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AMENDED DECLARATION OF CONDOMINIUM
OF
CAMELOT CONDOMINIUMS

BOOK 2234 PAGE 747

CAMELOT CONDOMINIUMS

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
I. DEFINITIONS	2
1.1 Act	3
1.2 Declaration	3
1.3 Declarant	3
1.4 Association	3
1.5 Member	3
1.6 Board of Trustees or the Board, Also Sometimes Known As The Management Committee or Committee	3
1.7 Record of Survey Map or Map	3
1.8 Property	3
1.9 Building or Buildings	3
1.10 Common Areas and Facilities or Common Areas	3
1.11 Limited Common Areas	4
1.12 Land	4
1.13 Mortgage	4
1.14 Mortgagee	4
1.15 Owner or Unit Owner	5
1.16 Project	5
1.17 Common Expenses	5
1.18 Common Assessment	5
1.19 Special Assessments	5
1.20 Reconstruction Assessment	5

BOOK 2234 PAGE 748

1.21 Capital Improvement Assessment	5
1.22 Condominium Unit or Unit	6
1.23 Improvement	6
1.24 Percentage Interest	6
1.25 Person	6
1.26 Notice and Hearing	7
1.27 Record, Recorded, Filed and Recordation	7
1.28 Manager	7
1.29 Size	7
1.30 By-Laws	7
II. SUBMISSION TO THE ACT	8
III. IMPROVEMENTS ON LAND	8
3.1 Descriptions of Improvements on Land	8
3.2 Description and Legal Status of Units	9
3.3 Contents of Exhibit "B"	9
IV. NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP	
4.1 Estates of an Owner	9
4.2 Title	9
4.3 Inseparability	9
4.4 Computation of Percentage Interests	9
4.5 Partition Not Permitted	9
4.6 Owner's Rights to Common Areas	9
4.7 Owner's Rights With Respect to Interiors	10
4.8 Easement for Access to Units	10
4.9 Easement for Encroachments	10

4.10 Easement of Access for Repair, Maintenance and Emergencies	10
4.11 Owner's Right to Support	10
4.12 Association's Right to Use of Common Areas	11
4.13 Easements Deemed Created	11
V. UNITS, COMMON AREAS, AND LIMITED COMMON AREAS	11
5.1 Conveyancing	11
5.2 Maintenance of Units	11
5.3 Separate Mortgages by Owners	12
5.4 Taxation of Units	12
5.5 Common Areas; Limited Common Areas	12
5.6 Mechanic's Liens	13
VI. THE ASSOCIATION	
6.1 Membership	13
6.2 Board of Trustees	13
6.3 Votes	13
VII. RIGHTS AND OBLIGATIONS OF THE ASSOCIATION	13
7.1 Common Areas	13
7.2 Miscellaneous Services	14
7.3 Personal Property for Common Use	14
7.4 By-Laws	14
7.5 Rules and Regulations	14
7.6 Granting Easements	15
7.7 Implied Rights	15
VIII. ASSESSMENTS	15
8.1 Agreement to Pay Assessment	15

8.2 Purpose of Common Assessments	15
8.3 Annual Common Area Assessments	16
8.4 Capital Improvement and Reconstruction Assessments	17
8.5 Rate of Assessment	17
8.6 Date of Commencement of Common Assessments: Due Date	17
8.7 Lien for Assessments	17
8.8 Collection of Unpaid Assessments: Procedure	18
8.9 Personal Obligation of Owner	20
8.10 Statement of Account	21
8.11 Personal Liability of Legal Title Holder and Equitable Title Holder	21
8.12 Personal Liability of Purchaser for Assessments	21
8.13 Exempt Property	21
IX. INSURANCE	21
X. DAMAGE OR DESTRUCTION	24
XI. OBSOLESCENCE	25
11.1 Adoption of a Plan	25
11.2 Payment for Renewal and Reconstruction	25
11.3 Dissents from the Plan	25
11.4 Distribution of Excess	26
XII. CONDEMNATION	26
12.1 Consequences of Condemnation	26
12.2 Proceeds	26
12.3 Complete Taking	26
12.4 Partial Taking	27
12.5 Reorganization	27

BOOK 2234 PAGE 751

12.6 Reconstruction and Repair	27
XIII. USE OF UNITS AND COMMON AREAS	27
13.1 Unit Use Restrictions and Office Use	27
13.3 Lease of Units	28
13.4 Use of Common Areas	28
13.5 Violation of Insurance	28
13.6 Violation of Statute, Rule, or Ordinance	28
13.7 Damage or Waste	28
13.8 Noxious, Destructive, or Offensive Activity	29
13.9 Structural Integrity	29
13.10 Laundry and Garbage	29
13.11 Toys and Child Care Equipment	29
13.12 Motor Vehicles	29
13.13 Repairs to Motor Vehicles	29
13.14 Parking Stalls	29
13.15 Rules and Regulations	29
13.16 Structural Alterations	30
13.17 Restriction on Signs	30
13.18 Animals and Pets	30
13.19 No Overloading	30
13.20 Commercial Uses	30
13.21 Energy Conservation	30
XIV. MORTGAGEE PROTECTION	30
XV. AMENDMENT	33
XVI. GENERAL PROVISIONS	33

16.1 Covenants to Run With Land	33
16.2 Limitation on Association's Liability	33
16.3 Owner's Obligations Continue	34
16.4 Interpretation	34
16.5 Agent for Service of Process	34
16.6 Effective Date	34
16.7 Utilities	34
16.8 Separate Real Estate Taxes	35
16.9 Entry by Board of Trustee	35
16.10 Failure to Enforce	35
16.11 Notices	35
16.12 Severability	35
16.13 Violation of Declaration	35
16.14 Attorney Fees	35

BOOK 2234 PAGE 753

AMENDED DECLARATION OF CONDOMINIUM

FOR

CAMELOT CONDOMINIUMS

(A Utah Condominium Project)

THIS AMENDED DECLARATION OF CONDOMINIUM is made and executed this _____ day of July, 1985, by CAMELOT HOMEOWNER'S ASSOCIATION, hereinafter referred to as "Declarant" or "Association."

RECITALS

A. The Declarant is the unincorporated Association of unit and fee owners of that certain real property (the Land) more particularly described in Article II hereof.

B. Various improvements have been made to the Land so as to its use and operation as a Condominium Project. The construction of all such improvements has been, or will be, performed in accordance with the information contained in the Map and in this Declaration.

C. On July 20, 1977, Camelot Properties, Inc. a corporation, caused to be recorded the Declaration of Covenants, Conditions, and Restrictions of Camelot Condominiums in the office of the Recorder of Utah County, State of Utah as Entry No. 22796 in Book 1567 at Page 416-429 inclusive, hereinafter referred to as the "Declaration."

D. Under Section 26 of the Declaration, Declarant, its successors and assigns, reserved the right to amend the Declaration or the Map.

E. The Association, the successor in interest to Camelot Properties, Inc. has approved the Amended Declaration of Condominium of Camelot Condominiums in accordance with the Act and Section 26 of the Declaration.

F. The Declarant intends by recording this Amended Declaration and the Map to submit the Land, the Building, and all other improvements situated in or upon the Land to the provisions of the Act as a Condominium Project and to impose upon the Land mutually beneficial restrictions under a general plan of improvement for the benefit of all Units within said Project and the Owners thereof.

G. This Project will provide a means for ownership in fee simple of individual Units and for co-ownership with others as tenants in common of Common Areas as herein defined.

BOOK 2234 PAGE 754

H. Association has deemed it desirable, for the efficient preservation of the values and amenities in the real property described below, to provide for the future creation of a non-profit corporation under the Utah Non-Profit Corporation and Cooperative Association Act to which should be delegated and assigned the powers of maintaining and administering the Common Area and administering and enforcing the covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created.

I. Association will or has caused such corporation, the Members of which shall be the respective Owners of Units in the Camelot Condominiums and Owners of the Units in real property annexed pursuant to this Amended Declaration, to be formed for the purpose of exercising the functions aforesaid.

J. Association will develop and convey all of the Units contained in the Camelot Condominiums pursuant to a general plan and subject to certain protective covenants, conditions, restrictions, reservations, easements, equitable servitudes, liens and charges, all running with the land.

K. Association hereby declares that all of the Units shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following easements, restrictions, covenants, conditions, and equitable servitudes, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness, and desirability of all Units in the Camelot Condominiums, in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Development, or any portion thereof. The covenants, conditions, restrictions, reservations, easements, and equitable servitudes set forth herein shall run with the Units and shall be binding upon all persons having any right, title or interest in any Unit or Units, their heirs, successors and assigns; shall inure to the benefit of each and every Unit and any interest therein; and shall inure to the benefit of and be binding upon Association, its successors-in-interest and each Owner and his respective successors in interest; and may be enforced by any Owner and his successors in interest, and by the Association.

L. Association desires to satisfy all of the requirements for V.A., F.H.A., and other federal financing of condominium projects.

NOW, THEREFORE, for the foregoing purposes, the Association hereby makes the following Amended Declaration, hereinafter referred to as the "Declaration:"

I. DEFINITIONS.

When used in this Declaration (including in that portion hereof headed "Recitals," Exhibit "A," Exhibit "B," and Exhibit "C" the words the words used herein which are defined by the Act shall, to the extent permitted by the context hereof, have the meaning ascribed by the Act.

1.1 Act shall mean and refer to the Utah Condominium Ownership Act (Sections 57-8-1 through 57-8-36, Utah Code Annotated, 1953), as amended and expanded by laws of Utah 1975, Chapter 173, Sections 1 through 20.

1.2 Declaration shall mean and refer to this instrument as the same may hereafter be modified, amended, supplemented or expanded in accordance with law and the provisions hereof.

1.3 Declarant shall mean and refer to the Association or any successor or assign who by way of voluntary conveyance or transfer comes to stand in the same relation to the project as did its predecessor.

1.4 Association shall mean Camelot Condominium Homeowner's Association, and unincorporated association of unit owners of the Camelot Condominium Project, organized to be the Association referred to herein.

1.5 Member shall mean any person or entity holding a membership in the Association as provided herein.

1.6 Board of Trustees or the Board, Also Sometimes Known as the Homeowners Committee or Committee shall mean the governing board of the Association, appointed or elected in accordance with this Declaration.

1.7 Record of Survey Map or Map shall mean and refer to the Record of Map or Record of Survey Map heretofore executed, acknowledged, and recorded.

1.8 Property shall mean and refer to the Land, the Building, all improvements, and structures on the Land, all easements, rights, and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

1.9 Building or Buildings shall mean and refer to the 81 two (2) story structures and the 11 one (1) story structures, without basements, with the principal materials of construction being: cement foundation, brick veneer or wood exterior, and built up roof; the two (2) assigned parking stalls per Unit; and the one (1) storage shed per Unit. The parking stalls are not located in the buildings. The storage sheds are located on the patios adjacent to each Unit.

1.10. Common Areas and Facilities or Common Areas shall mean, refer to, and include all of the land, excluding the units, balconies, assigned parking spaces, and assigned storage stalls. Without limiting the generality of the foregoing, the common areas and facilities shall include the following, whether located within a unit or otherwise:

(a) The real property and interests in real property which this Declaration submits to the provisions of the Act, but excluding individual Units.

(b) All Common Areas designated as such on the Map.

(c) All Limited Common Areas and Facilities designated as such on the Map.

(d) All foundations, columns, girders, beams, supports, perimeter walls, roofs constituting a portion of or included in the improvements which comprise a part of the Project, and any halls, corridors, stairs, stairways, entrances, exists, restrooms, lounge, Building office, and equipment rooms.

(e) All installations for and all equipment connected with the furnishing of Project utility services such as electricity, heating, air conditioning, water, and sewer.

(f) All tanks, pumps, motors, fans, compressors, ducts, and in general all apparatus, installations, and facilities included within the Project and existing for common use.

(g) The swimming pool, laundry rooms, outdoor lighting, fences, landscaping, walkways, open parking spaces, and roads.

(h) All portions of the Project not specifically included within the individual Units.

(i) All common areas and facilities as defined in the Act, whether or not enumerated herein.

(j) Any utility pipe or line or system servicing more than a single unit together with all ducts, wires, conduits, and other accessories used therewith.

(k) All other parts of the Project normally in common use or necessary or convenient to its use, existence, maintenance, safety, or management.

(l) All repairs and replacements of any of the foregoing.

1.11 Limited Common Areas shall mean and refer to those Common Areas designated herein (or in any Supplement hereto) or on the Map (or any supplement thereto) as reserved for the use of a certain Unit or Units to the exclusion of the other Units including two (2) parking stalls and one (1) storage shed for each unit.

1.12 Land shall mean the land upon which the Project is situated, as particularly described in Article II of this Declaration.

1.13 Mortgage shall mean and include both a first mortgage and a first deed of trust or other security instrument by which a Unit or any part thereof is encumbered.

1.14 Mortgagee shall mean and include both a mortgagee under a first mortgage on any Unit and a beneficiary under a first deed of trust on any Unit.

1.15 Owner or Unit Owner shall mean the person or persons, including the Declarant, owning in fee simple a Unit of the Project, as such ownership is shown by the records of the County Recorder of Utah County, State of Utah. However, the term "Owner" shall not refer to any Mortgagee (unless such Mortgagee has acquired title for other than security purposes) but shall apply to any person or persons purchasing a Unit under contract provided that an executed copy of such contract is furnished to the Secretary of the Association.

1.16 Project shall mean the Land, the Building and all improvements submitted by this Declaration and the Map to the provisions of the Act.

1.17 Common Expenses shall mean and refer to all sums which are expended on behalf of all the Owners and all sums which are required by the Association to perform or exercise its functions, duties, or rights under the Act, this Declaration, the management agreement for the operation of the Project, and such Rules and Regulations as the Association may from time to time make and adopt. By way of illustration, but not in limitation, Common Expenses shall include: (i) all charges for power and light, heating and air conditioning, subject, however, to the right and power of the Association to vary the charges assessed for electric power or gas as provided in Section 9.3 of this Declaration; (ii) expenses of administration, maintenance, operation, repair and replacement of those elements of the Common Areas that must be maintained and/or replaced on a periodic basis and reserves as may be from time to time established by the Association; (iii) expenses agreed upon by the Association, or the Owners and lawfully assessed against the Owners in accordance with the Declaration; (iv) expenses declared to be Common Expenses by the Act, by this Declaration, or the By-Laws; and (v) any valid charge against the Project as a whole.

1.18 Common Assessment shall mean the charge against each Owner and his Lot, representing a portion of the total costs of the Association of maintaining, improving, repairing, replacing, managing, and operating the Common Area, which are to be paid uniformly and equally by each Owner to the Association, as provided herein.

1.19 Special Assessments shall mean a charge against a particular Owner and his Unit, directly attributable to the Owner, equal to the costs incurred by the Association for corrective action performed pursuant to the provisions of this Declaration, plus interest thereon as provided for in this Declaration.

1.20 Reconstruction Assessment shall mean a charge against each Owner and his Unit, representing a portion of the costs of the Association for reconstruction of any portion or portions of the improvements of the Common Area pursuant to the provisions of this Declaration.

1.21 Capital Improvement Assessment shall mean a charge against each Unit Owner and his Unit, representing a portion of the costs of the Association for the

installation or construction of any improvements of the Common Area pursuant to the provisions of this Declaration.

1.22 Condominium Unit or Unit shall mean and refer to a separate physical part of the Property intended for independent use, consisting of rooms or spaces located in the Building and the Percentage Interest appurtenant thereto. Units are shown on the Map by single cross-hatching. Mechanical equipment and appurtenances located within any one Unit or located without said Unit but designated and designed to serve only the Unit 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 others, 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 or 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 a Unit is situated shall be considered part of the Unit. A Unit shall not include pipes, wires, conduits, or other utility lines running through it which are used for or which serve more than one Unit, and shall not include any load-bearing walls or floors comprising a part of the Building in which the Unit is located. Each Unit includes its appurtenant Percentage Interest. The horizontal boundary of each Unit shall extend to its intersection with the vertical boundaries, each Unit's lower boundary shall be a plane coinciding with the top of the concrete slab below the Unit's floor and each Unit's upper boundary shall be a plane coinciding with the top of the Unit's ceiling. The vertical boundary of each Unit shall section with each other and with the horizontal boundaries, each Unit's vertical boundaries shall be its perimetric walls. Each Unit shall consist of a dining room/kitchen, living room, two (2) bedrooms, and one (1) or two (2) bathrooms.

1.23 Improvement shall mean all structures and appurtenances thereto of every type and kind, including but not limited to buildings, out buildings, walkways, sprinkler pipes, carports, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, planting, planted trees and shrubs, poles, signs, exterior air conditioning and water softener fixtures or equipment.

1.24 Percentage Interest shall mean and refer to the undivided percentage interest of each Unit Owner in the Common Areas of the Project. The Percentage Interest which is appurtenant to a Unit shall be equal to the ratio between the Size of such Unit and the aggregate Size of all Units in the Project.

1.25 Person shall mean a natural individual or any other entity with the legal right to hold title to real Property.

1.26 Notice and Hearing shall mean written notice and a public hearing before a tribunal appointed by the Board, at which the Owner concerned shall have

an opportunity to be heard in person or by counsel at Owner's expense, in the manner further provided in the By-Laws.

1.27 Record, Recorded, Filed and Recordation shall mean, with respect to any document, the recordation of such document in the office of the County Recorder of the County of Utah, State of Utah.

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

1.29 Size shall mean and refer to the area of floor space within a Unit, in square feet, and shall also mean and refer to the approximate area of floor space, in square feet, contained in Units created out of Convertible Spaces. Declarant's determination of the Size of a Unit, as set forth in this Declaration or in any amendment or supplement hereto pursuant to Article VI hereof shall be conclusive.

1.30 By-Laws shall mean and refer to the By-Laws of the Association. The initial By-Laws shall be in the form set forth in Exhibit "C" and made a part thereof.

II. SUBMISSION TO THE ACT

There is hereby submitted to the provisions of the Act, subject to the covenants, conditions, and restrictions herein contained, the following described real property situated in Utah County, State of Utah:

See Exhibit "A" attached hereto and incorporated herein by this reference.

TOGETHER WITH all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant to, or accompanying the above-described real property (the real property).

ALL OF THE FOREGOING IS SUBJECT TO: all liens for current and future taxes, assessments, and charges imposed or levied by governmental or quasi-governmental authorities; all Patent reservations and exclusions; any mineral reservations of record and rights incident thereto; all instruments of record which affect the real property or any portion thereof, including, without limitation, any mortgage or deed of trust; all visible easements and rights-of-way; all easements and rights-of-way of record; any easements, rights-of-way, encroachments, or discrepancies shown on or revealed by the Map or otherwise existing; an easement for each and every pipe, line, cable, wire, utility line, or similar

facility which traverses or partially occupies the real property at such time as construction of all Project improvements is complete; and all easements necessary for ingress to egress from, maintenance of, and replacement of all such pipes, lines, cables, wires, utility lines, and similar facilities.

RESERVING UNTO THE ASSOCIATION, however, such easements and rights of ingress and egress over, across, through, and under the real property and any improvements now or hereafter constructed thereon as may be reasonably necessary for Declarant or for any assignee or successor of Declarant (in a manner which is reasonable and not inconsistent with the provisions of this Declaration: (i) To construct and complete each of the Units in the Building and all of the other improvements described in this Declaration or in the Map recorded concurrently herewith, and to do all things reasonably necessary or proper in connection therewith; (ii) To improve portions of the real property with such other or additional improvements, facilities, or landscaping designed for the use and enjoyment of all the Owners as Association or as such assignee or successor may reasonably determine to be appropriate. If pursuant to the foregoing reservations, the real property or any improvement thereon is traversed or partially occupied by a permanent improvement or utility line, a perpetual easement for such improvement or utility line shall exist. With the exception of such perpetual easements, the reservations hereby effected shall, unless sooner terminated in accordance with their terms, expire five years after the date on which this Association is filed for record in the office of the County Recorder of Utah County, Utah.

III. IMPROVEMENTS ON LAND

3.1 Descriptions of Improvements on Land. The improvements contained in the Project are now or will be located upon the Land. The major improvements contained in the Project are described in Article I, Section 1.9. The location and configuration of said improvements are shown on the Map. The project also contains other improvements such as outdoor lighting, landscaping, and fencing. The Map shows the building, the number of units, parking stalls, storage stalls, and the types of units included in the project.

3.2 Description and Legal Status of Units. The Map shows the Unit designation, its location, dimensions from which its size may be determined and the Common Areas to which it has immediate access.

BOOK 2234 PAGE 761

3.3 Contents of Exhibit "B". Exhibit "B" to this Declaration contains the following information with respect to each Unit contained in the Project; (i) the Unit Designation; (ii) Its Size; and (iii) the Percentage Interest which is appurtenant to the Unit.

IV. NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP

4.1 Estates of an Owner. The Project is hereby divided into Units, each consisting of a fee simple interest in a Unit and a Percentage Interest as set forth in the attached Exhibit "B". Such Percentage Interests are hereby declared to be appurtenant to the respective Units.

4.2 Title. Title to a Unit may be held or owned by any entity and in any manner in which title to any other real property may be held or owned in the State of Utah, including, without limitation, joint tenants or tenancy in common.

4.3 Inseparability. No part of a Unit or of the legal rights comprising ownership of a Unit may be separated from any other part thereof during the period of ownership prescribed herein, so that each Unit and the Percentage Interest appurtenant to such Unit shall always be conveyed, devised, encumbered, or otherwise affected only as a complete Unit. Every gift, devise, bequest, transfer, encumbrance, conveyance, or other disposition of a Unit shall be presumed to be a gift, devise, bequest, transfer, encumbrance, or conveyance, respectively, of the entire Unit, together with all appurtenant right created by law or by this Declaration.

4.4 Computation of Percentage Interests. Each Unit Owner shall own an equal undivided one ninety second (1/92) interest in the Common Area as a tenant in common with all other Unit Owners. This Percentage Interest, which is appurtenant to each Unit, is equal to the ratio between the size of such Unit and the aggregate size of all Units in the Project. Percentage Interests shall be for all purposes, including, without limitation, voting and participation in Common Expenses.

4.5 Partition Not Permitted. The Common Areas shall be owned in common by all the Owners of Units, and no Owner may bring any action for partition thereof.

4.6 Owner's Rights to Common Areas. Subject to the limitations contained in this Declaration, any Owner shall have the non-exclusive right to use and enjoy the Common Areas and shall have the exclusive right to use and enjoy the Limited Common Areas designated herein for exclusive use by such Owner.

4.7 Owner's Rights With Respect to Interiors. Each Owner shall have the exclusive right at his sole cost and expense to maintain, repair, paint, repaint, tile, wax, paper, or otherwise refinish and decorate the interior surfaces of the walls, ceilings, floors, and doors forming the boundaries of his Unit and all walls, ceilings, floors and doors within such boundaries.

4.8 Easement for Access to Units. Each Owner shall have the right to ingress and egress over, upon and across the Common Areas necessary for access to his Unit, and to the Limited Common Areas, if any, designated for use in connection with his Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

4.9 Easement for Encroachments. If any part of the Common Areas encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the Building, by error in the Map, by settling, rising or shifting of the earth, or by change in position caused by repair or reconstruction of the Project or any part thereof.

4.10 Easement of Access for Repair, Maintenance and Emergencies. Some of the Common Areas are or may be located within the Units or may be conveniently accessible only through the Units. The Owners of other Units shall have the irrevocable right, to be exercised by the Association as their agent, to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Areas located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Areas or to another Unit or Units. The Association shall also have such right independent of any agency relationship. Damage to the interior of any part of a Unit or Units resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Areas or as a result of emergency repairs within another Unit at the instance of the Association or of Owners shall be an expense of all the Owners; provided, however, that if such damage is the result of negligence of the owner of a Unit, then such Owner shall be financially responsible for all such damage. Such damage shall be repaired and the property shall be restored substantially to the same condition as existed prior to damage. Amounts owing by Owners pursuant hereto shall be collected by the Association by assessment pursuant to Article VIII below.

4.11 Owner's Right to Support. Each Owner shall have the right to the horizontal and lateral support of his Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

4.12 Association's Right to Use of Common Areas. The Association shall have a non-exclusive easement to make such use of the Common Areas as may be necessary or appropriate to perform the duties and the functions which it is obligated or permitted to perform pursuant to this Declaration.

4.13 Easements Deemed Created. All conveyances of Units hereafter made, whether by the Declarant or otherwise, shall be construed to grant or reserve such reciprocal easements as shall give effect to Sections 4.7, 4.8, 4.9, 4.10 and 4.11, above even though no specific reference to such easements or to those Sections appears in any such conveyance.

V. UNITS, COMMON AREAS, AND LIMITED COMMON AREAS

5.1 Conveyancing. Any deed, lease, mortgage, deed of trust, sales contract, or other instrument conveying or encumbering a Unit shall describe the interest or estate involved substantially as follows:

Unit No. _____ contained within the Camelot Condominium Project as the same is identified in the Amended Record of Survey Map recorded in Utah County, Utah as Entry No. _____ in Book _____ at Page _____ (as said Record of Survey Map may have heretofore been amended or supplemented) and in the Amended Declaration of Condominium of the Camelot Condominium Project recorded in Utah County, Utah as Entry No. _____ in Book _____ at Page _____ (as said Declaration may have heretofore been amended or supplemented). TOGETHER WITH the undivided ownership interest in said Project's Common Areas and Facilities which is appurtenant to said Unit.

Such description will be construed to describe the Unit, together with the appurtenant Percentage 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 the Declaration, including all appurtenant Percentage Interests and all rights and limitations arising as a result of any conversion of the Convertible Space pursuant to Article VI of this Declaration.

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

5.3 Separate Mortgages by Owners. Each Owner shall have the right separately to mortgage or otherwise encumber his Unit. No Owner shall attempt to

or shall have the right to mortgage or otherwise encumber the Common Areas or any part thereof, except the Percentage Interest therein appurtenant to his Unit. Any Mortgage or other encumbrance of any Unit within the Project shall be subordinate to all of the provisions of this Declaration, and in the event of foreclosure the provisions of this Declaration shall be binding upon any Owner whose title is derived to foreclosure by private power of sale, judicial foreclosure, or otherwise.

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

5.5 Common Areas; Limited Common Areas .

(a) The Common Areas contained in the Project are described and identified in Article I of this Declaration. Neither the Percentage Interest nor the right of exclusive use of a Limited Common Area shall be separated from the Unit to which it appertains; and, even though not specifically mentioned in the instrument of transfer, the Percentage Interest and such right of exclusive use shall automatically accompany the transfer of the Unit to which they relate. The Limited Common Areas, which are included or to be included in the Project consist of at least the following: (i) two (2) designated parking spaces; and (ii) one (1) storage shed which have been assigned to the Unit Owners.

(b) The use of the Common Areas shall be limited to the Owners and residents and to their tenants and residents, and to their guests, invitees, and licensees. The use of each of the Limited Common Areas shall be restricted to the Owner of the Unit to which it is appurtenant, to his tenants and residents, and to his guests, invitees, and licensees. The use of the Common Areas and Limited Common Areas shall be governed by the Declaration and the Rules and Regulations as initially established by Association and as adopted and amended from time to time by the Homeowners Committees.

(c) Except as herein otherwise provided, the Association shall provide for such maintenance and operation of the Common and Limited Areas as may be reasonably required to make them appropriately usable in connection with the Units and to keep them clean, functional, attractive, and in good condition and repair.

5.6 Mechanic's Liens. No labor performed or material furnished for use in connection with any Unit with the consent or at the request of an Owner or his agent or subcontractor shall create any right to file a notice of mechanic's lien

against the Unit of any other Owner not expressly consenting to or requesting the same or against any interest in the Common Areas, except the Percentage Interest therein appurtenant to the Unit of the Owner for whom such labor shall have been performed and such materials shall have been furnished.

VI. THE ASSOCIATION

6.1 Membership. Every Owner shall be entitled and required to be a member of the Association. If title to a Unit is held by more than one person, the membership related to that Unit shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which the title to the Unit is held. An Owner shall be entitled to one membership for each Unit owned by him. Each such membership shall be appurtenant to the Unit upon which it is based and shall be transferred automatically by conveyance of that Unit. No person or entity other than an Owner may be a member of the Association, and the Articles of Incorporation or By-Laws of the Association shall so state and shall in addition state that the membership in the Association may not be transferred except in connection with the transfer of a Unit; provided, however, that the rights of membership may be assigned to a Mortgage as further security for a loan secured by a lien on a Unit or by a deed of trust.

6.2 Board of Trustees. The Board of Trustees of the Association, also known as the Board of Directors, Homeowners Committee, or Committee, shall consist of five (5) members. In addition to individual Unit Owners, partners of partnerships owning Units and officers of corporations owning Units shall be eligible for membership on the Board.

6.3 Votes. The number of votes appurtenant to each respective Unit shall be equal to the Percentage Interest set forth in Exhibit "B" attached hereto. The number of votes appurtenant to each Unit as set forth in said Exhibit "B" (subject to revisions resulting from conversions of Convertible Spaces) shall have a permanent character and shall not be altered without the unanimous written consent of all Owners expressed in a duly recorded amendment to this Declaration.

VII. RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

7.1 Common Areas. The Association, subject to the rights of the Owners set forth in Article IV hereof, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including furnishings and equipment related thereto) and shall keep the same in good, clean, attractive and sanitary condition, order and repair; provided, however, that each Owner of a Unit shall keep the Limited Common Areas (other than automobile parking stalls) designated for use in connection with his Unit, in a good, clean, sanitary and attractive condition. The Association shall be responsible for the maintenance and repair of all Common Areas. The cost of such management, operation, maintenance, and repair by the Association shall be borne as provided in Article IX.

7.2 Miscellaneous Services. The Association may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel of the Association as it shall be determined to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration. The Association may arrange with others to furnish trash collection, snow removal, ground maintenance, and other common services to each Unit. The cost of such services shall be borne as provided in Article IX.

7.3 Personal Property for Common Use. The Association may acquire and hold for the use and benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as the respective Percentage Interests. Such interest shall not be transferable except with the transfer of a Unit. A transfer of a Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Unit under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosed Unit.

7.4 By-Laws. The Association shall have those rights, powers, duties, and obligations set forth in the By-Laws.

7.5 Rules and Regulations. The Association may make reasonable Rules and Regulations governing the use of the Units and of the Common Areas, which Rules and Regulations shall be consistent with the rights and duties established in this Declaration. Such Rules and Regulations may include, without limitation: the requirement that draperies, shades, or other interior window coverings, including the interior surfaces of any window or door glass used in Units shall present a uniform appearance of type and color from the exterior of the Building and that the Association shall have the right to reinspect and approve all proposed draperies, shades, or other interior window coverings to insure compliance with such rule before installation thereof in a Unit; the procedure to issue and enforce traffic and parking citations; the procedure to enforce owner and non-owner occupant use violations; and the procedure to enforce non-payment of assessments. The Association may suspend any owner's voting rights in the Association during any period or periods during which such Owner fails to comply with such rules and regulations, or with any other obligations of such Owner under this Declaration. The Association may also take judicial action against the Owner to enforce compliance with such rules, regulations or other obligations or to obtain damages for non-compliance, all to the extent permitted by law.

BOOK 2234 PAGE 767

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

7.7 Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or By-Law, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

VIII. ASSESSMENTS

8.1 Agreement to Pay Assessment. Each Unit Owner by the acceptance of a deed therefor, whether or not it be so expressed in the deed, shall be deemed to covenant and agree with each other and with the Association to pay to the Association (1) annual common assessments or common expenses, (2) capital improvements assessments, (3) special assessments, and (4) reconstruction assessments; subject to provisions of this Declaration protecting first mortgagees, the personal obligation for delinquent assessments shall pass to the successors in interest of such Owner. The Board of Trustees shall establish no fewer than two (2) separate accounts (the "Camelot Maintenance Funds") into which shall be deposited all monies paid to the Association, and from which disbursement shall be made, as provided herein, in the performance of functions by the Association under the provisions of this Declaration. Each of the Camelot Maintenance Funds shall include: (1) an Operating Fund for current expenses of the Association, and (2) a Common Area Reserve Fund for replacements, painting, and repairs (which would not reasonably be expected to recur on an annual or less frequent basis) of the Common Area facilities to the extent necessary under the provisions of this Declaration. The Board of Trustees shall not co-mingle any amounts deposited into any of the Camelot Maintenance Funds with one another. Such assessments shall be fixed, established and collected from time to time in the manner provided in this Article.

8.2 Purpose of Common Assessments. The assessments levied by the Association shall be used to promote the common health, safety, benefit, recreation, and welfare of the owners and for the improvement and maintenance of the common area. The assessment shall also be for an adequate reserve to be used as appropriate for maintenance and repairs of the common area and replacement of those elements of the common area that must be replaced on a periodic basis and are payable in regular installments rather than by special assessments. Structural maintenance area disbursements from the Operating Fund shall be made by the Board of Trustees for such purposes as are necessary for the discharge of its responsibilities herein for the common benefit of all of the Owners, other than those purposes for which disbursements from the Common Area Reserve Fund are to be used. Nothing in the Declaration shall be construed in such a way as to permit the Association to use any assessments to abate any nuisance or annoyance emanating from outside the boundaries of the Camelot Condominiums. Nothing

BOOK 2234 PAGE 768

contained herein shall limit, preclude, or impair the establishment of additional Camelot Maintenance Funds by the Association so long as the amounts deposited into any such Fund are earmarked for specified purposes authorized by the Declaration.

8.3 Annual Common Area Assessments. The total annual common area assessments against all Units shall be based upon advance estimates of cash requirements by the Association to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Areas or furnishing utility services (including power and light, heating and air conditioning) to the Units, which estimates may include, among other things, expenses of management, grounds maintenance, taxes and special assessments, until the Units are separately assessed as provided herein; premiums for all insurance which the Association is required or permitted to maintain pursuant hereto; common lighting and heating; water charges; trash collection; each annual common assessment shall constitute an aggregate of separate assessments for each of the Camelot Maintenance Funds, reflecting an itemization of the amounts assessed and attributable to prospective deposit into the Common Area Reserve Fund, the Operating Fund, and any other Camelot Maintenance Fund established by the Association. If the estimated sums prove inadequate for any reason, including non-payment of any Owner's Annual Common Assessment, the Board of Trustees may, at any time, levy supplemental Common Assessments, for any of the Camelot Maintenance Funds which shall be assessed equally against the Owner of each Unit.

Each annual Common Assessment may be paid by the Owner to the Association in one check or payment or in separate checks, as payments attributable to deposits into specified Camelot Maintenance Funds accounts. In the event that any installment of a Common Assessment payment is less than the amount assessed and the payment does not specify the Camelot Maintenance Fund or Funds into which it should be deposited, the receipt by the Association from that Owner shall be credited in order of the priority first to the operating fund until that portion of the Common Assessment has been satisfied, and second to the Common Area Reserve Fund.

At the end of any fiscal year of the Association, the Owners may determine that all excess funds remaining in the operating fund, over and above the amounts used for operation, may be returned to the members proportionately, or may be retained by the Association and used to reduce the following year's Common Assessments. Notwithstanding anything contained in the Articles or By-Laws to the contrary, if prior to dissolution, the Association has not obtained tax exempt status from both the federal and state government, then upon such dissolution of the Association, any amounts remaining in the Common Area Reserve Funds shall be distributed to or for the benefit of the members in a proportion equal to their individual, respective contributions. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. A special assessment shall bear interest at the rate of

BOOK 2234 PAGE 769

eighteen percent (18%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date.

8.4 Capital Improvement and Reconstruction Assessments. In addition to the Common Assessment authorized above, the Board of Trustees of the Association may levy, in any assessment year, a Capital Improvement Assessment or Reconstruction Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a Capital Improvement or other such addition upon the Common Area, including fixtures and personal property related thereto; provided that any such assessment in excess of Five Thousand Dollars (\$5,000.00) shall have the vote or written assent of a majority of the votes of members who are subject to such assessment.

8.5 Rate of Assessment. Common Assessments, Capital Improvement Assessments, and Reconstruction Assessments provided for in this Article shall be apportioned among all owners in proportion to their respective percentage interest in the common areas.

8.6 Date of Commencement of Common Assessments: Due Date. The annual Common Assessments provided for the Owner shall commence as to all Units on the first day of the month following the closing on the purchase of the Unit. The first annual Common Assessment shall be adjusted according to the number of months remaining in the fiscal year as set forth in the By-Laws. The Board of Trustees shall fix the amount of the annual Common Assessment against each Unit at least thirty (30) days in advance of each Common Assessment period. Written notice of any change in the amount of the annual Common Assessment shall be sent to every Owner subject thereto, at least thirty (30) days prior to the effective date of such change. The due date shall be established by the Board of Trustees. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer or agent of the Association, setting forth whether the assessments on a specified unit have been paid.

8.7 Lien for Assessments. (a) All sums assessed to any Unit pursuant to this Article, together with interest thereon, as provided herein, shall be secured by a lien on such Unit in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Unit, except only for: (a) valid tax and special assessment liens on the Unit in favor of any governmental assessing authority; and (b) a lien for all sums unpaid on a first Mortgage, or on any Mortgage to Association, duly recorded in the official records of Salt Lake County, State of Utah, including all unpaid obligatory advances to be made pursuant to such Mortgage and all amounts advanced pursuant to such Mortgage and secured by the lien thereof in accordance with the terms of such instrument. All other lienors acquiring liens on any Unit after this Declaration shall have been recorded in said records shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

BOOK 2234 PAGE 7170

(b) As set forth with more particularity below, to evidence a lien for sums assessed pursuant to this Article, the Association may prepare a written notice of lien setting forth;

- (1) the amount of the assessment;
- (2) the date due;
- (3) the amount remaining unpaid;
- (4) the name of the Owner of the Unit; and
- (5) a description of the Unit.

Such notice shall be signed by the Association and may be recorded in the office of the County Recorder of Utah County, Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial or non-judicial foreclosure by the Association in the same manner in which mortgages or trust deeds on real property may be foreclosed in Utah. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of filing the notice of lien and all reasonable attorneys' and trustees' fees. All such costs, expenses and fees shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association by assessments against the Unit shall become due during the period of foreclosure. In the event the lien is foreclosed as a Trust Deed, each owner hereby appoints the Attorney for the Association as Trustee. The Association shall have the right and power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof.

(c) A release of notice of lien shall be executed by the Association and recorded in the official records of Utah County, Utah, upon payment of all sums secured by a lien, including all recordation costs and attorney fees made necessary by the filing, which has been made the subject of a recorded notice of lien.

(d) Any encumbrancer holding a lien on a Unit may pay, but shall not be required to pay, any amounts secured by the lien created by this Section, and upon such payment such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

8.8 Collection of Unpaid Assessments: Procedure:

(a) Effect. Any installment of a Common Assessment, Capital Improvement Assessment, Special Assessment or Reconstruction Assessment not paid within thirty (30) days after the due date shall bear interest from the due date of such installment at the rate of eighteen percent (18%) per annum. If any installment of an assessment is not paid within thirty (30) days after it is due, the Owner responsible therefor may be required further by the Board of Trustees to

BOOK 2234 PAGE 771

pay a late charge of Five Dollars (\$5.00) or five percent (5%) of the amount of the delinquent installment, whichever is greater. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Unit. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Unit. If any installment of a Common Assessment is not paid within thirty (30) days after its due date, the Board shall mail an acceleration notice to the Owner and to each First Mortgagee of a Unit which has requested a copy of the notice. The notice shall specify:

- (1) the fact that the installment is delinquent;
- (2) the action required to cure the default;
- (3) a date, not less than thirty (30) days from the date the notice is mailed to the Owner, by which such default must be cured; and
- (4) that failure to cure the default on or before the date specified in the notice shall result in acceleration of the balance of the installments of the Annual Common Assessment for the then current fiscal year and sale of the Unit.

The notice shall further inform the Owner of his right to cure after acceleration and to bring a court action to assert the nonexistence of a default or any other defense of the Owner to acceleration and sale. If the delinquent installments of Common Assessments and any charges thereon are not paid in full on or before the date specified in the notice, the Board at its option may declare all of the unpaid balance of the annual Common Assessment to be immediately due and payable without further demand and may enforce the collection of the full Common Assessment and all charges thereon in any manner authorized by law and this Declaration.

(b) Notice of Assessment. No action shall be brought to enforce any assessment lien herein, unless at least thirty (30) days has expired following the date a Notice of Assessment is deposited in the United States mail, postage prepaid, to the Owner of the Unit, and a copy thereof has been recorded by the Association in the office of the County Recorder in which the Properties are located; said Notice of Assessment must recite a good and sufficient legal description of any such Unit, the record Owner or reputed Owner thereof, the amount claimed (which may at the Association's option include interest on the unpaid assessment at eighteen percent (18%) per annum, plus reasonable attorney's fees and expenses of collection in connection with the debt secured by said lien), and the name and address of the claimant. Such Notice of Assessment shall be signed and acknowledged by an officer or agent of the Association, and said lien shall be prior to any declaration of homestead recorded after the date on which this Declaration is recorded. The lien shall continue until fully paid or otherwise satisfied.

(c) Foreclosure Sale. Any such sale provided for above may be conducted by the Board of Trustees, its attorneys or other persons authorized by the Board in accordance with the provisions of the Utah Code Annotated, 1953 as amended, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. The Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same.

(d) Curing of Default. Upon the timely curing of any default for which a Notice of Assessment was filed by the Association, the officers thereof shall record an appropriate Release of Lien, upon payment by the defaulting Owner of a fee, to be determined by the Association, but not to exceed One Hundred Dollars (\$100.00), to cover the cost of preparing and recording such release. A certificate executed and acknowledged by any two (2) members of the Board stating the indebtedness secured by the liens upon any Unit created hereunder shall be conclusive upon the Association and the Owners as to the amount of such indebtedness as of the date of the certificate, in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Owner upon request at a reasonable fee, not to exceed Ten Dollars (\$10.00).

(e) Cumulative Remedies. The assessment liens and the rights of foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided.

(f) Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage (meaning any recorded mortgage with first lien priority over all other mortgages encumbering the Properties), on which the assessment came due. Sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to mortgage foreclosure, trustee sale, or deed in lieu thereof, shall extinguish the lien of such assessments as to installments which came due prior to such sale or transfer. However, no sale or transfer shall relieve such Unit from liability for any installments of assessments thereafter becoming due or from the lien thereof.

8.9 Personal Obligation of Owner. The amount of any annual or special assessment against any Unit shall be the personal obligation of the Owner thereof to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of his Unit.

8.10 Statement of Account. Upon payment of a reasonable fee not to exceed Ten Dollars (\$10.00), or such other amount as the Act may allow, and upon written request of any Owner or any Mortgagee, prospective Mortgagee or prospective

purchaser of a Unit, the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Unit; the amount of the current yearly assessment and the date that such assessment becomes or became due; credit for advanced payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums; and such statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within twenty (20) days, all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a Mortgagee which required its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligations of the purchaser shall be released automatically if the statement is not furnished within the twenty (20) day period provided herein and thereafter an additional written request is made by such purchaser and is not complied with within ten (10) days, and the purchaser subsequently acquires the Unit.

8.11 Personal Liability of Legal Title Holder and Equitable Title Holder. Subject to the provisions of Section 8.8 above, where the Owner of a Unit transfers, assigns, leases, sells, or otherwise conveys his Unit to another by means of a Uniform Real Estate Contract, Land Installment Contract, or other device, both Seller and Purchaser, and both Legal Title Holder and Equitable Title Holder shall be jointly and severally liable to the Association for all assessments.

8.12 Personal Liability of Purchaser for Assessments. Subject to the provisions of Section 8.8 a purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

8.13 Exempt Property. The following property subject to this Declaration shall be exempt from the assessments herein:

- (a) All properties dedicated to and accepted by a local public authority;
- and
- (b) The Common Area.

IX. INSURANCE

9.1 The Association shall secure and at all times maintain the following insurance coverages:

(a) **Hazard Coverage.** A multi-peril policy or policies of fire and other hazard insurance covering the entire Project (both Units and Common Areas), with extended coverage and all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location and use on a replacement cost basis in an amount not less

than one hundred percent (100%) of the insurable value (based upon replacement cost). Each such policy shall contain the standard mortgagee clause which must be endorsed to provide that any proceeds shall be paid to the Association for the use and benefit of mortgagees as their interests may appear. The assured shall be the Association as a trustee for the Unit Owners, or their authorized representative. Such insurance must provide protection against at least the following: loss by fire and other hazards covered by the standard extended coverage.

(b) Public Liability. The comprehensive policy of public liability insurance covering all of the Common Areas insuring the Association, the Board of Trustees, the Manager, and the Unit Owners against any liability incident to the ownership, use, or operation of the Common Areas and public ways of the Project or of any Unit which may arise among themselves, to the public, or to any invitees, or tenants of the Project, or of the Unit Owners. Limits of liability under such insurance shall be not less than One Million Dollars (\$1,000,000.00) covering all claims for personal property injury and/or property damage arising out of a single occurrence, including protection against water damage liability, liability for nonowned and hired automobile and liability for property of others. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of the Association or other Unit Owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for similar projects in location, construction and use.

(c) Workmen's Compensation Insurance. The Association shall obtain and maintain workmen's compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association in the amounts and in the forms now or hereafter required by law.

(d) Fidelity Insurance or Bond. The Association shall purchase, in such amounts and in such forms as it deems appropriate, fidelity insurance or a bond to cover against dishonesty of trustees, officers, and employees, destruction or disappearance of money or securities, and forgery.

(e) Flood, Mud Slide, and Soil Erosion Insurance. The Association shall purchase and maintain flood, mud slide, and soil erosion insurance if (1) it is located in an identified special flood hazard area, including an area of mud slides and flood-related soil erosion, designated by the Federal Emergency Management Administration and if (2) such insurance is available. The amount of such insurance required shall be the maximum amount available under the National Flood Insurance Act of 1968, as amended, but not exceed the insurable value of the Property.

9.2 The following additional provisions shall apply with respect to insurance.

(a) In addition to the insurance and bond coverage described above, the Association shall secure and at all times maintain insurance against such risks as are or hereafter may be customarily insured against in connection with all condominium

projects similar to the Project in construction, nature and use.

(b) All insurance policies shall be written by a company holding a financial rating of Class VI or better as designated in Best's Insurance Reports. Each insurer must be specifically licensed to transact business within the State of Utah. Policies are unacceptable where (i) under the terms of the carrier's charter, by-laws or policy contributions or assessments may be made against the Borrower or the Mortgagee; or (ii) by the terms of the carrier's charter, by-laws or policy, loss payments are contingent upon action by the carrier's board of directors, policy holders, or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent the Mortgagee or the borrower from collecting insurance proceeds.

(c) The Association shall have the authority to adjust losses.

(d) Insurance secured and maintained by the Association shall not be brought into contribution with insurance held by the individual Unit Owners or their Mortgagees.

(e) Each policy of insurance obtained by the Association shall provide: a standard mortgagee clause commonly accepted by private institutional mortgage investors in the Area in which the Project is located; a waiver (if available) of the insurer's subrogation rights with respect to the Association, the Manager, the Trustees, 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 Association 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; and that a mortgagee clause endorsement which must provide that the insurance carrier shall notify in writing any and all insureds, including the servicers on behalf of Mortgagees thereof at least thirty (30) days in advance of the effective date of any substantial modification or cancellation of the policy.

(f) 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 Association. Any Unit Owner who individually obtains insurance covering any portion of the Project shall supply the Committee with a copy of his policy within 30 days after he acquires such insurance.

(g) Insurance coverage required by this Article X must not be prejudiced by (i) any act or neglect of the Unit Owners

BOOK 2234 PAGE 776

when such act or neglect is not within the control of the Association, or (ii) any failure of the Association to comply with any warranty or condition regarding any portion of the Project over which the Association has no control.

(h) All policies of property insurance must provide that notwithstanding any provision affording the insurer the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable without the prior written approval of the Association (or any insurance trustee) or when in conflict with the provisions of any insurance trust agreement to which the insurance may be a party, or any requirement of law.

(i) The foregoing provisions of Article X shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage. In addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association may deem proper from time to time.

(j) The Association shall have no responsibility regarding insurance on the personal property of Unit Owners.

X. DAMAGE OR DESTRUCTION

10.1 In the event of damage of or destruction of part or all of the improvements in the Project, the following procedures shall apply:

(a) Insurance Proceeds Sufficient to Repair or Reconstruct. If proceeds of the insurance maintained by the Association are alone sufficient to repair or reconstruct the damage or destroyed improvement, such repair or reconstruction shall be carried out.

(b) Damage and Destruction less than 75%. If less than 75% of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Association are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all Unit Owners shall be assessed for any deficiency on the basis of their respective Percentage Interest.

(c) Damage or Destruction Exceeds 75% If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Association are not alone sufficient to accomplish restoration

BOOK 2234 PAGE 777

and if the Unit Owners within 100 days after the destruction or damage by a vote of at least 75% elect to repair or reconstruct the affected improvements, restoration shall be accomplished in the manner directed under subsection (b) above.

(d) Substantial Damage or Destruction but Owners Do Not Elect to Repair or Reconstruct. If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Association 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%, elect to repair or reconstruct the affected improvements, the Association shall promptly record with the Utah County Recorder a notice setting forth such facts. Upon the recording of such notice the provisions of the Act shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units.

10.2 Determination of Extent of Damage or Destruction. Any reconstruction or repair which is required to be carried out by this Article XI regarding the extent of damage to or destruction of Project improvements shall be made by three MAI appraisers selected by the Association. The decision of any two such appraisers shall be conclusive.

XI. OBSOLESCENCE

11.1 Adoption of a Plan. The Owners representing an aggregate voting interest of eighty percent (80%) or more of the Project may agree that the Project is obsolete and adopt a written plan for the renewal and reconstruction, which plan has the unanimous approval of all first Mortgagees of record at the time of the adoption of such plan. Written notice of adoption of such a plan shall be given to all Owners. Such plan shall be recorded in the official records of Utah County, Utah.

11.2 Payment for Renewal and Reconstruction. The expenses of renewal or reconstruction shall be payable by all of the Owners as assessments against their respective Units. These assessments shall be levied in advance pursuant to ARTICLE IX hereof and shall be allocated and collected as provided in that Article. Further levies may be made in like manner if the amounts collected prove insufficient to complete the renewal and reconstruction.

11.3 Dissents from the Plan. An Owner not a part to such a plan for renewal or reconstruction may give written notice of dissent to the Association within fifteen (15) days after the recordation of such plan. The Association shall then give written advice of such dissents to all the Owners within five (5) days after the expiration of such fifteen (15) day period. Within fifteen (15) days of receipt of such notice from the Association the Owners representing an aggregate voting

Interest of more than twenty percent (20%) of the Project may cancel the plan by written instrument recorded in the official records of Utah County, Utah. If the plan is not cancelled then the Units of each dissenter shall be purchased according to the following procedures. If the Owner and the Association can agree on the fair market value thereof, then such sale and conveyance shall be completed within sixty (60) days thereafter. If the parties are unable to agree, the date when either party notifies Owners in proportion to the respective undivided interest in the Common Areas, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Unit. Each such account shall remain in the name of the Association, and shall be further identified by the Unit designation and the name of the Owner. From each separate account the Association, as attorney in fact, shall use and disburse the total amount of such accounts without contribution from one account to the other, first to encumbrancers (including the Association) in the order of the priority of their liens and the balance remaining to each respective Owners.

11.4 Distribution of Excess. In the event amounts collected pursuant to Section 12.2 are in excess of the amounts required for renewal and reconstruction, the excess shall be returned to the Owners by the Association by a distribution to each Owner in an amount proportionate to the respective amount collected from each such Owner.

XII. CONDEMNATION

12.1 Consequences of Condemnation. If at any time or times during the continuance of the condominium ownership pursuant to this Declaration, all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the following provisions shall apply.

12.2 Proceeds. All compensation, damages, or other proceeds therefrom, the sm of which is hereinafter called the "Condemnation Award", shall be payable to the Association.

12.3 Complete Taking. In the event that the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant thereto shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to the respective Percentage Interest in the Common Areas, provided that if a standard different from the value of the Project as a whole is employed to measure the Condemnation Award in the negotiation judicial decree, or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

On the basis of the principle set forth in the last preceding paragraph, the Association shall soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable in the same manner provided in Section 13.4 of this Declaration.

12.4 Partial Taking. In the event that less than the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award to be determined in the following manner: (a) as soon as practicable the Association shall, reasonably and in good faith, allocate the Condemnation Award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated to taking of or injury to the Common Areas shall be apportioned among Owners in proportion to their respective Percentage Interests in the Common Areas, (b) the total amount allocated to severance damages shall be apportioned to those Units which were not taken or condemned, (c) the respective amounts allocated to the taking of or injury to a particular Unit and/or improvements an Owner has made within his own Unit shall be apportioned to the particular Unit involved, and (d) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If an allocation of the Condemnation Award is already established in negotiation, judicial decree, or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be made by checks payable jointly to the respective Owners and their respective Mortgagees.

12.5 Reorganization. In the event a partial taking results in the taking of a complete Unit, the Owner thereof automatically shall cease to be a member of the Association. Thereafter the Association shall reallocate the ownership, voting rights, and assessment ratio determined in accordance with this Declaration according to the same principles employed in this Declaration at its inception and shall submit such re-allocation to the Owners of remaining Units for amendment of this Declaration as provided.

12.6 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article XI, above.

XIII. USE OF UNITS AND COMMON AREAS

13.1 Unit Use Restrictions and Office Use. Each of the Units in the Project is intended to be used for single family residential housing and is restricted to such use. For purposes of this Section, "family" shall mean (1) a group of natural persons related to each other by blood or legally related to each other by marriage or adoption, or (2) a group of not more than two (2) persons not also related, inclusive of their domestic servant, who maintain a common household in a unit.

13.2 Neither the Property nor any part thereof shall be used in any manner or for any purpose inconsistent with the purpose stated in Section 13.1 above.

13.3 Lease of Units. With the exception of a lender in possession of a Unit following as a result of a default in a first mortgage, a foreclosure proceeding, or

any deed or other arrangement in lieu of foreclosure, no Unit Owner shall be permitted to rent or lease his Unit for transient, hotel, or time share purposes. All leases shall be in writing, a Unit Owner may not lease less than the entire Unit (except a parking space may be leased to another Unit Owner) nor lease the Unit for less than thirty (30) days. All lease agreements shall be required to provide the following: (a) that the terms of the lease shall be subject in all respect to the provisions of this Declaration and the By-Laws attached hereto; (b) that any failure by the lessee or tenant to comply with the terms of such documents shall constitute a default under the lease; and (c) notice that the Owner has granted and conveyed, and Owner hereby grants and conveys, to the Association a special power of attorney and the irrevocable right and power to evict those tenants who refuse to abide by the Declaration, By-Laws, or Rules and Regulations. Other than the foregoing, while there shall be no other restrictions on the right of any Unit Owner to lease his Unit, the Unit Owner shall notify the Association of the names of each lessee.

13.4 Use of Common Areas. There shall be no obstruction of the Common Areas by the Owners and/or their invitees without the prior consent of the Association. The Association may by Rules and Regulations prohibit or limit the use of the Common Areas as may be reasonably necessary for the purpose of protecting the interests of all the Owners or protecting the Units or the Common Areas. Nothing shall be kept or stored on any part of the Common Areas without the prior written consent of the Association, except as specifically provided herein. Nothing shall be altered on, constructed in, or removed from, the Common Areas except upon the prior written consent of the Association.

13.5 Violation of Insurance. Nothing shall be done or kept in any Unit or in the Common Areas, or any part thereof, which would result in the cancellation or threatened cancellation of the insurance on the Project, or any part thereof, or increase or threaten to increase the rate of the insurance on the project, or any part thereof, over the what the Association, but for such activity, would pay, without the prior written consent of the Association.

13.6 Violation of Statute, Rule, or Ordinance. Nothing shall be done or kept in any Unit or in the Common Areas, or any part thereof, which would be a violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirement of any governmental body.

13.7 Damage or Waste. No damage to, or waste of, the Common Areas, or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Association and other Owners harmless against all loss resulting from such damage or waste caused by him or his invitees; provided, however, that any invitee of the Association shall not be under any circumstances deemed to be an invitee of any other Owner.

13.8 Noxious, Destructive, or Offensive Activity. No noxious, destructive or offensive activity shall be carried on in any Unit or in the Common Areas or any part thereof, nor shall anything be done therein which may be or may become an

annoyance or nuisance to any other owner or to any person at any time lawfully occupying a Unit in the Project. This includes but is not limited to motor vehicles without or with defective mufflers, or with modified exhaust systems, noise from televisions or stereos, late parties, loud or noisy parties; and the use of frisbees, golf balls, or other projectiles on the Common Areas.

13.9 Structural Integrity. Nothing shall be done in any Unit or in the Common Areas, or any part thereof, which will impair the structural integrity of the building or which would structurally change the building except as otherwise provided herein.

13.10 Laundry and Garbage. No clothes, sheets, blankets, laundry of any kind, or other articles shall be hung out or exposed on any part of the Common Areas. The Common Areas shall be kept free and clear of rubbish, garbage, debris, and other unsightly materials, equipment, or disabled motor vehicles.

13.11 Toys and Child Care Equipment. There shall be no playing, lounging, parking of baby carriages, or play pens, bicycles, wagons, toys, vehicles, benches, chairs, or other personal property on the Common Areas, or any part thereof, without the prior consent of and subject to any regulations of the Association.

13.12 Motor Vehicles. No car, truck, camper, trailer, recreational vehicle, boat, motor home, or other motor vehicle, other than the Unit Owner's regular family transportation vehicle (which shall be limited to a maximum size of one (1) ton truck - U 12000) shall be parked in any parking stall in the Project for more than twenty-four (24) hours, and in no case shall such vehicle be parked in stall other than those assigned to said Unit Owner.

13.13 Repairs to Motor Vehicles. Use of a parking stall for motor vehicle repairs shall be conducted in accordance with the regulations adopted by the Association. In no case shall the Common Areas, or any part thereof, or any parking stall be used to make oil changes on motor vehicles or to conduct repairs involving leakage or spillage of oil or other fluid, or otherwise the facing or threatening to deface any area of the Project and which render the motor vehicle inoperative for a period of more than forty-eight (48) hours.

13.14 Parking Stalls. Parking stalls assigned to Unit Owners shall constitute limited common area. Use of such parking stalls shall be limited to the Unit Owner to whom it is assigned. Unit Owners shall not use parking stalls other than those to which they have been assigned. All parking stalls shall be designated and assigned by the Association.

13.15 Rules and Regulations. No Owner shall violate the Rules and Regulations for the use of the Units and of the Common Areas as adopted from time to time by the Association.

13.16 Structural Alterations. No structural alterations to any Unit shall be made, and no plumbing, electrical or similar work within the Common Areas shall

be done; nor shall Unit Owners cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of the building and no awnings, canopies, trellises, shutters, cables, radio or television antennas, or satellite discs shall be affixed to or placed upon the exterior walls or roof, or any part thereof, without the prior written consent of the Association. All window coverings, levelors, shades, blinds, or the like shall be white, off-white, or beige unless otherwise approved in writing by the Association.

13.17 Restriction on Signs. No signs, flags, or advertising devices of any nature shall be erected or maintained on any part of the Project without the prior written approval of the Association, except as may be necessary temporarily to caution or warn of danger. If the Association consents to the erection of any such signs or devices, the same shall be removed promptly at the request of the Association.

13.18 Animals and Pets. No animals, dogs, cats, domesticated rodents, rabbits, livestock, fowl, or poultry of any kind shall be raised, bred, or kept in any Unit.

13.19 No Overloading. No Owner shall bring anything into his Unit or permit anything to be done in his Unit that will cause damage to the Building or Common Areas, or any part thereof. No Owner shall overload a floor of his Unit, nor overload the electric wiring in the Building or operate any machines, appliances, accessories, or equipment in such manner as to cause, in the sole judgment of the Association, and unreasonable disturbance to others, or connect any machines, appliances, accessories, or equipment to the heating or plumbing systems without the prior written consent of the Association.

13.20 Commercial Uses. No commerce, industry, business, trade, occupation, or profession of any kind shall be conducted, maintained, or permitted on the Property, or any part thereof. Nothing in this Section shall be construed to prevent or prohibit a Unit Owner from maintaining his professional personal library, or keeping his personal business or professional records or accounts, or handling his personal business or professional telephone calls, or conferring with business or professional associates, clients, or customers in his Unit.

13.21 Energy Conservation. No Unit Owner shall maintain his Unit so as to waste electrical or gas energy. All Unit Owners shall close and keep closed all windows and doors to conserve heat in the wintertime and to conserve cool air in the summertime.

XIV. MORTGAGEE PROTECTION

From and after the time a Mortgagee makes written request to the Association therefor, 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.

The lien or claim against a Unit for unpaid assessments or charges levied by the Association 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 or which obtains title to 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 or which obtains title shall be collected or enforced by the Association from or against a Mortgagee, a successor in title to a Mortgagee, or the Unit affected or previously affected by the Mortgage concerned.

Unless at least seventy-five percent (75%) of the Mortgagees (based upon one vote for each Mortgage) or Owners (other than Declarant) of the individual Units have given their prior written approval, the Association shall not be entitled, by act, omission, or otherwise:

- (a) To abandon or terminate the Project or to abandon or terminate the arrangement which is established by this Declaration and the Map.
- (b) To partition or subdivide any Unit.
- (c) To abandon, partition, subdivide, encumber, sell, or transfer all or any part of the Common Areas (except for the granting of easements for utilities and similar purposes consistent with the intended use of the Common Areas.
- (d) 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 in Article XI.
- (e) To change the pro rata interests or obligations of any Unit which apply for (i) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards and for (ii) determining the pro rata share of ownership of each Unit in the Common Areas.

BOOK 2234 PAGE 784

The Association shall not: (i) alter the provisions of Article IX in such a way as to diminish the insurance protection required to be afforded to the parties designed to be protected thereby; or (ii) fail to maintain the insurance coverage described in said Article.

Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Association. The Association shall establish an adequate reserve to cover the cost of reasonably predictable and necessary major repairs, maintenance and replacements of the Common Areas and shall cause such reserve to be funded by regular monthly or other periodic assessments against the Units rather than by special assessments.

From and after the time a Mortgagee makes written request to the Association 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: (i) The Common Areas involving an amount in excess of, or reasonably estimated to be in excess of, Ten Thousand Dollars (\$10,000.00); or (ii) Any Unit encumbered the Mortgage held by such Mortgagee, if the amount involved in such damage, loss, or taking is 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 Association learns of such damage, loss, taking or anticipated condemnation.

No provision of this Declaration gives or may give a Unit Owner or any other party priority over any rights of Mortgagees pursuant to their respective Mortgages in the case of a distribution to Unit Owners of insurance proceeds or condemnation awards for loss to or taking of Units and/or the Common Areas.

Any Mortgagee which obtains title to the Unit encumbered by its Mortgage pursuant to the remedies provided for in said Mortgage, pursuant to foreclosure of said Mortgage, pursuant to exercise of a power of sale available under said Mortgage, or pursuant to deed or assignment in lieu of foreclosure, shall be exempt from and shall in no way be governed by or subject to any "right of first refusal" which may be contained in or provided for in this Declaration.

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 Article XV, 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 Association with respect to the subject concerned.

No amendment to this Declaration which has the effect of diminishing the rights, protection, or security afforded to Mortgagees shall be accomplished or effected unless all of the Mortgagees of the individual Units have given their prior written approval to such amendment. Any amendment to this Article XIV shall be accomplished by an instrument executed by the Association and filed for record in the office of the Utah County Recorder. In any such instrument an officer of the

BOOK 2234 PAGE 785

Association shall certify that any prior written approval of Mortgagees required by this Article XIV as a condition to amendment has been obtained.

XV. AMENDMENT

15.1 Procedure. Except as otherwise provided herein, the provisions of this Declaration may be amended, changed, or modified by the vote of at least seventy-five percent (75%) of the Percentage Interest in the Common Areas. Any amendment so authorized shall be accomplished through the recordation of an instrument in writing executed by the Association. In such instrument, the Board of Trustees shall certify that the vote required by this Article for Amendment has occurred. The Amendment shall be effective upon recordation in the Office of the County Recorder of Utah County, State of Utah.

XVI. GENERAL PROVISIONS

16.1 Covenants to Run With Land. This Declaration and all the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of Declarant, all other signatories hereto, all parties who hereafter acquire any interest in a Unit or in the Project, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. Each Owner or occupant of a Unit shall comply with, and all interests in all Units shall be subject to, the terms of this Declaration and the provisions of any rules, regulations, agreements, instruments, supplements, amendments, and determinations contemplated by this Declaration. Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunctive relief or both, maintainable by the Association on behalf of the Owners, or, in a proper case, by an aggrieved Owner. By acquiring any interest in a Unit or in the Project, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

16.2 Limitation on Association's Liability. The Association shall not be liable for any failure of water service or other utility services to be obtained and paid for by the Association hereunder, or for injury or damage to any person or property caused by the elements or by another Owner or person in or upon the Project, or resulting from electricity, water, rain, snow, or ice which may leak or flow from outside or from any parts of the Building or its drains, pipes, conduits, appliances, conduits, or equipment, or from any other place, unless caused by the grossly negligent or willful misconduct of the Association. No diminution or abatement of any assessments under the Declaration shall be claimed or allowed for inconvenience or discomfort arising from the making of any repairs or improvements to or maintaining the Project or any part thereof, or from any action taken to comply with the provisions of this Declaration or with the laws, ordinances, regulations, rules, or orders of any governmental authority. Each Unit Owner hereby waives and releases and forever discharges any and all claims which he may have against the Board of Trustees, the Association, and their respective employees or agents, for damage to the Common Areas and facilities, any Unit, or

to any personal property located in the Unit or on the Common Areas caused by fire or other casualty to the extent that such damage is not covered by fire or other form of casualty insurance.

16.3 Owner's Obligations Continue. All obligations of the Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may have leased or rented said interest, but the Owner of a Unit shall have no obligation for expenses or other obligations accruing after he conveys such Unit.

16.4 Interpretation. To the extent the provisions of the Act are consistent with this Declaration, such provisions shall supplement the terms hereof and are incorporated herein. The captions which precede the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both other genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or unenforceability of the remainder hereof.

16.5 Agent for Service of Process. Steve Garland of 1524 Merlin Drive, Provo, Utah, is the person to receive service of process in the cases authorized by the Act. The Association shall, however, have the right to appoint a successor or substitute process agent. Such successor or substitute agent and his address shall be specified by an appropriate instrument filed in the office of the County Recorder of Utah County, State of Utah.

16.6 Effective Date. This Declaration, any amendment or supplement hereto, and any amendment or supplement to the Map shall take effect upon its being filed for record in the office of the County Recorder of Utah County, Utah.

16.7 Utilities. There is a central water heating system, a central culinary water heating system, and a central air conditioning system which services all buildings in the Condominium Project. The above-described systems, including but not limited to the boilers, chillers, pumps, and hot water heaters shall constitute a part of the Common Areas, with the exception of the plumbing and fan coil units which are located within each of the individual Units. The maintenance of the above-described fan coil units and interior plumbing shall be the sole responsibility and duty of each Unit Owner, anything herein to the contrary notwithstanding.

All expenses incurred in the operation, maintenance, and improvement of the water and air conditioning systems, except as set forth above, are hereby declared to be common expenses and shall be apportioned among the Unit Owners in accordance with their Percentage Interest. Any expense incurred in the maintenance or repair of the interior plumbing and fan coil units shall be the expense of the individual Unit Owner and shall not be included in the common expenses described above.

16.8 Separate Real Estate Taxes. It is understood that real estate taxes are to be separately taxed to each Unit Owner for his unit and his corresponding percentage of ownership interest in the Common Areas. However, in the event that for any year such taxes are not separately taxed to each Unit Owner, but are taxed on the Property as a whole, then each Unit Owner shall pay his proportionate share of the whole in accordance with his respective percentage of ownership interest in the Common Areas.

16.9 Entry by Board of Trustees. The Board of Trustees or its agents or employees may enter any unit when necessary in connection with any painting, maintenance, repair, improvement, or reconstruction for which the Board is responsible or which the Board has the right or duty to do. Such entry shall be made with as little inconvenience to the Unit Owner as practicable, and any damage caused thereby shall be repaired by the Board at the expense of the Association.

16.10 Failure to Enforce. No terms, obligations, covenants, conditions, restrictions, or provisions imposed hereby or contained herein shall be abrogated or waived by any failure of the Association to enforce the same, no matter how many violations or breaches may occur.

16.11 Notices. Notice is required or permitted to be given hereby to the Board of Trustees, the Association, or any Unit Owner may be delivered either personally or by mail, postage prepaid, addressed to a member of the Board, the Board, the Association, or the Unit Owner. Notice is required to be given to any devisee or personal representative of a deceased Unit Owner may be delivered either personally or by mail, postage prepaid, addressed to such party at his address appearing in the records of the Association, or the Court wherein the estate of such deceased person is being administered.

16.12 Severability. The provisions hereof shall be deemed independent and severable and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provisions.

16.13 Violation of Declaration. The violation of any covenant, condition, restriction, limitation, rule, or regulation adopted by the Association, or the breach of any provision herein contained, shall give the Association the power and right, in addition to any other powers and rights heretofore stated, to enter upon the Unit, or any portion thereof, upon which such violation or breach exists and to similarly abate and remove, at the expense of the violating or defaulting Unit Owner, any structure, article, item, object, thing, or condition, that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Association, or its employees or agents, shall not thereby be deemed guilty in any manner of trespass; or to enjoin, abate, or remedy by appropriate legal proceedings, either at law or equity, the continuance of any violation or breach.

16.14 Attorney Fees. In the event the Board of Trustees refer the Declaration, By-Laws, or Rules and Regulations to an attorney for enforcement, whether or not a suit is filed, the Association shall be entitled to recover all

costs, including reasonable attorney fees, incurred from the defaulting Owner. All sums assessed to Owner pursuant to this Section shall be secured by a lien against his Unit in favor of the Association.

EXECUTED by the Association on the day and year first above written.

CAMELOT CONDOMINIUMS HOMEOWNER'S
ASSOCIATION

By: Doug B. Wiegstiff
Title: CHAIRMAN

By: Phyllis M Hansen
Title: Secretary

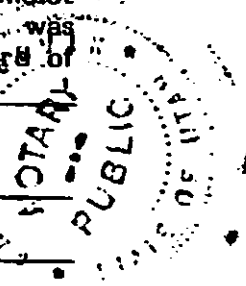
STATE OF UTAH)

: ss.

County of Utah)

On this 30 day of July, 1985, personally appeared before me, Doug B. Wiegstiff and Phyllis M Hansen, who duly acknowledged to me that they Doug B. Wiegstiff is the Chairman and he, Phyllis M Hansen is the Secretary of Camelot Condominiums Homeowner's Association and that the foregoing instrument was signed in behalf of said Association by authority of its Board of Directors, and said Doug B. Wiegstiff and Phyllis M Hansen acknowledged to me that said Association executed the same.

Neil T. Goodwin
Notary Public
Residing at: Orem, Utah



My Commission Expires:

3-8-86

BOOK 2234 PAGE 789

STATE OF UTAH)
 : ss.
County of Utah)

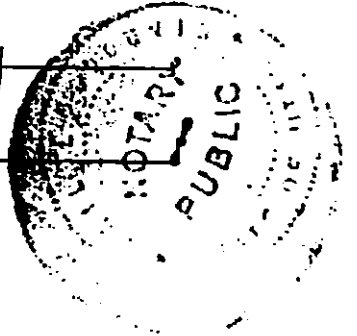
CERTIFICATION

Comes now Phyllis M Hansen, the Secretary of the Association and, under oath, acknowledges and certifies that the foregoing Amended Declaration was approved by seventy-five percent (75%) or more of the members of the Association as required by Section 26 of the original Declaration.

Phyllis M Hansen
Secretary

Subscribed and sworn to before me this 30th day of July 1985.

Albert Hodwin
Notary Public
Residing at: Crem, Utah



My Commission Expires:

3-8-86

EXHIBIT "A"

The real property described in the foregoing document is located in Utah County, State of Utah, and more particularly described as follows:

All of Lot 1 thru 11. CAMELOT PLANNED UNIT DEVELOPMENT Provo, Utah according to the official plat thereof on file in the office of the Recorder, Utah County, Utah, which property does include Seventy (70) Town House units and Twenty-Two (22) Rambler units (1 Rambler unit being located on each end of each building in the condominium project, with the exception of the recreation building to which no Rambler units are attached).

Together with the streets known as Arthur Drive, Merlin's Road, and Lancelot Drive, and open areas and other common facilities for the perpetual use of the occupants of Camelot Planned Unit Development as shown and designated on the official plat thereof.

Conveying with the above-described land any and all water rights and ditches belonging or any wise appertaining thereto and especially including, but not limited to 17 shares of Spring Creek Water delivered thru Lake Bottom Canal Company.

The above property is described by metes and bounds as follows:

Commencing West 87.98 feet along Section line and South 1050.02 feet from the North quarter corner of Section 2, Township 7 South, Range 2 East, Salt Lake Base and Meridian; thence as follows:

North 79°33' East 101.05 feet; thence North 61°50' East 300.00 feet; thence North 51°23' East 216.50 feet; thence North 72°18' East 246.70 feet; thence North 28°49' East 125.60 feet; thence East 38.00 feet; thence South 11°59' West 89.46 feet; thence South 25°03' West 85.18 feet; thence South 50°14' West 200.40 feet; thence South 49°43' West 77.54 feet; thence South 34°49' West 212.50 feet; thence South 75°11' West 256.50 feet; thence South 73°41' West 69.20 feet; thence South 61°45' West 51.50 feet; thence South 58°23' West 203.40 feet; thence North 13°26.5' West 354.50 feet to beginning.

EXHIBIT "B" TO
AMENDED DECLARATION OF CAMELOT CONDOMINIUMS

<u>UNIT NO.</u>	<u>SIZE</u>	<u>PERCENTAGE INTEREST</u>
1401	1 Story	1.0869565
1402	1 Story	1.0869565
1403	2 Story	1.0869565
1404	2 Story	1.0869565
1405	2 Story	1.0869565
1406	2 Story	1.0869565
1407	2 Story	1.0869565
1408	2 Story	1.0869565
1409	2 Story	1.0869565
1410	2 Story	1.0869565
1411	2 Story	1.0869565
1412	2 Story	1.0869565
1413	2 Story	1.0869565
1414	2 Story	1.0869565
1415	1 Story	1.0869565
1416	2 Story	1.0869565
1418	2 Story	1.0869565
1420	2 Story	1.0869565
1421	1 Story	1.0869565
1422	2 Story	1.0869565
1423	2 Story	1.0869565
1424	1 Story	1.0869565
1425	2 Story	1.0869565

PAGE 2 OF EXHIBIT "B" TO
AMENDED DECLARATION OF CAMELOT CONDOMINIUMS

<u>UNIT NO.</u>	<u>SIZE</u>	<u>PERCENTAGE INTEREST</u>
1427	2 Story	1.0869565
1429	2 Story	1.0869565
1430	1 Story	1.0869565
1431	2 Story	1.0869565
1432	2 Story	1.0869565
1433	2 Story	1.0869565
1434	2 Story	1.0869565
1435	1 Story	1.0869565
1436	2 Story	1.0869565
1438	2 Story	1.0869565
1440	2 Story	1.0869565
1441	1 Story	1.0869565
1442	2 Story	1.0869565
1443	2 Story	1.0869565
1444	1 Story	1.0869565
1445	2 Story	1.0869565
1447	2 Story	1.0869565
1449	2 Story	1.0869565
1450	1 Story	1.0869565
1451	2 Story	1.0869565
1452	2 Story	1.0869565
1453	2 Story	1.0869565
1454	2 Story	1.0869565

BOOK 2234 PAGE 793

PAGE 3 OF EXHIBIT "B" TO
AMENDED DECLARATION OF CAMELOT CONDOMINIUMS

<u>UNIT NO.</u>	<u>SIZE</u>	<u>PERCENTAGE INTEREST</u>
1455	1 Story	1.0869565
1456	2 Story	1.0869565
1458	2 Story	1.0869565
1460	2 Story	1.0869565
1461	1 Story	1.0869565
1462	2 Story	1.0869565
1463	2 Story	1.0869565
1464	1 Story	1.0869565
1465	2 Story	1.0869565
1467	2 Story	1.0869565
1469	2 Story	1.0869565
1470	1 Story	1.0869565
1471	2 Story	1.0869565
1472	2 Story	1.0869565
1473	2 Story	1.0869565
1474	2 Story	1.0869565
1475	1 Story	1.0869565
1476	2 Story	1.0869565
1478	2 Story	1.0869565
1480	2 Story	1.0869565
1481	1 Story	1.0869565
1482	2 Story	1.0869565

BOOK 2234 PAGE 794

PAGE 4 OF EXHIBIT "B" TO
 AMENDED DECLARATION OF CAMELOT CONDOMINIUMS

<u>UNIT NO.</u>	<u>SIZE</u>	<u>PERCENTAGE INTEREST</u>
1483	2 Story	1.0869565
1484	1 Story	1.0869565
1485	2 Story	1.0869565
1487	2 Story	1.0869565
1489	2 Story	1.0869565
1490	1 Story	1.0869565
1491	2 Story	1.0869565
1492	2 Story	1.0869565
1493	2 Story	1.0869565
1494	2 Story	1.0869565
1495	1 Story	1.0869565
1496	2 Story	1.0869565
1498	2 Story	1.0869565
1500	2 Stroy	1.0869565
1502	2 Story	1.0869565
1504	1 Story	1.0869565
1510	1 Story	1.0869565
1512	2 Story	1.0869565
1514	2 Story	1.0869565
1516	2 Story	1.0869565
1518	2 Story	1.0869565
1520	2 Story	1.0869565
1522	2 Story	1.0869565
1524	1 Story	<u>1.0869565</u>

TOTAL: 100%

BOOK 2234 PAGE 795

ORIGINAL

AMENDED BY-LAWS
OF
CAMELOT CONDOMINIUMS

ARTICLE I

PLAN OF UNIT OWNERSHIP AND INCORPORATION

1. Condominium Submission. The Land described with particularity in the Declaration located in Utah County, Utah, has been submitted to the provisions of the Act of the Declaration recorded in the Office of the County Recorder of Utah County, Utah, to which these By-Laws are annexed.

2. Incorporation. In the event the Camelot Condominium Homeowner's Association elects to incorporate under and pursuant to the laws of the State of Utah, these By-Laws shall function and operate as the By-Laws of the incorporated Association.

3. Office and Registered Agent. The registered agent of the corporation is Steve Gariand, whose address is 1524 Merlin Drive, Provo, Utah which, in the event the Association elects to incorporate, shall also be the registered address of the incorporated Association and shall remain so unless otherwise designated by the Board of Trustees.

4. By-Laws Applicability. All present and future Owners, tenants, future tenants, their guests, licensees, servants, agents, employees, and any other person or persons who shall be permitted to use the facilities of the Project, shall be subject to these By-Laws. Acquisition, rental, or occupancy of any of the Units in the Project shall constitute an acknowledgment not only that such Owner, tenant, or occupant has accepted and ratified these By-Laws, the provisions of the Declaration, the Rules and Regulations promulgated from time to time by the Homeowners Committee, but also will comply with them.

ARTICLE II

ASSOCIATION

1. Composition. All of the Unit Owners, acting as a group in accordance with the Act, the Declaration, and these By-Laws, shall constitute the Association. Except as to those matters which the Act or the Declaration specifically requires to be performed by the vote of the Unit Owners, the Administration of the Project shall be performed by the Association through the Homeowners Committee.

2. Voting. The total number of votes in the Association shall be 100% and each unit shall be entitled to the number of votes proportionate to the Percentage Interest assigned to such Unit. Since Unit Owner may be more than one person, if only

BOOK 2234
PAGE 796

one of such persons is present at a meeting of the Association that person shall be entitled to cast the votes appertaining to that Unit. But if more than one of such persons is present, the vote appertaining to that Unit shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if any one of them purports to cast the vote appertaining to that Unit without protest being made forthwith by any of the others to the person presiding over the meeting. Since a person need not be a natural person, the word "person" shall be deemed for the purposes of this Section to include, without limitation, any natural person having authority to execute deeds on behalf of any person, excluding natural persons, which is, either alone or in conjunction with another person or persons, a Unit Owner. Except where a greater number is required by the Act, the Declaration, or these By-Laws, where a quorum exists a majority of the votes of Unit Owners present in person or represented by proxy in good standing and entitled to vote is required to adopt decisions at any meeting of the Association. If the Declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of the Association to cast the votes to which such Unit is entitled.

3. Place of Meeting. Meetings of the Association shall be held at the principal office of the Project or at such other suitable place as may be designated by the Committee from time to time and stated in the notice of the meeting.

4. Annual Meeting. Unless otherwise designated by the Committee, the first annual meeting of the Association shall be held at 7:00 p.m. on the second Tuesday in March of each year, or at such other suitable date as may be designated by the Committee from time to time. When such day is a legal holiday, the meeting shall occur on the first business day thereafter. The place of meeting shall be at a location in Utah County, Utah specified in the notice of meeting.

5. Special Meetings. It shall be the duty of the President to call a special meeting of the Association if so directed by resolution of the Committee or, after all of the Committee has been elected by Unit Owners other than Declarant, upon a petition signed and presented to the Secretary by Owners having not less than thirty-three and one-third percent (33 1/3%) of the votes of all Owners. The notice of any special meeting shall state the date, 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.

6. Notice of Meeting. It shall be the duty of the Secretary to mail, by United States mail, postage prepaid, a notice of (a) each annual meeting of the Owners, at least ten (10) days in advance of such meeting and (b) each special meeting of the Owners at least four (4) days in advance of such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record, at the address of their respective Units and at such other address as each Owner may have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

7. Voting Requirements. An Owner shall be deemed to be in "good standing" and "entitled to vote" at any annual meeting or at any special meeting of the

Association if, and only if, he shall be in full compliance with all of the terms and conditions of the Declaration, these By-Laws, and the Rules and Regulations, and shall have fully paid all due installments of assessments made or levied against him and his Unit by the Committee as hereinafter provided, together with all interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and against his Unit, at least three (3) days prior to the date fixed for such annual or special meeting.

8. Proxies. The votes appertaining to any Unit may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Unit Owner, or, in cases where the Unit Owner is more than one person, by or on behalf of all such persons. No such proxy shall be revocable except by actual notice to the person presiding over the meeting, by the Unit Owner or by any of such persons, that it be revoked. Any proxy shall be void if it is not dated, if it purports to be revocable without notice as aforesaid. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy, and must be filed with the Secretary not less than five (5) days before the meeting.

9. Quorum Voting. Except as may otherwise be provided herein or by the Declaration, or by statute, fifty-one percent (51%) of the Percentage Interest shall constitute a quorum for the adoption of decisions. If, however, such quorum shall not be present or represented at any meeting, the Owners entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting and reschedule for a time no earlier than 48 hours, and no later than thirty (30) days after the time set for the original meeting. No notice of such rescheduled meeting shall be required except an announcement thereof at the original meeting. The Owners present at the rescheduled meeting shall constitute a quorum for the adoption of decisions. When a quorum is present at any meeting, the vote of the Unit Owners representing more than fifty percent (50%) of the percentage interest present in person or by proxy, shall decide any question brought before the meeting.

10. Order of Business. The order of business at all meetings of the Association shall be as follows:

- (a) roll call;
- (b) proof of notice of meeting;
- (c) reading of minutes of preceding meeting;
- (d) reports of officers;
- (e) report of special committees, if any;
- (f) election of inspectors of election, if applicable;

- (g) election of Committee Members, if applicable;
- (h) unfinished business; and
- (i) new business.

11. Title to Unit. Title to Units may be taken in the name of natural person or in the names of two or more natural persons, or in the name of a corporation, partnership, association or other entity capable of holding title to real property, or any combination thereof.

12. Conduct of Meeting. The President shall, or in his absence the Vice-President, preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a Minute Book all resolutions adopted by the meeting as well as a record of all transactions occurring thereat.

ARTICLE III

BOARD OF TRUSTEES AKA BOARD, HOMEOWNERS COMMITTEE, OR COMMITTEE

1. Powers and Duties. The affairs and business of the Association shall be managed by the Board of Trustees, also known in this and other related documents as the Board, Homeowners Committee, or Committee, which shall have all of the powers and duties necessary for the administration of the affairs of the Association in accordance with the provisions of the Declaration and may do all such acts and things as are not by the Act or by these By-Laws directed to be exercised and done by the Association. The Committee shall have the power from time to time to adopt any Rules and Regulations deemed necessary for the enjoyment of the Project provided such Rules and Regulations shall not be in conflict with the Act, the Declaration or these By-Laws. The Committee shall delegate to one of its members the authority to act on behalf of the Committee on all matters relating to the duties of the Manager, if any, which might arise between meetings of the Committee. Subject to any limitations or provisions contained in the Declaration, the Committee shall be responsible for the following:

(a) Preparation of an annual budget, in which there shall be established the contribution of each Owner to the Common Expenses.

(b) Making assessments against Owners to defray the costs and expenses of the Condominium, establishing the means and methods of collecting such assessments from the Owners, and establishing the period and method of the installment payment of the annual assessment for Common Expenses subject to these guidelines. Unless otherwise determined by the Committee, the annual assessment against each Owner for his proportionate share of the Common Expenses may be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month. However, in the event a Unit Owner fails to make an installment payment in a timely manner, then the entire annual assessment shall automatically be due and payable without further notice.

BOOK 2234
PAGE 799

(c) Providing for the operation, care, upkeep, replacement, maintenance and surveillance of all of the Common Areas and services of the Project.

(d) Designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Common Areas, and providing services for the Property, and, where appropriate, providing the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed the common property of the Owners.

(e) Collecting the assessments against the Owners, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to carry out the administration of the Property.

(f) Making, amending, and enforcing Rules and Regulations respecting the use of the Property.

(g) Opening of bank accounts on behalf of the Project and designating the signatories required therefor.

(h) Making, or contracting for the making of, repairs, additions, and improvements to, or alterations of, the Property and repairs to, and restoration of, the Property, in accordance with the Declaration and other provisions of these By-Laws, after damage or destruction by fire or other casualty.

(i) Enforcing by legal means the provisions of the Declaration, these By-Laws and rules and regulations for the use of the Property adopted by it, and bringing any proceedings which may be instituted on behalf of the Owners.

(j) Obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof.

(k) Paying the cost of all services rendered to the Project and not billed to Owners of individual Units.

(l) Keeping books with detailed accounts of the receipts and expenditures affecting the Property, and the administration of the Project, specifying the maintenance and repair expenses of the Common Areas and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Committee for the general knowledge of the Owners. All books and records shall be kept in accordance with generally accepted accounting practices, and the same, upon resolution of the Association, shall be audited at least once a year by an outside auditor employed by the Committee who shall not be a resident of the Project, or an Owner therein. The cost of such audit shall be a Common Expense. A copy of the annual audit report shall be supplied to

BOOK 2234 PAGE 800

any first mortgagee of any Unit in the Project who requests the same in writing from the Secretary.

(m) Water, waste, removal, electricity, telephone, cable t.v., and other necessary utility service for the Common Areas and such services to the Units, including but not limited to heating, as are not separately metered or charged to the Unit Owners thereof.

(n) Landscaping, gardening, snow removal, painting, cleaning, tuck-pointing, maintenance, decorating, repair and replacement of the Common Areas, but not including the interior surfaces, windows, doors, patios, balconies, of the Units.

(o) To pay any amount necessary to discharge any mechanic's or materialmen's lien or other encumbrance levied against the Property, or any part thereof, which may in the opinion of the Committee constitute a lien against the Property or against the Common Areas, rather than merely against the interest of a particular Unit. When one or more Unit Owners are responsible for the existence of such a lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Committee by reason of said lien or liens shall be specially assessed to said Unit Owners and shall, until paid by said Unit Owners, constitute a lien on the interest of said Unit Owners in the Property, which lien may be perfected and foreclosed in the manner provided in the Declaration.

(p) To issue citations for violations of the Declaration, By-Laws, or Rules and Regulations;

(q) To issue, collect, and enforce fines, penalties, or assessments for violations of the Declaration, By-Laws, or Rules and Regulations;

(r) At the expense of the owner, to tow away or otherwise remove any motor vehicle parked or standing in an unauthorized area;

(s) To evict non-owner residents in material violation of the Declaration, By-Laws, or Rules and Regulations;

(t) After due notice and hearing, to make rulings on alleged violations of the Declaration, By-Laws, or Rules and Regulations;

(u) To do such other things and acts not inconsistent with the Act, the Declaration, the By-Laws, or by a proper resolution of the Association.

2. Composition of Management Committee. The Management Committee shall be composed of the same five (5) persons who comprised the Board of Trustees referred to in Article VI of the Declaration. Only Unit Owners and officers and agents of Owners other than individuals shall be eligible for Committee membership. At each annual meeting the Percentage 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.

3. Election and Term of Office of the Committee. The term of office of membership on the Committee shall be one (1) year. At the expiration of the member's term, a successor shall be elected.

4. Organization Meeting. The first meeting of the members of the Committee following the annual meeting of the Association shall be held within ten (10) days after the annual meeting at such place as shall be fixed by the Committee at the meeting at which such Committeemen were elected, and no notice shall be necessary to the newly elected Committee Members in order legally to constitute such meeting provided that majority of the whole Committee shall be present thereat.

5. Regular Meetings. A regular meeting of the Committee shall be held immediately after the adjournment of the annual Association meeting. Other regular meetings of the Committee may be held at such time and place as shall be determined, from time to time, by a majority of the Committee, but at least six (6) such meetings shall be held during each fiscal year after the first annual meeting of the Association. Notice of regular meetings of the Committee shall be given to each member, personally, by mail or by telephone, at least three (3) business days prior to the day named for such meeting.

6. Special Meetings. Special meetings of the Committee may be called by the President on at least twenty-four hours (24) notice to each member. Such notice shall be given personally, by mail or by telephone, and such notice shall state the time, place and purpose of the meeting. Special meetings of the Committee shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Committeemen. Any meeting attended by all members shall be valid for all purposes.

7. Waiver of Notice. Before or at any meeting of the Committee, any Committeeman may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Committeeman at any meeting of the Committee shall be a waiver of notice by him of the time and place thereof. If all the Committeemen are present at any meeting of the Committee, no notice shall be required and any business may be transacted at such meeting.

8. Committee's Quorum. At all meetings of the Committee, a majority of the Committeemen shall constitute a quorum for the transaction of business, and the acts of the majority of the Committeemen present at a meeting at which a quorum is present shall be the acts of the Committee. If, at any meeting of the Committee, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time but for no longer than thirty (30) days. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

9. Vacancies. Vacancies in the Committee caused by any reason other than removal of a Committeemen by a vote of the Association shall be filled by vote of the majority of the remaining Committeemen, at a special meeting of the Committee held

for that purpose promptly after the occurrence of any such vacancy, even though the Committeemen present at such meeting may constitute less than a quorum of the Committee; and each person so elected shall be a Committeeman for the remainder of the term of the Committeeman so replaced and until a successor is elected at the next annual meeting of the Association; provided, however, that the vacancy of any Committeeman designated by the Declarant pursuant to a right of the Declarant to make such designation shall be filled by the Declarant.

10. Removal of Committee Member. A Committee Member may be removed with or without cause, and his successor elected, at any duly called regular or special meeting of the Association at which a quorum is present, by an affirmative vote of sixty-seven percent (67%) of the votes represented and voting. Any Committeeman whose removal has been proposed by the Owners shall be given at least ten (10) days notice of the calling of the meeting and the purpose thereof and an opportunity to be heard at the meeting. Notwithstanding anything in this Section to the contrary, no person selected or designated by the Declarant as a member of the Committee may be removed without the consent of the Declarant and in such event the Declarant shall select and designate his successor.

11. Compensation. No Committeeman shall receive any compensation from the Corporation for acting as such.

12. Conduct of Meetings. The President shall preside over all meetings of the Committee and the Secretary shall keep a Minute Book of the Committee recording therein all resolutions adopted by the Committee and a record of all transactions and proceedings occurring at such meetings.

13. Report of Committee. The Committee shall present at each annual meeting, and when called for by vote of the Association at any special meeting of the Association, a full and clear statement of the business and condition of the Condominium.

14. Fidelity Bonds. The Committee shall require that all officers, agents (including professional Manager and its employees) and employees of the Association handling or responsible for funds, furnish adequate fidelity bonds. The premiums on such bonds shall constitute a Common Expense. The Committee shall provide fidelity insurance coverage as required by the Declaration.

15. Liability Insurance. If possible, and if approved by the Association, the Committee shall purchase and maintain liability insurance for all officers, agents, and employees (including professional manager and its employees) of the Association. The premiums on such insurance shall constitute a common expense.

ARTICLE IV

OFFICERS

1. Designation. The principal officers of the Condominium shall be a President (Chairman), a Vice President (Vice Chairman), a Secretary and a Treasurer, all of whom shall be elected by the Committee. The Committee may appoint assistant secretaries and such other officers as in its judgment may be necessary. All officers shall also be members of the Committee. Two or more offices may be held by the same person, except that the President shall not hold any other office.

2. Election of Officers. The officers of the Condominium shall be elected annually by the Committee at the organization meeting of each Committee and shall hold office at the pleasure of the Committee. Any vacancy in an office shall be filled by the Committee at a regular meeting or special meeting called for such purpose.

3. Removal of Officers. The officers shall hold office until their respective successors are chosen and qualify in their stead. Any officer elected or appointed by the Committee may be removed at any time by the affirmative vote of a majority of the whole Committee, and his successor may be elected at any regular meeting of the Committee, or at any special meeting of the Committee called for such purpose.

4. President or Chairman. The President shall be the chief executive officer; he shall preside at meetings of the Association and the Committee shall be an ex officio member of all committees; he shall have general and active management of the business of the Condominium and shall see that all orders and resolutions of the Committee are carried into effect. He shall have all of the general powers and duties which are usually vested in or incident to the use of president of a stock corporation organized under the laws of the State of Utah.

5. Vice President or Vice Chairman. The Vice President shall, in the absence of disability of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Committee or the President shall prescribe. If neither the President nor the Vice President is able to act, the Committee shall appoint a member of the Committee to do so on an interim basis.

6. Secretary. The Secretary shall attend all sessions of the Committee and all meetings of the Association and record all votes and the minutes of all proceedings in a book to be kept by him for that purpose and shall perform like duties for committees when required. He shall give, or cause to be given, notice to all meetings of the Association, the Committee and Committees and shall perform such other duties as may be prescribed by the Committee. The Secretary shall compile and keep current at the principal office of the Condominium, a complete list of the Owners and their last known post office addresses. This list shall be open to inspection by all Owners and other persons lawfully entitled to inspect the same, at reasonable hours during regular business days. The Secretary shall also keep current and retain custody of the Minute Book of the Association, containing the minutes of all annual and special meetings of the Association and all sessions of the Committee including resolutions.

7. Treasurer. The Treasurer shall have the custody of all funds and securities that are not under the control of the Managing Agent, and, with the assistance of the Managing Agent, shall keep full and accurate records of receipts and disbursements,

BOOK 2234 PAGE 804

shall prepare all required financial data, and shall deposit all monies and other valuable effects in such depositories as may be designated by the Committee. He shall disburse funds as ordered by the Committee taking proper vouchers for such disbursements, and shall render to the Chairman and Committeemen, at the regular meetings of the Committee, or whenever they may require it, an account of all of his transactions as Treasurer and of the financial condition of the Project.

8. Agreement, Contracts, Deeds, Checks, etc. If Condominium Project is self managed, all agreements, contracts, deeds, leases, checks and other instruments of the Project for expenditures or obligations shall be executed by any two officers of the Committee or by such other person or persons as may be designated by the Committee, provided, however, one of the signatures shall always be that of the President or Secretary. This procedure shall not be required if the Condominium Project is managed by a properly bonded and insured Professional Management Company and officers are not required to sign contracts, agreements, deeds, checks, and the like.

ARTICLE V

FISCAL YEAR

The fiscal year of the Association shall consist of the twelve month period commencing on January 1 of each year and terminating on December 31 of the same year, except that the first fiscal year shall begin at the date of organization and terminate on December 31. the fiscal year herein established shall be subject to change by the Committee should it be deemed advisable or in the best interests of the Association.

ARTICLE VI

AMENDMENT TO BY-LAWS

1. Amendments. Except as otherwise provided in this Section or the Declaration or Articles, these By-Laws may be modified or amended either (i) by a vote of at least fifty-one percent (51%) of the Percentage Interest at any regular or special meeting at which a quorum is present, provided that Notice of the proposed amendment shall have been given to each Owner simultaneously with the notice of such meeting, or (ii) pursuant to a written instrument duly executed by at least fifty-one percent (51%) of the Percentage Interest.

2. Recording. A modification or amendment of these By-Laws shall become effective only if such modification or amendment is recorded in the Office of the County Recorder of Utah County, Utah.

3. Conflicts. No modification or amendment of these By-Laws may be adopted which shall be inconsistent with the provisions of the Act or with the provisions of the Declaration. A modification or amendment once adopted and recorded as provided

BOOK 2234 PAGE 805

for herein shall then constitute part of the official By-Laws of the Project and all Owners shall be bound to abide by such modification or amendment.

ARTICLE VII

NOTICE

1. Manner of Notice. All notices, demands, bills, statements or other communications provided for or required under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by U.S. Mail, first class postage prepaid, (i) if to an Owner, at the address of his Unit and at such other address as the Owner may have designated by notice in writing to the Secretary, or (ii) if to the Committee or the Manager, at the principal office of the Manager or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section.

2. Waiver of Notice. Whenever any notice is required to be given under the provisions of the statutes, the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto, unless such waiver is ineffective under the provisions of the Act.

ARTICLE VIII

COMPLIANCE, CONFLICT, AND MISCELLANEOUS PROVISIONS

1. Compliance. These By-Laws are set forth in compliance with the requirements of the Act.

2. Conflict. These By-Laws are subordinate and subject to all provisions of the Declaration and to the provisions of the Act. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as they are defined to have in the Declaration or the Act. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control; and in the event of any conflict between the Declaration and the Act, the provisions of the Act shall control.

3. Severability. These By-Laws are set forth to comply with the requirements of the State of Utah. In case any of the By-Laws are in conflict with the provisions of any of its statutes, the provisions of the statute will apply. If any provisions of these By-Laws or any section, sentence, clause, phrase, or word, or the application thereof in any circumstance is held invalid, the validity of the remainder of these By-Laws, shall not be affected thereby and to this end, the provisions hereof are declared to be severable.

4. Waiver. No restriction, condition, obligation or provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

5. Captions. The captions contained in these By-Laws are for convenience only and are not part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

6. Gender, etc. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

7. Committee Liability and Indemnity. The members of the Committee and the officers thereof shall not be liable to Unit Owners for any mistake of Judgment, or any acts or omissions made in good faith as such members or officers. The Unit Owner shall indemnify and hold harmless each of such members or officers against all contractual liability to others arising out of contracts made by such members or officers on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration. The liability of any Unit Owner arising out of any contract made by such members or officers or out of the aforesaid indemnity shall be limited to such proportion of the total liability thereunder as his Percentage Interest in the common elements bears to the total Percentage Interest of all of the Unit Owners in the Common Areas. Each agreement made by such members or officers shall be executed by such members or officers, as agents for the Association.

8. Damage not Covered by Insurance. Each Unit Owner hereby waives and releases any and all claims or choses in action which he may have against any other Unit Owner, the Association, any officer, or member of the Committee, and their respective employees, agents, and representatives, for damage or loss to the common areas, the Units, or to any personal property located thereon, caused by fire or other casualty, to the extent that such damage or loss is not covered by fire or other form of casualty insurance.

9. Negligence. If due to the act or omission of a Unit Owner, or a member of his family, or a guest, or other authorized occupant, visitor, or invitee, the damage caused to the common areas, or to a Unit owned by another, the maintenance, repair, replacement, or restoration required, which would otherwise be at the common expense of the Association, shall be paid for by said Owner to the extent it is not covered by insurance in the manner determined by the Committee.

10. Incorporation. The Committee may, without further notice, at any time hereafter, cause the formation of a non-profit corporation for the purpose of facilitating the administration, management, and operation of this project, and in such event: (a) each Unit Owner shall be a member of such corporation, which membership shall terminate upon the sale or other disposition by such member of his Unit ownership, at which time the new Unit Owner shall automatically become a member; (b) the provisions of these By-Laws shall be adopted as the By-Laws of the such

corporation; and (c) the Articles of Incorporation and By-Laws shall not contain any terms or provisions inconsistent with the Act, or this Declaration.

11. Conclusive Decisions of Committee. In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any question or interpretation or application of the provisions of the Act, Declaration, By-Laws, or Rules and Regulations, the determination thereof by the Committee shall be complete, final, and binding upon each said Unit Owner.

Adopted and executed by Declarant as of the same date the Declaration was executed .

CAMELOT CONDOMINIUMS HOMEOWNER'S ASSOCIATION

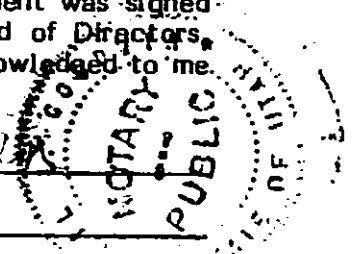
By: Doug B. Wagstaff
Title: Chairman

By: Phyllis M. Hansen
Title: Secretary

STATE OF UTAH
County of Salt Lake)
ss.)

On this 30th day of July, 1985, personally appeared before me Doug B. Wagstaff and Phyllis M. Hansen, who being by me duly sworn, did say that they, Doug B. Wagstaff, is the Chairman and she, Phyllis M. Hansen, is the Secretary of Camelot Condominiums Homeowner's Association and that the foregoing instrument was signed in behalf of said Association by authority of a resolution of its Board of Directors, and said Doug B. Wagstaff and Phyllis M. Hansen acknowledged to me that the said Association executed the same.

Neil J. Leach
Notary Public
Residing at: Crem, Utah



My Commission Expires:

3-8-86