and gardens, and recreational areas;

(3) Any utility pipe or line or system necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common Areas and Facilities in the Map;

(4) All other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common Areas and Facilities in the Map.

(e) Description of Limited Common Areas and Facilities. Each owner of a unit is hereby granted an irrevocable and exclusive license to use and occupy the limited common areas and facilities reserved exclusively for the use of their unit. The limited common areas appurtenant to any given unit shall consist of the driveways and walkways leading directly to the unit, and patios which are adjacent to, contiguous with, and open into the unit, including those designated on the map. The exclusive right to use and occupy each limited common area shall be appurtenant to and shall pass with the title to the unit with which it is associated.

6. Statement of Purpose and Restriction on Use.

(a) Purpose. The purpose of the Project is to provide residential housing and parking space for Unit Owners and to tenants and guests, all in

accordance with the provisions of the Act.

(b) Restrictions on Use. The Units and Common Areas and Facilities shall be used and occupied as hereinafter set forth.

(1) Each of the Units shall be occupied by the Unit Owner, his family, servants, tenants or guests as a private residence and for no other purpose. Each driveway and parking area appurtenant to a Unit shall be used by the Unit Owner, his family, servants, tenants or guests for the parking or storage of motor vehicles or such other items as the Management Committee may approve and for no other purpose. No driveway or parking area shall be used for parking of trailers, mobile homes, boats, snowmobiles, or campers that have been detached from trucks. No vehicle that is: i) unlicensed, unregistered or has expired registration shall be parked or otherwise permitted in the common area for more than 3 days; ii) inoperable or abandoned for more than 15 days shall be parked or otherwise permitted in the common area. Any unlicensed, unregistered, expired registration, inoperable or abandoned vehicle in the common area in violation of the above provisions shall be towed from the common area at the unit owner, vehicle owner or tenants expense. The Common Areas and Facilities shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Units.

(2) Nothing shall be done or kept in any Unit or in the Common Areas and Facilities which will increase the rate of insurance on the buildings or contents thereof beyond that customarily applicable for residential use, or will result in the cancellation of insurance in the buildings, or the contents thereof, without the prior written consent of the Management Committee. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Areas and Facilities which is in violation of any law, ordinance or regulation of any governmental authority.

(3) No Unit Owner shall cause or permit anything (including, without limitation, a sign, awning, canopy, shutter, radio or television antenna) to hang, be displayed or otherwise affixed to or placed on the exterior walls or roof or any part thereof, or on the outside of windows or doors, without the prior written consent of the Management Committee.

(4) No noxious or offensive activity shall be carried on in any Unit or in the Common Areas and Facilities, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants.

(5) Nothing shall be done in any Unit or in, on, or to the Common Areas and Facilities which will impair the structural integrity of the buildings or any part thereof or which would structurally change the buildings or any part thereof except as is otherwise provided herein.

(6) No dogs, cats, animals or pets of any kind may be raised, bred or kept in any Unit or in the Common Areas or Limited Common Areas of the Project except pursuant to written rules and regulations established by the Management Committee. If pets are permitted the permission to keep a pet must be received by a unit owner from the management committee in writing. If occupants of units bring a pet to the unit or common area without receiving written permission from the management committee, the unit owner shall be responsible to see that the pet is removed from the premises or shall reimburse the management committee for any and all costs incurred by the management committee, including legal fees, in removing the pet.

(7) The common Areas and Facilities shall be kept free and clear of all rubbish, debris and other unsightly materials.

(8) No admission fees, charges for use, leases or other income-generating arrangement of any type shall be employed or entered into with respect to any portion of the Common Areas and Facilities.

7. Person to Receive Service of Process. The person to receive service of process in the cases provided herein or in the Act is L. Gyle Hollingsworth, whose address is 2623 N. 200 E, North Ogden, Utah 84414. The said person may be changed by the recordation by the Management Committee of an appropriate instrument.

8. Ownership and Use.

(a) Ownership of a Unit. Except with respect to any of the Common Areas and Facilities located within the bounds of a unit, each Unit Owner shall be entitled to the exclusive ownership and possession of his Unit and to the ownership of an undivided interest in the Common Areas and Facilities in a percentage equal to 100% of the vote, divided by the number Units at the project. Each unit owner is granted the unrestricted right of ingress and egress to his or her unit, which right is perpetual and appurtenant to the unit ownership.

Nothing in this declaration, the by-laws or any rule or regulation adopted at Valle Grande East Condominiums shall be construed as creating a right of first refusal on the sale of any unit in the owners' association or Management Committee.

(b) Nature of and Restrictions on Ownership and Use. Each Unit Owner shall have and enjoy the rights and privileges of fee simple ownership of his Unit. There shall be no requirements concerning who may own Units, it being intended that they may and shall be owned as any other property rights by persons, corporations, partnerships, or trusts and in the form of common tenancy. The Unit Owners may lease or rent their Units with their appurtenant rights subject to terms and conditions chosen solely by the Unit Owner and his lessee, except that all Unit Owners,

their tenants and other occupants or users of the Project, shall be subject to the Act, this Declaration, the by-Laws, and all rules and regulations of the Association of Unit Owners and Management Committee.

(c) Prohibition Against Subdivision of Unit. No Unit Owner shall subdivide or in any manner cause the ownership of his Unit to be separated into physical tracts or parcels smaller than the whole Unit as shown on the Map and no driveway, parking area or other limited common area which is incident to any Unit shall be conveyed separately from such Unit.

(d) Ownership of Common Areas and Facilities. The Common Areas and Facilities contained in the Project are described and identified in Section 5(d) of this Declaration. Said Common Areas and Facilities shall be owned by the Unit Owners as tenants in common. No percentage of undivided ownership interest in the Common Areas and Facilities shall be separated from the Unit to which it appertains; and even though not specifically mentioned in the instrument of transfer, such a percentage of undivided ownership interest shall automatically accompany the transfer of the Unit to which it relates. The Common Areas and Facilities shall be used only in a manner which is consistent with their community nature and with the use restrictions applicable to the Units contained in the Project.

(e) Use of Common Areas and Facilities. Except with respect to Limited Common Areas each Unit Owner may use the Common Areas and Facilities in accordance with the purpose for which they are intended, but subject to this Declaration and the By-Laws. This right of use shall be appurtenant to and run with each Unit.

(f) Computation of Undivided Interest. The percentage of undivided ownership interest in the Common Areas and Facilities which is appurtenant to each Unit shall be allocated equally among all of the Units. A Unit Owner's percentage of ownership interest in the Common Areas and Facilities shall be for all purposes, including voting and assessment of common expenses.

9. Use of Limited Common Areas and Facilities. A Unit Owner's exclusive right of use and occupancy of the Limited Common Areas and Facilities reserved for their Unit shall be subject to and in accordance with this Declaration and the By-Laws. Any Limited Common Area shall be leased only to persons who reside in the Project or used by the family, servants or guest thereof on a temporary basis.

10. Voting-Multiple Ownership. The vote attributable to and exercisable in connection with a Unit shall be the percentage of undivided ownership interest in the Common Areas and Facilities which is appurtenant to such Unit. In the event there is more than one Owner of a particular Unit, the vote relating to such Unit shall be exercised as such Owners may determine among themselves. A vote cast at any

meeting by any of such Owners shall be conclusively presumed to be the vote attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

11. Management.

(a) Management Committee. The business, property and affairs of the Project shall be managed, operated and maintained by the Management Committee Association as agent for the Unit Owners. The Management Committee shall have, and is hereby granted, the following authority and power:

(1) The authority, without the vote or consent of the Unit Owners or of any other person(s), to grant or create, on such terms as it deems advisable, utility and similar easements, over, under, across and through the Common Areas and Facilities' and work performed pursuant to such easements must be done in a workmanlike manner and any damage to the interior structure or decor of a Unit must be repaired;

(2) The authority to execute and record, on behalf of all Unit Owners, any amendment of the Declaration or Map which has been approved by the vote or consent necessary to authorize such amendment;

(3) The authority to enter into contracts which in any way concern the Project, so long as any vote or consent of the Unit Owners necessitated by the subject matter of the agreement has been obtained;

(4) The power and authority to convey or transfer any interest in real property, so long as any vote or consent necessary under the circumstances has been obtained;

(5) The power and authority to purchase, otherwise acquire, and accept title to, any interest in real property, so long as such action has been authorized by any vote or consent which is necessary under the circumstances;

(6) The power and authority to add any interest in real property obtained pursuant to paragraph (5) above to the Project, so long as such action has been authorized by the necessary vote or consent;

(7) The authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Committee in carrying out any of its functions or to insure that the project is maintained and used in a manner consistent with the interests of the Unit Owners; and

(8) The power and authority to perform any other acts and to enter into any of the transactions which may be reasonably necessary for the Management Committee to perform its functions as agent for the Unit Owners, including but not limited to the power to sue and be sued.

Any instrument executed by the Management Committee that recites facts which, if true, would establish the Committee's power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.

(b) Composition of Management Committee. The Committee shall be composed of three (3) members. At the first regular Association meeting two (2) Committee members shall be elected for three-year terms, one (1) Committee member for a one-year term. At each annual Association meeting thereafter any vacant seat on the Committee shall be filled with a member elected for a three-year term. Only Unit Owners and officers and agents of Owners other than individuals shall be eligible for committee membership. At the annual meeting the percentage of undivided ownership interest appurtenant to a Unit may be voted in favor of as many candidates for Committee membership as there are seats on the Committee to be filled.

Any Committee member who fails on three successive occasions to attend committee meeting (whether regular or special) or who has failed to attend at least 25% of all Committee meeting (whether regular or special) held during any twelve-month period shall automatically forfeit their seat. In all other cases of vacancy the remaining Committee members shall elect a replacement to sit on the Committee until the expiration of the term for which the member being replaced was elected. Unless he forfeits or otherwise loses his seat as herein provided, a member shall serve on the Committee until his successor is elected and qualifies. Committee members shall be reimbursed for all expenses reasonably incurred in connection with Committee business.

(c) Responsibility. The Management Committee shall be responsible for the control, operation and management of the Project in accordance with the provisions of the Act, this Declaration, such administrative, management and operational rules and regulations as it may adopt from time to time as herein provided, and all agreements and determinations lawfully made and entered into by said Committee.

(d) Additional Facilities. The Management Committee shall, subject to any necessary approval, have the authority to provide such facilities, in addition to those for which provision has already been made, as it may deem to be in the best interests of the Unit Owners and to effect the necessary amendment of documents and maps in connection therewith.

(e) Name. The Management Committee shall be known as the Valle Grande East Condominiums Management Committee.

(f) Manager. The Committee may carry out through a Project Manager any of its functions which are properly the subject of delegation. Any Manager so engaged shall be an independent contractor and not an agent or employee of the Committee, shall be responsible for managing the Project for the benefit of the Committee and the Unit Owners, and shall, to the extent permitted by law and the terms of the agreement with the Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself. Any agreement for professional management of the project which may be entered into by the Management Committee or the Association shall call for a term not exceeding one (1) year renewable by agreement of the parties for successive one-year periods, and shall provide that for cause such management agreement may be terminated by the Management Committee or by the Association upon not in excess of thirty (30) days written notice, and shall provide that such agreement may be terminated by either party without cause upon ninety (90) days written notice and without any payment of a termination fee.

(g) Availability of Documents. The Management Committee shall make available to the unit owners, lenders and mortgagees of any unit, current copies of the declaration, by-laws and other rules governing the condominium, and other books, records and financial statements of the owners association. The Management Committee shall make available to prospective purchasers current copies of the declaration, by-laws, other rules governing the condominium, and the most recent annual audited financial statement, if such is prepared. "Available" as used herein shall mean available for inspection upon request during normal business hours.

12. Easements.

(a) Each Unit shall be subject to such easements as may be necessary for the installation, maintenance, repair or replacement of any Common Areas and Facilities located within the boundaries of such Unit.

(b) In the event that, by reason of the construction, reconstruction, repair, settlement, movement or shifting of any building, any part of the Common Areas and Facilities encroaches or shall hereafter encroach upon any part of any Unit or Unit shall encroach on any part of the Common Areas and Facilities or any other Unit, valid easement are hereby established and shall exist for the benefit of such Unit or the Common Areas and Facilities, as the case may be, so long as all or any part of the building containing any such Unit shall remain standing; provided, however, that in no event shall a valid easement or any encroachment be created in favor of any Unit Owner or in favor of the Unit Owners as owners of the Common Areas and Facilities if such encroachment occurred due to the willful conduct of such Unit Owner or Owners.

13. Change in Ownership. The Management Committee shall maintain up-to-date records showing the name of each person who is an Owner, the address of such person, and the Unit which is owned by them. In the event of any transfer of a fee or undivided fee interest in a Unit either the transferor or transferee shall furnish the Management Committee with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of record in the office of the County Recorder of Weber County, Utah. The Management Committee may act and rely on current ownership information respecting any Unit or Units which is obtained from the office of the County Recorder of Weber County, Utah. The address of an Owner shall be deemed to be the address of the Unit owned by such person unless the Management Committee is otherwise advised.

14. Assessments. Every Unit Owner shall pay his proportionate share of the common expenses. Payment thereof shall be in such amounts and at such times as the Management Committee determines in accordance with the Act, the Declaration or the By-Laws. There shall be a lien for nonpayment of common expenses as provided by the Act. Assessment of common expenses shall commence at such time as determined by the Management Committee. No assessment for a single improvement in the nature of a capital expenditure which exceeds the sum of \$2,500 shall be made without the same having been first voted on and approved by at least a majority of the Project's undivided ownership interest. No Unit Owner shall be subject to assessment on a Unit that has not been Physically constructed until the Unit is constructed and an occupancy permit has been issued.

15. Destruction or Damage. In the event of destruction or damage of part or all of the improvements in the Condominium Project, the procedures of this section shall apply.

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

(b) If less than 75% of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all of the Units shall be assessed for any deficiency on the basis of their respective appurtenant percentages of undivided ownership interest.

(c) If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Management Committee are not alone sufficient to accomplish restoration, and if the Unit Owners within 100 days after the destruction or damage by a vote of at least 75% of the entire undivided ownership interest in the Project elect to repair or reconstruct the affected improvements, restoration shall be accomplished in the manner directed under

subsection (b) above.

(d) If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Committee are insufficient to accomplish restoration, and if the Unit Owners do not, within 100 days after the destruction or damage and by a vote of at least 75% of the entire undivided ownership interest in the Project, 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 from time to time, shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units.

(e) Any reconstruction or repair which is required to be carried out by this section shall be accomplished at the instance and direction of the Management committee. Any determination which is required to be made by this section regarding the extent of damage to or destruction of Project improvements shall be made as follows: The Management Committee shall select three MAI 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 section shall be the average of the two closest appraisal figures.

(f) In the event that reconstruction or repair is made under this section after destruction or damage of the project, such reconstruction or repairs shall be in substantial compliance with this declaration unless 67% of the owners and 51% of the mortgagees vote to rebuild or repair the project in some other style or according to some other plan.

16. Taxes. It is understood that under the Act each Unit, together with its percentage of undivided interest in the Common Areas and Facilities in the Project, is deemed a parcel and subject to separate assessment and a taxation by each assessing unit and special district for all types of taxes authorized by law. Each Unit Owner will, accordingly, pay and discharge any and all taxes which may be assessed against his Condominium Unit.

17. Insurance.

(a) Hazard Insurance. The Management Committee or Association of Unit Owners shall at all times maintain in force hazard insurance meeting the following requirements:

(1) A multi-peril type "master" or "blanket" policy covering the entire Project (including Common areas, limited Common areas, Facilities and all

personal property owned by the Owners' Association) shall be maintained. Such policy shall be in the form of single entity condominium insurance and shall provide coverage against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, debris removal, costs of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location, and use. In addition, any equipment or fixtures owned in common by all Unit owners or other common property within Units must be covered by this insurance policy. As a minimum, such policy shall provide coverage on a replacement cost basis in an amount not less than that necessary to comply with any co-insurance percentage specified in the policy, but not less than one hundred percent (100%) of the full current replacement cost of the project. Such policy shall include and "Agreed Amount Endorsement" or its equivalent, a "Demolition Endorsement" or its equivalent, a "Special Condominium Endorsement" or its equivalent, and if necessary or appropriate, and "Increased Costs of Construction Endorsement" or its equivalent, and a "Contingent Liability from Operation of Building Laws Endorsement" or its equivalent.

(2) For all steam boilers, contained in the Project, there shall be maintained boiler explosion insurance and a broad form policy or repair and replacement boiler and machinery insurance, evidenced by the standard form of boiler and machinery insurance policy. Said insurance shall, as a minimum, provide coverage in the amount of One Hundred Thousand Dollars (\$100,000.00) per accident per location.

(3) If the Project is or comes to be situated in a locale identified by the Secretary of Housing and Urban development as an area having special flood hazards and the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, a "blanket" policy of flood insurance on the Project shall be obtained and maintained. The minimum amount of coverage afforded by such policy shall be the lesser of the maximum amount of insurance available under said Act or the aggregate of the unpaid principal balances of the Mortgages affecting the individual Units. Such policy shall be in the form of the standard policy issued by members of the National Flood Insurers Association or in the form of a policy which meets the criteria established by the Flood Insurance Administration. This insurance shall be bought and paid for by the owners association.

(4) The named insured under each policy required to be maintained by the foregoing items (1) and (2) shall be in form and substance essentially as follows: the Valle Grande East Condominiums Owners Association, or its authorized representative, for the use and benefit of the individual Owners.

(5) Each such policy shall include the standard mortgage clause (without contribution) which either shall be endorsed to provide that any proceeds shall be paid to the Association of Unit Owners for the use and benefit of Mortgagees as

their interests may appear or shall be otherwise endorsed to fully protect the interests of Mortgagees. In addition, the mortgagee clause shall provide that the insurance carrier shall notify each Mortgagee at least thirty (30) days in advance of the effective date of any reduction in or cancellation of the policy.

(6) Each such policy shall provide that notwithstanding any provision thereof which gives the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable if it is in conflict with any requirement of law or without the prior written approval of the Association.

(b) Liability Insurance. The Management Committee or Association of Unit Owners shall at all times maintain in force a comprehensive policy of public liability insurance covering all of the common Areas and Facilities. Such insurance shall include a "Severability of Interest Endorsement" or its equivalent which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of other Owners, the Management Committee, or the Association of Unit Owners. The coverage afforded by such public liability insurance shall include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location and use. The insurance shall also provide, without limitation, for property damage, bodily injury and deaths resulting from the operation, maintenance and use of the common elements. This liability insurance shall also cover legal liability arising out of employment contracts of the association. Liability insurance shall be in the amount of at least \$1,000,000 for all claims for personal injury and/or property damage arising out of a single occurrence.

(c) General Requirements Concerning Insurance. Each insurance policy maintained pursuant to the foregoing Sections 18(a) and (b) shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which is generally acceptable to other condominium projects in the area. No such policy shall be maintained where: (1) under the terms of the carrier's charter, by-laws, policy, contributions may be required from, or assessments may be made against, a Unit Owner, a Mortgagee, the Management Committee, the Association of Unit Owners, a Unit, the Common Areas, or the Project; (2) by the terms of the carrier's charter, by-laws, policy, loss payments are contingent upon action by the carrier's board of directors, policy holders, or members; (3) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled from collecting insurance proceeds; or (4) the policy provides that the insurance thereunder shall be brought into contribution with insurance purchased by the individual Unit Owners or their Mortgagees. Each such policy shall provide that: (a) coverage shall not be prejudiced by any act or neglect of the Unit Owners when such act or neglect is not within the control of the Association of Unit Owners or the Management committee; (b) coverage shall not be prejudiced by any failure by the Association or Committee to

comply with any warranty or condition with regard to any portion of the Project over which the Association and Committee have no control; (c) coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice to any and all insured; and (d) the insurer waives any right to subrogation it might have as to any and all claims against the association, the Management Committee, and Unit Owner, and/or their respective agents, employees or tenants. If due to changed circumstances, excessive costs, or any other reason, any of the insurance coverage required to be obtained and maintained under Sections 18 (a) through 18(b) hereof cannot reasonably be secured, with respect to such coverage the Association or the Committee shall obtain and maintain such substitute, different or other coverage as may be reasonable and prudent under the circumstances as they then exist.

(d) The following additional provisions shall apply with respect to insurance:

(1) In addition to the insurance described above, the Committee shall secure and at all times maintain insurance against such risks as are or hereafter may be customarily insured against in connection with condominium projects similar to the Project in construction, nature, and use.

(2) The Committee shall have authority to adjust losses.

(3) Insurance secured and maintained by the Committee shall not be brought into contribution with insurance held by the individual Unit Owners or their mortgagees.

(4) Each policy of insurance obtained by the Committee shall, if possible, provide: A waiver of the Insurer's subrogation rights with respect to the Committee, the Manager, the Unit Owners, and their respective servants, agents, and guests; that it cannot be cancelled, suspended, or invalidated due to the conduct of any member, officer, or employee of the Committee or of the Manager without a prior written demand that the defect be cured; that any "no other insurance" clause therein shall not apply with respect to insurance held individually by the Unit Owners.

(5) Any Unit Owner may obtain additional insurance at his own expense, so long as such additional insurance does not have the effect of decreasing the amount which may be realized under any policy maintained by the Committee. Any Unit Owner who individually obtains insurance covering any portion of the Project shall supply the committee with a copy of his policy within thirty (30) days after he acquires such insurance.

(6) Notwithstanding anything herein contained to the contrary, insurance coverage must be in such amounts and meet other requirements of the

Federal Mortgage Association.

(e) Insurance policies must provide for recognition of any Insurance Trust Agreement.

(f) The Management Committee shall issue certificates of insurance to any owner or mortgagee upon request.

18. Payment of Expenses.

(a) Each Unit Owner shall pay the Management Committee their allocated portion of the cash requirement deemed necessary by the Management Committee to manage and operate the Project, without any deduction on account of any set-off or claim which the Owner may have against the Management Committee or Association. Each installment shall be due on or before the first day of each month. If the Unit Owner shall fail to pay any installment within five (5) days of the time when the same becomes due, the Owner shall pay interest thereon at the rate of twelve percent (12%) per annum from the date when such installment shall become due to the date of the payment thereof, together with all costs and expenses, including attorney's fees, incurred in any proceedings brought to collect such unpaid common expenses.

(b) The cash requirements above referred to for each year, or portions of the year, are hereby defined and shall be deemed to be such aggregate sum as the Management Committee from time to time shall determine, in its judgment, is to be paid by all the Owners of the Project then in existence to enable the Management Committee to pay all estimated expenses and outlays of the Management Committee to the close of such year, growing out of or in connection with the maintenance and operation of such other things, the cost of management, special assessments, fire, casualty, flood, fidelity, public liability and other insurance or bond premiums, common lighting, landscaping, and the care of the grounds, repairs, and renovations to Common Areas and Facilities, and other services which are separately billed or metered to the individual Units by the utility or party furnishing such service, legal and accounting fees, management fees, expenses and liabilities incurred by the Management Committee under or by reason of this Declaration, the payment of any deficit remaining from the previous period, the creation of a reasonable contingency or other necessary reserve or surplus fund, as well as all other costs and expenses relating to the Project. The Management Committee may, from time to time, up to the close of the year for which such cash requirements have been so fixed or determined, increase or diminish the amount previously fixed or determined for such year. It may include in the cash requirements for any year, any liabilities or items of expense which accrued or became payable in the previous year, or which might have been included therein; and also any sums which the Management Committee may deem necessary or prudent to provide a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

(c) The portion payable with respect to each Unit in and for each year of for a portion of a year shall be a sum equal to the aggregate amount of such cash requirements for such year, or portion of year, determined as aforesaid, multiplied by the percentage of undivided interest in the Common areas and Facilities appurtenant to such Unit, except as hereinafter provided. Such assessments, together with any additional sums accruing under this Declaration, shall be payable monthly in advance, or in such payments and installments as shall be provided by the Management Committee. Provided, however, that no common expenses shall be payable with respect to ownership of a Unit until initial construction of such unit is completed, and provided, further, that during such time as a Unit is unoccupied and has not yet been first sold, the Management Committee shall be deemed to be the owner of the unit, and no common expenses shall be due from the Unit until it is sold.

(d) The Management Committee shall have discretionary powers to prescribe the manner of maintaining and operating the Project and to determine the cash requirements of the Management Committee to be paid as aforesaid by the Owners under this Declaration. Every such reasonable determination by the Management Committee within the bounds of the Act and this Declaration shall be final and conclusive as to the Owners, and any expenditures made by the Management Committee, within the bounds of the Act and this Declaration shall as against the Owner be deemed necessary and properly made for such purpose.

(e) If an Owner shall at any time let or sublet this Unit and shall default for a period of one month in the payment of any assessments, the Management Committee may, at its option, so long as such default shall continue, demand and receive from any tenant or subtenant of the Owner occupying the Unit the rent due or becoming due and payment of such rent to the Management Committee shall be sufficient payment and discharge of such tenant or subtenant and the Owner to the extent of the amount so paid.

(f) Each monthly assessment and each special assessment shall be separate, distinct and personal obligations of the Owner(s) of the Unit against which the same is assessed at the time the assessment is made and shall be collectible as such. The personal obligation of an owner for delinquent assessments shall not pass to successors in title or interest unless such successors assume the obligation or an assumption is required under applicable law. Suit to recover a money judgment for unpaid common expenses may be maintained without foreclosing or waiving the following lien securing the same: the amount of any assessment, whether regular or special, assessed to a Unit plus interest at fifteen percent (15%) per annum, and costs, including reasonable attorney's fees, shall become a lien upon such Unit upon recordation of a notice of assessment as provided by the Act. The said lien for nonpayment of common expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

(1) Tax and special assessment liens on the Unit in favor of any assessment unit, and special district; and

(2) Encumbrances on the interest of the Unit Owner recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

(g) A certificate executed and acknowledged by the Manager or Management Committee stating the unpaid common expenses then outstanding with respect to a Unit shall be conclusive upon the Management Committee and the Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner or encumbrancee or prospective Owner or encumbrancee of a Unit upon request at a fee of Ten Dollars (\$10.00). Unless a written request for a certificate of indebtedness shall be complied with within ten (10) working days, all unpaid common expenses which became due prior to the date of making of such request shall be subordinate to the lien or interest held by or obtained by the person making the request. Any encumbrancee holding a lien on a Unit may pay any unpaid Common Expenses payable with respect to such Unit and upon such payment such encumbrance shall have a lien on such Unit for the amounts paid of the same rank as the lien of his encumbrance.

(h) Upon payment of delinquent assessments concerning which a notice of assessment has been recorded or other satisfaction thereof, the Management Committee shall cause to be recorded in the same manner as the notice of assessment a further notice stating the satisfaction and release of the lien hereof. Such lien for nonpayment of assessment may be enforced by sale by the Management Committee or by a bank or trust company or title insurance company authorized by the Management Committee, such sale to be conducted in accordance with the provisions of the law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any manner permitted by law. In any foreclosure or sale, the Unit Owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees.

(i) In the event of foreclosure, the Unit Owner shall be required to pay a reasonable rental for the Unit and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The Management Committee or Manager shall have the power to bid on the Unit at foreclosure or other sale to hold, lease, mortgage and convey the Unit.

(j) In all cases where all or part of any assessments for Common Expenses and for any expenses of and advances by the Management Committee cannot be promptly collected from persons or entities liable therefore under the Act or

the Declaration, the Management Committee shall reassess the same as a Common Expense, without prejudice to its rights of collection against persons or entities.

19. Mortgagee Protection.

(a) From and after the time a Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefore, the Committee or the Association shall notify such Mortgagee in writing in the event that the Owner of the Unit encumbered by the Mortgage held by such Mortgagee neglects for a period of thirty (30) or more days to cure any failure on his part to perform any of his obligations under this Declaration.

(b) The lien or claim against a Unit for unpaid assessments or charges levied by the Management Committee or by the Association of Unit Owners pursuant to this Declaration or the Act shall be subordinate to the Mortgage affecting such Unit, and the Mortgagee thereunder which comes into possession of the Unit shall take the same free of such lien or claim for unpaid assessments or charges, but only to the extent of assessments or charges which accrue prior to foreclosure of the Mortgage, exercise of a power of sale available thereunder, or deed or assignment in lieu of foreclosure (except for claims for a pro rata share of such prior assessments or charges resulting from a pro rata reallocation thereof to all Units including the Unit in which the Mortgagee is interested). 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 from or against a Mortgagee, a successor in title to a Mortgagee, or the condominium Unit affected or previously affected by the Mortgage concerned (to the extent any such collection or enforcement would prejudice the interests of the Mortgagee or successor in title to the Mortgagee interested in such Unit).

(c) Eligible Holders shall receive timely written notice of any of the following if they provide a written request to the owners association stating their name and address:

(1) proposals to change unit boundaries of any unit or the exclusive easement right appertaining thereto, whether they hold an interest in the unit to be changed or not;

(2) proposals to change the percentage interests of the unit owners in the common areas, either for the purpose of assessing common expenses or for any other purpose;

(3) proposals to change the number votes appertaining to any Unit or the percentages that any unit owner may vote;

(4) proposals to change the restrictions or uses of the common areas or the limited common areas;

(5) proposals to terminate the condominium regime at Valle Grande East;

(6) any condemnation loss or casualty loss which affect a material portion of the project of which affects any part of a unit on which the mortgagee holds an interest;

(7) any lapse, cancellation or material modification of an insurance policy held by the owners' association or management committee.

(d) Unless the Eligible Holders holding first mortgages on units to which at least 51% of the votes of Units subject to mortgages appertain have given their approval, neither the Management Committee nor the Association of Unit Owners shall be entitled, by act, omission, or otherwise:

(1) To partition or subdivide any Unit;

(2) To abandon, partition, subdivide, encumber, sell or transfer all or any part of the Common Areas and Facilities (except for the granting of easements for utilities and similar purposes consistent with the intended use of the Common Areas and except as provided herein in the event of certain destruction or damage;

(3) To use hazard insurance proceeds resulting from damage to any part of the Project (whether to Units or to the Common Areas) for purposes other than the repair, replacement, or reconstruction of such improvements, except as provided herein in the event of certain destruction or damage;

(4) To change the pro rata interests or obligations of any Unit which apply for (a) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards and for (b) determining the pro rata share of ownership of each Unit in the Common Areas and Facilities; or

(5) To alter the provisions of this Declaration in such a way as to diminish the protections afforded to the Owners regarding the duration or terminability of agreements for managerial services.

(e) Any Mortgagee shall have the right, upon written request, at its own expense, to examine the books and records of the Management Committee, of the Association of Unit Owners, or of the Project. Any Mortgagee shall have the right to designate a representative to attend all meetings of the Association of Unit Owners.

From and after the time a Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefor, the Committee or the Association shall furnish to such Mortgagee (i) copies of such annual operating reports and other reports or writings summarizing or reflecting the financial position or history of the Project as may be prepared for distribution to or use by the Committee, the Association, or the Unit Owners and (ii) written notice of all meetings of the Association of Unit Owners.

Any mortgagee or government agency which has an interest or a prospective interests in the condominium or any of the Units may request an audited financial statement from the association. Within a reasonable time after receiving such request, the owners' association shall prepare an audited financial statement for the owners' association for the immediately preceding fiscal year. The financial statement shall then be available to all owners and Mortgagees according to the requirements set forth in Section 11(g).

(f) The Management Committee and the Association shall establish an adequate reserve to cover the costs of reasonably predictable and necessary major repairs and replacements of the Common Areas and Facilities and shall cause such reserve to be funded by regular monthly or other periodic assessments on an installment basis against the Units rather than by special assessments.

(g) From and after the time a Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefor, the Committee or the Association shall notify such Mortgagee in writing in the event that there occurs any damage or loss to, or taking or anticipated condemnation of: (a) The Common Areas involving an amount in excess of, or reasonably estimated to be in excess of, Ten Thousand Dollars (\$10,000.00); or (b) any Unit involving an amount in excess of or reasonably estimated to be in excess of One Thousand Dollars (\$1,000.00). Said notice shall be given within ten (10) days after the Management Committee or said Association learns of such damage, loss, taking or anticipated condemnation.

(h) In the event another provision or clause of this Declaration deals with the same subject matter as is dealt with in any provision or clause of this Section, the provision or clause which results in the greatest protection and security for a Mortgagee shall control the rights, obligations, or limits of authority as the case may be, applicable to the Management Committee and Association of Unit Owners with respect to the subject concerned.

20. Eminent Domain. In the event that eminent domain proceedings are commenced against the Project or any portion thereof, the provisions of Section 57-8-32.5, Utah Code Annotated (1953), as amended from time to time, shall apply. The Management Committee shall give written notice of such proceedings to all Mortgagees of record. No first lien priority of any Mortgagee shall be diminished or otherwise

disturbed by virtue of such proceedings.

In any eminent domain action filed against the project, the owners' association shall represent all of the owners. All owners hereby appoint the association as attorney-in-fact for that purpose. Any proceeds from an eminent domain action shall be made payable to the owners' association as trustee for the owners and first mortgage holders, insurers and guarantors.

21. Maintenance.

(a) Each Owner of a Unit at their own expense shall keep the interior of such Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating and painting which may at any time be necessary to maintain the good appearance of such Unit. Except to the extent that the Management Committee is protected by insurance against such injury, the Unit Owner shall repair all injury or damages to the Unit or building or buildings caused by the act, negligence or carelessness of the Unit Owner or that of any tenant or subtenant, or any member of the Unit Owner's family or of the family of any tenant or subtenant and all such repairs, redecorating 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 or replacement of any plumbing, fixtures, refrigerators, air conditioning and heating equipment, dishwashers, disposals, ranges, etc., that may be in or connected with the Unit, and the maintenance of limited common patio or balcony except the fences surrounding such areas. Without the written permission of the Management Committee first had and obtained, a Unit Owner shall not make or permit to be made any structural alteration, in or to the Unit, or driveways, or in or to the exterior of the buildings, and shall not paint or decorate any portion of the exterior of the Unit or of the building in which the Unit is located.

(b) Except as hereinafter provided, the Management Committee shall provide for such maintenance and operation of the Common Areas and Facilities and of the Limited Common Areas to keep them functional, attractive and generally in good condition and repair. The Management Committee shall have no obligation regarding maintenance or care of the Units.

22. Right of Entry. The Management Committee and its duly authorized agents shall have the right to enter any and all of the Units and the Limited Common Areas appurtenant thereto in case of an emergency originating in or threatening such Unit or any other part of the Project, whether or not the Unit Owner or occupant thereof is present at the time. The Committee and its duly authorized agents shall also have the right to enter into any and all of said Units and Limited Common Areas at all reasonable times as required for the purpose of making necessary repairs upon the Common Areas and Facilities of the Project or 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.

23. Administrative Rules and Regulations. The Management Committee shall have the power to adopt and establish by resolution, such building management and operational rules as it may deem necessary for the maintenance, operation, management and control of the Project. The Committee may, from time to time by resolution, alter, amend and repeal such rules. When a copy of any amendment or alteration or provision for repeal of any rule or rules has been furnished to the Unit Owners, such amendment, alteration or provision shall be taken to be a part of such rules. Unit Owners shall at all times obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision, it being understood that such rules shall apply and be binding upon all Unit Owners, tenants, subtenants or occupants of the Units.

24. Obligation to Comply with Declaration, By-Laws, Articles, Rules and Regulations. Each Unit Owner, tenant, subtenant or other occupant of a unit shall comply with the provisions of the Act, this Declaration, the By-Laws, 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 or other aggrieved party for injunctive relief or to recover any loss or damage resulting therefrom.

25. Indemnification of Management Committee. Each member of the Management Committee shall be indemnified and held harmless by the Association of Unit Owners against all costs, expenses and liabilities whatsoever, including, without limitation, attorney's fees, reasonably incurred by him in connection with any proceeding to which he may become involved by reason of his being or having been a member of said Committee; provided, however, the foregoing indemnification shall not apply if the loss, expense or liability involved resulted from the willful misconduct, gross negligence or other intentional act of the member.

26. Amendment. (a) Subject to the terms of Section 19, this Declaration and/or the Map may be amended upon the affirmative vote or approval and consent of not less than two-thirds (2/3) of the undivided interest in the Common Areas and Facilities. Any amendment so authorized shall be accomplished by recordation of an instrument executed by the Management Committee. In said instrument the Committee shall certify that the vote or consent required by this Section has occurred. Notwithstanding anything in this Declaration to the contrary, no amendment to this Declaration which has the effect of diminishing the rights, protection or security

afforded to Mortgagees or terminating the condominium regime shall be accomplished or effected unless 67% of the Mortgagees of the individual Units have given their prior written approval to such amendment.

(b) Unless the Eligible Holders holding first mortgages on units to which at least 51% of the votes of Units subject to mortgages appertain have given their approval, neither the Management Committee nor the Association of Unit Owners shall be entitled, by act, omission, or otherwise:

(1) To change any provisions of this Amended Declaration, the By-Laws or any other document governing or regulating the following:

- (a) voting;
- (b) assessments, assessment liens or subordination of such
liens;
- (c) reserves for maintenance, repair and replacement of the
common elements;
- (d) insurance;
- (e) rights to use of the common elements;
- (f) responsibility for maintenance and repair of the several
portions of the condominium;
- (g) expansion or contraction of the condominium regime or
the addition, annexation or withdrawal of property to or from the regime;
- (h) boundaries of any Unit;
- (i) the interests in the general or limited common areas;
- (j) convertibility of Units into common elements or common
elements into Units;
- (k) leasing of Units;
- (l) imposition of any right of first refusal or similar restriction
on the right of a Unit owner to sell, transfer, or otherwise convey his or her Unit at
Valle Grande East;
- (m) establishment of self-management by the owners'

association where professional management has been previously used or required by any Mortgagee or government agency.

(2) To alter the provisions of this Declaration in such a way as to diminish the insurance protection required to be afforded to the parties designed to be protected thereby, or to fail to maintain the insurance coverage described therein.

(c) No amendment to this Amended Declaration, the By-laws or other documents which has the effect of diminishing the rights, protection or security afforded to Mortgagees shall be accomplished or effective unless the Eligible Holders holding mortgages on Units representing 51% of the votes of Units subject to mortgages have given their approval to such amendment. Any amendment to this Section shall be accomplished by an instrument executed by the Management Committee and filed for record in the office of the Weber County Recorder. In any such instrument executed by the Management Committee shall certify that any prior written approval of Mortgagees required by this Section as a condition to amendment has been obtained.

27. Consent in Lieu of Vote. In any case in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for authorization or approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who collectively hold at least the stated percentage of undivided ownership interest. The following additional provisions shall govern any application of this section:

(a) All necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by an Owner;

(b) Any change in ownership of a Unit which occurs after consent has been obtained from the Owner having an interest in the same Unit are secured, the consent of none of such Owners shall be effective.

28. Sales Program. Notwithstanding any other provision in this Amended Declaration, until all units have been completed and sold or the expiration of two (2) years after the date on which this Amended Declaration is filed for record in the office of the County Recorder of Weber County, Utah, whichever first occurs (hereinafter referred to as the "Occurrence"), the Declarant shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish or facilitate the sale of all Units in buildings to be built subsequent to the filing of this Declaration.

(a) The Declarant shall have the right to employ a sales agent who may maintain sales offices and/or model Units. Such offices and/or model Units may be one

or more of the Units in the buildings to be completed or in one or more separate structures or facilities placed on the Property for the purpose of aiding agent's sales effort, or any combination of the foregoing.

(b) The sales agent shall have the right to maintain a reasonable number of promotional, advertising, and/or directional signs, banners or similar devices at any place or places on the Property, but any such device shall be of a size and in a location as is reasonable and customary.

(c) The sales agent shall have the right to use the Common Areas and Facilities of the Project to facilitate Unit sales, provided said use is reasonable as to time and manner.

(d) The agent shall have the right from time to time to locate or relocate any of their sales offices, model Units and/or signs, banners or similar devices, but in connection with each such location or relocation shall observe the limitations imposed by the preceding portion of this Section. Within a reasonable period of time after the happening of the Occurrence, the Declarant shall have the right to remove from the Project any signs, banners or similar devices any separate structure or facility which was placed on the Property for the purpose of aiding the sales effort.

29. Declarant's Rights. All special rights of the Declarant, expressed or implied, through which the Declarant may directly or indirectly control, direct, modify or veto any action of the owners' association, the Management Committee, or a majority of the Unit Owners, shall terminate two (2) years after the date of the first conveyance of a unit to a Unit Owner.

30. Limitation on Improvements by Association. Until the Occurrence described in Section 28, no improvements to or alteration in any of the Common Areas and Facilities shall be made, other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Areas as originally created or constructed.

31. Severability. The invalidity of any one or more phrases, sentences, subparagraphs, paragraphs, subsections or sections hereof shall not affect the remaining portions of this instrument or any part thereof, and in the event that any portion or portions of this instrument should be invalid or should operate to render this instrument invalid, this instrument shall be construed as if such invalid phrase or phrases, sentence or sentences, subparagraph or subparagraphs, paragraph or paragraphs, subsection or subsections or section or sections had not been inserted.

32. Lease of Units. Any lease agreement respecting a Unit shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration and the By-Laws attached hereto as Exhibit B, and that

any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be required to be in writing. All leases shall be for an initial term of not less than 6 months. Other than the foregoing, there shall be no restriction on the right of any Unit Owner to lease his Unit. The Unit Owner shall notify the Management Committee of the names of the lessee of the Unit.

33. Legal Description of a Unit. Every conveyance or contract for the sale of a Unit and every other instrument affecting title to a Unit may describe that Unit by the number shown on the Map with the appropriate reference to the Map and to this Declaration, as each shall appear in the official record of Weber County, Utah, and in substantially the following form:

Unit _____ as shown in the Record of Survey Map for the Valley Grande East Condominiums, a Project appearing in the Records of the County Recorder of Weber County, Utah, in Book _____, Page _____ of Plats, and as defined and described in the Declaration of Condominium, appearing in such records in Book _____, Page _____ or Records.

This conveyance is subject to the provisions of the aforesaid Declaration of Condominium.

Such description will be construed to describe the Unit, together with the appurtenant undivided interest in the Common Areas, and to incorporate all the rights incident to Ownership of a Unit and all the limitations on such ownership as described in this Declaration.

34. Rights of Action. The association shall have a right of action against any unit owners who fails to fulfill his obligations under this declaration, the by-laws, or any administrative rules adopted pursuant to this declaration. In addition, any aggrieved owner may also have a right of action against another unit owner who fails to fulfill the terms of this declaration, the by-laws or any administrative rules that may be adopted.

35. 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 corporations or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

36. Waivers. No provision contained in the Declaration shall be deemed to have been waived by reason of any failure to enforce it, irrespective of the number of violations which may occur.

37. Topical Headings. The topical headings contained in this Declaration

are for convenience only and do not define, limit or construe the contents of the Declaration.

38. Effective Date. This Amended Declaration shall take effect upon recording.

39. Future Construction. The current units owners as of the date this amended declaration is recorded are in the process of obtaining approval from the proper authorities to finish construction on the project by building two more buildings consisting of a total of 12 units. No representations are made concerning the structures that will be built and it is represented that they will not be of the same architectural style nor necessarily compatible with the structures originally within the project and now built. The future units will be of substantially the same size and square footage and will thus share equally in the payment of common expenses after they are constructed but shall have no obligation to pay common expenses until they are constructed and occupied.

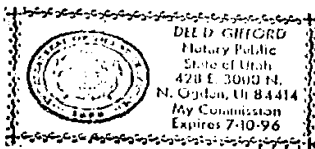
Executed this Declaration this 20 day of June, 1994.

VALLE GRANDE EAST CONDOMINIUM MANAGEMENT COMMITTEE

BY: L. Wade Hoenigsmath
Chairman

STATE OF UTAH)
: ss.
COUNTY OF WEBER)

On the 20 day of June, 1994, personally appeared before me DCE
D. C. Ferrara, who being duly sworn, did say that he is the chairman of the Valle Grande East 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 100% of the owners of units voted in favor of the amendments contained herein and the information contained therein is true and correct to the best of his knowledge.



[Signature]
Notary Public

E# 1298002 BK1720 PG1560

EXHIBIT "A"

Beginning at a point on the West line of Brinker Avenue North 0°31' East 360.77 feet and North 89°29' West 33.0 feet from a railroad spike at the intersection of 10th street and Brinker Avenue, said point of beginning is South 675.33 feet and West 438.37 feet from the East Quarter corner of Section 21, Township 6 North, Range 1 West, Salt Lake Base and Meridian, running

Thence North 0°31' East 159.39 feet along the West line of said Brinker Avenue;
Thence South 89°52' West 321.67 feet;
Thence South 0°58' West 208.79 feet;
Thence South 64°02' East 120.73 feet;
Thence South 89°29' East 99.745 feet;
Thence North 0°31' East 164.92 feet;
Thence South 89°29' East 115.0 feet to the point of beginning.

Contains 1.890 Acres

Exhibit "B"
BY-LAWS
OF
VALLE GRANDE EAST CONDOMINIUMS

I. NAME AND LOCATION

1.01. Name. The name of the association is Valle Grande East Condominiums Owners Association.

1.02. Principal Office. The initial principal office of the Association shall be at 2623 N. 200 E. Ogden, Utah, but meetings of the Association may be held at such times and places within the State of Utah as the Management Committee may designate.

II. DEFINITIONS

When used in these By-laws the following terms shall have the meaning indicated:

2.01. Association shall mean the Valle Grande East Condominiums Owners Association.

2.02. Member shall mean every person or entity who holds membership in the Association.

2.03. Property shall mean the tract of real property situated in Ogden, State of Utah, and which is more particularly described in the Exhibit "A" Attached to the Declaration referred to below.

2.04. Declaration shall mean the Amended Declaration of Condominium of the Valle Grande East Condominium, a Utah Condominium Project, executed and acknowledged and filed for record with the Weber County Recorder, Weber County, Utah.

2.05. Common Areas shall mean all physical portions of the Project except all Units.

2.06. Owner shall mean the person or person owning in fee simple a Condominium in the Project, as such ownership is shown by the records of the Weber County Recorder, State of Utah.

2.07. Project shall mean the land, the buildings, and improvements of the Valle

Grande East Condominium as described in the Declaration.

2.08. Unit shall mean an individual air space unit, consisting of enclosed rooms occupying part of a building and bounded by the unfinished interior surfaces of the walls, floors, ceilings, windows, and doors along the perimeter boundaries of the air space, as said boundaries are shown in the Declaration and the exhibits attached thereto.

III. MEETING OF MEMBERS

3.01. Annual Meeting. The regular annual meetings of the Members shall be held on the ____ day of _____ of each year unless such date shall fall on a Saturday, Sunday, or legal holiday, in which case the regular annual meeting of the Members shall be held on the first regular business day following said date. The time of the meeting shall be 7:30 o'clock p.m. The purpose of the meeting will be the election of Officers to sit on the Management Committee.

3.02. Special Meetings. A special meeting of the Members may be called by the Management Committee or upon the written request of any three Members.

3.03. Place of Meeting. The Management Committee may designate any place within the State of Utah as the place for holding any regular or special meeting of the Members.

3.04. Notice of Meetings. Written notice stating the place, date, and hour of each meeting, and in the case of a special meeting, the purpose of the meeting shall be given to all Members and such other persons or entities as required by the Declaration at least ten, but not more than thirty, days prior to the date of the meeting. Notice shall be deemed to have been given upon personal service or upon mailing, first class postage prepaid to the address for such person or entity appearing in the records of the Association at the time of mailing.

3.05. Quorum. Except as otherwise provided in the Declaration or by laws, those Members present in person or by proxy shall constitute a quorum at any meeting of the Members.

3.06. Proxies. At any meeting of the Members, a Member may vote by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. All proxies shall be filed with the Secretary of the Association before or at the time of the meeting. Unless otherwise provided therein, no proxy shall be valid after eleven months from the date of execution.

3.07. Votes. Each respective Condominium shall have an equal number of votes as set forth in the Declaration. The number of votes appurtenant to each Condominium shall not be altered except as set forth in the Declaration.

3.08. Necessary Vote. Except as otherwise provided in the Declaration or by Law, the affirmative vote of a majority of those Members present in person or by proxy and entitled to cast a vote at the meeting shall be sufficient for the adoption of any matter voted on by the Members.

IV. MANAGEMENT COMMITTEE

4.01. Number, Tenure and Qualifications. The affairs of the Association shall be managed by a Management Committee composed of three persons elected by the vote of the Members at a regular meeting of Members or at a meeting of Members called for that purpose. Each member of the Management Committee shall serve for a period of three years or until a successor is elected and qualified.

4.02. Compensation. The Management Committee may provide by resolution that Committee members may be paid their expenses, if any, of the attendance of each meeting of the Committee. Members shall not be paid any salary or other compensation for their services on the Management Committee and shall not receive directly or indirectly any other profit or pecuniary advantage by virtue of their status as a member of the Committee. Nothing herein shall prohibit the Management Committee from contracting with any member of the Committee for independent services desired by the Committee.

4.03. Action Taken Without a Meeting. The Management Committee shall have the right to take any action which they might otherwise take without first holding a meeting. Any action so taken shall be approved or ratified in writing signed by all members of the Management Committee. Any action so taken shall have the same effect as though taken at a meeting of the Management Committee.

V. POWERS AND DUTIES OF THE MANAGEMENT COMMITTEE

5.01. Powers. The Management Committee shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Areas, and personal conduct of the Members and their agents and guests thereon, and establish penalties for the infractions thereof;

(b) Exercise each and every power granted in the Declaration or by law to levy, assess, collect and enforce the regular and special assessments of the Association.

(c) Exercise for the benefit of the Association and its Members all of the powers granted by the Declaration or otherwise granted to the Association by law and not reserved to the Members by the Declaration.

5.02. Duties. It shall be the duty of the Management Committee to:

(a) Cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the Members at the annual meeting of the Members or at such other times as requested in writing in accordance with the provisions of the Declaration or the law;

(b) Supervise all officers, agents, and employees of the Association;

(c) Fix the amount of the regular and special assessments against the Units and Owners and send written notice of such assessments to the Owners and others in accordance with the provisions of the Declaration;

(d) Foreclose the liens of the Association against Units as provided in the Declaration;

(e) Cause the Common Areas to be properly maintained;

(f) Prepare and issue all reports, notices, and certificates called for by the Declaration;

(g) Procure and maintain adequate liability and hazard insurance on the Condominiums and Common Areas as required by the Declaration.

(h) Obtain such fidelity bonds for employees and officers as required by the Declaration and as may be appropriate.

(i) Do each thing required of the Management Committee by the Declaration and otherwise manage the affairs of the Association for the benefit of its Members.

VI. MEETINGS OF THE MANAGEMENT COMMITTEE.

6.01. Regular Meetings. Regular meetings of the Management Committee may be held without notice at the times and places, within the State of Utah, that the Committee establishes for such regular meetings by resolution.

6.02. Special Meetings. Special meetings of the Management Committee may be called by any member of the Committee.

6.03. Notice. Written notice of the place, date and time of any special meeting shall be given at least three days prior to the meeting. Such notice will be deemed to have been furnished if mailed first class postage prepaid at least five days prior to the meeting to each member at the address for such member on record with the Association as of the date of mailing. Presence of any member at a meeting shall constitute a waiver of notice of such meeting unless the member attends for the express purpose of objecting to the meeting as not having been properly convened. Neither the business to be transacted nor

the purpose of any meeting need be specified in the notice thereof.

6.04. Quorum. Two members of the Management Committee shall constitute a quorum for the transaction of any business of the Association. The act of a majority of the members present shall constitute the act of the Management Committee unless a greater number is required by law.

6.05. Vacancies. Any vacancy on the Committee may be filled by the unanimous vote of the remaining members. A member so selected shall serve for the unexpired term of his predecessor.

VII. OFFICERS

7.01. Number and Qualifications. The Management Committee may select from the Management Committee such officers of the Association as they shall determine but at least a President and Secretary shall be elected.

7.02. Tenure. Officers of the Association shall be elected by the Management Committee. Each officer shall hold office until his successor has been duly elected and qualified. Any officer may be removed by the Management Committee whenever, in the judgment of the Committee, the best interests of the Association would be served thereby.

7.03. President. The President shall be the chief executive officer of the Association subject to the control of the Management Committee.

7.04. Secretary. The Secretary shall perform such services as may be assigned to him by the Management Committee, including but not limited to the keeping of all books, records and reports of the Association.

7.05. Compensation. Officers may receive a reasonable compensation for their services to the corporation upon such terms and at such rates as shall be determined by the Management Committee.

VIII. MISCELLANEOUS

8.01. Construction. These By-Laws are to be construed together with the provisions of the Utah Condominium Ownership Act, Utah Code Ann. Section 57-8-1, et. seq., and the Declaration. Any conflict between these By-Laws and the said Act or Declaration shall be resolved in favor of the Act and/or the Declaration. Any powers granted or duties assigned to the Association, its officers or Management Committee by said Act or Declaration which are not mentioned herein shall be construed to have been given or assigned to the Association, its officers or Management Committee.

8.02. Amendment. These By-Laws may be amended in accordance with the section of the Declaration concerning amendments.