

AMENDMENT TO DECLARATION OF CONDOMINIUM
(INCLUDING BYLAWS) OF
THE KINGSTON PLACE CONDOMINIUMS

THIS AMENDMENT TO THE DECLARATION OF CONDOMINIUM (INCLUDING BYLAWS) OF THE KINGSTON PLACE CONDOMINIUMS (this "Amendment") is made and executed this 1 day of July, 2006 by the undersigned Management Committee of the Kingston Place Condominiums (the "Project").

WITNESSETH:

WHEREAS, a certain Declaration Of Condominium (Including Bylaws) of The Kingston Place Condominiums, was executed on March 24, 1999 and recorded in the office of the County Recorder of Utah County, State of Utah, as Entry No. 35034, in Book 5023, at Pages 719, et seq., as subsequently amended (the "Declaration");

WHEREAS, a certain Record of Survey Map of the Project was executed and recorded in the office of the County Recorder of Utah County, State of Utah concurrently with the Declaration, as subsequently amended (the "Map");

WHEREAS, the Declaration and Map created the Project;

WHEREAS, The Project has been developed upon and includes the following described land located in Utah County, Utah and more particularly described in **Exhibit "A"** attached hereto and incorporated herein by reference; and

WHEREAS, this Amendment has been approved by the affirmative vote or written consent of Owners having a majority of the undivided ownership interest in and to the Common Areas and Facilities of the Project.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, the Declaration is hereby amended as follows:

1. **Recital A of the Declaration**. Recital A on page 1 of the Declaration is hereby amended so as to delete said Recital A as it presently appears and to substitute therefore the following:

A. Declarant is The Hansen Group, L.C., a Utah limited liability company, and the owner of all of the Condominium Units in the Project as of the date hereof.

2. **Article I - Definition of Association of Unit Owners** is hereby amended so as to delete said definition of Association of Unit Owners as it presently appears and to substitute therefore the following:

Association of Unit Owners or the Association shall mean and refer to the Association of Owners of The Kingston Place Condominiums, a Utah non-profit corporation.

3. **Article I - Definition of Common Areas and Facilities** is hereby amended so as to delete subparagraph (a) of said definition of Common Areas and Facilities as it presently appears and to substitute therefore the following:

(a) The real property and interests in real property that this Declaration submits to the provisions of the Act, including the entirety of the Tract and all landscaping, sidewalls, walkways, parking areas, private drives or roadways located thereon; the foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, entrances, and exits of the Buildings; the yards, landscaped areas, parking areas, and storage spaces; installations of central services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning, and incinerating; the tanks, pumps, motors, fans, compressors, ducts, and in general all apparatus and installations existing for common use; and such community facilities as may be provided for in the Declaration; but specifically excluding all Units as herein defined.

4. **Article I - Definition of Condominium Unit** is hereby amended so as to delete said definition of Condominium Unit or Unit as it presently appears and to substitute therefore the following:

Condominium Unit shall mean and refer to one of the Units in the Project intended for independent use as defined in the Act, together with the undivided interest in and to the Common Areas and Facilities appertaining to that Unit.

5. **Article I - Definition of Mortgagee** is hereby amended so as to delete said definition of Mortgagee as it presently appears and to substitute therefore the following:

Mortgagee shall mean and include any institutional holder, insurer or guarantor of a Mortgage on any Condominium Unit in the Project.

6. **Article I - Definition of Unit** is hereby added as follows:

Unit shall mean and refer to a separate physical part of the Project intended for independent use and comprising the individual air space unit located in one or more floors or part or parts of floors in a Building and bounded by the unfinished interior surfaces of the perimeter walls, lower-most floor, upper-most ceiling, windows, and doors along the perimeter boundaries of the space, as said boundaries are shown on the Map, together with all fixtures and improvements therein contained. Paint and other wall, ceiling, or floor coverings on interior surfaces shall be deemed to be part of the Unit. Notwithstanding the fact that they may be within the boundaries of such air space, the following are not part of a Unit insofar as they are necessary for the support or for the use and enjoyment of any other Unit or Units in the Project: Perimeter walls, bearing walls, lower-most floor, and upper-most ceiling (except the interior surfaces thereof), roofs, foundations, ceiling equipment, tanks, pumps, pipes, vents, ducts, shafts, flues, chutes, conduits, wires, and other utility installations.

7. **Section 5.03 - Management Committee**. Section 5.03 is hereby amended so as to delete said Section 5.03 as it presently appears and to substitute therefore the following:

5.03 Management Committee. The Management Committee shall have the right on behalf of the Association to impose restrictions upon and grant utility and other easements under, through and over the Common Areas and Facilities that are reasonably necessary to the ongoing development and operation of the Project. The Management Committee shall have non-exclusive easements to make such use of the Common Areas and Facilities as may be necessary or appropriate to perform the duties and functions that it is obligated or permitted to perform

pursuant to this Declaration.

8. **Section 6.02 - Leasing.** Section 6.02 is hereby amended so as to delete said Section 6.02 as it presently appears and to substitute therefore the following:

6.02 Leasing. A Unit Owner may lease his Unit for an initial term of not less than thirty (30) days evidenced by a written lease executed by the Owner and the lessee/tenant and containing a specific statement that such is subject to the provisions of this Declaration and any rules and regulations adopted by the Management Committee. A copy of any such lease must be submitted to the Association for its review and approval, which approval shall be based upon the lease meeting the requirements of the Declaration and any rules and regulations adopted by the Management Committee. No Owner shall lease less than his entire Unit; provided, however, that "housing contracts" for less than the whole Unit shall not be deemed to be in default of this provision. Notwithstanding the foregoing, at least fifty-one percent (51%) of the Units in the Project must be owner occupied at all times.

9. **Section 6.05 - Animals.** Section 6.05 is hereby amended so as to delete said Section 6.05 as it presently appears and to substitute therefore the following:

6.05 Animals. No animals or birds of any kind shall be raised, bred or kept in or on any Lot or in the Common Areas, except that no more than one domestic dog or cat, and no more than one common household birds, may be kept in any Unit in the Project, subject to rules and regulations adopted by the Management Committee and provided that they are not kept, bred, or maintained for any commercial purpose and provided further that any such pet causing or creating a nuisance or disturbance shall be permanently removed from the Project upon ten (10) days written notice from the Association. Any pet allowed by the preceding portions of this Section may be present on the Common Areas only if on a leash held by a person. Any animal droppings must be immediately removed from the Common Areas by the Owner of the animal leaving the droppings.

10. **Section 6.07 - Restrictions on Alterations.** Section 6.07 is hereby amended so as to delete said Section 6.07 as it presently appears and to substitute therefore the following:

6.07 Restrictions on Alterations. No unit owner shall do any work or make any alterations or changes that would jeopardize the soundness or safety of the Project, reduce its value or impair any easement or hereditament, without in every such case obtaining the written approval of the Management Committee. No Owner shall cause or permit anything (including, without limitation, any radio or television aerial, antenna or satellite dish, and no shades, awnings, canopy, reflective window film, window guards, shutters, storm or screen door, ventilators, fans or air conditioning devices) to be displayed, be visible from, installed or used in or about the Common Areas and Facilities, or decks, porches or patios except such as shall have been approved in writing by the Management Committee. If an Owner fails to keep any such device or installation in good order, repair and appearance, the Management Committee may remove such device, charging the cost of removal and restoration to the Owner, and the device shall not be replaced until it has been put in proper condition, and only with the further written consent of the Management Committee. No sign of any kind shall be displayed to the public view on or from any Unit or the Common Areas and Facilities unless it is for the common benefit of all Owners or specifically approved in writing by the Management Committee.

11. **Section 6.08 - Declarant's Right to Sell Units.** Section 6.08 is hereby amended so as to delete said Section 6.08 as it presently appears and to substitute therefore the following:

6.08 Declarant's Right to Sell Units. Notwithstanding anything contained herein to the contrary, the Declarant shall have the right to maintain facilities in the Common Areas and in the Units owned by Declarant that are reasonably necessary to market the Condominium Units, including, without limitation, sales and management offices, model units, parking areas, and advertising signs.

12. **Section 6.10 - Parking.** Section 6.10 is hereby amended so as to delete said Section 6.10 as it presently appears and to substitute therefore the following:

6.10 Parking. Except as provided in such rules and regulations as the Management Committee may from time to time adopt, no boats, trailers, recreational vehicles, trucks, commercial vehicles, or inoperable vehicles belonging to Owners or other residents of the Project shall be parked or stored in or upon any of the Common Areas and Facilities.

13. **Article VII - Insurance.** Article VII is hereby amended so as to delete said Article VII as it presently appears and to substitute therefore the following:

ARTICLE VII

INSURANCE

7.01 Insurance for Fire and Other Perils. The Association shall at all times obtain, maintain, and pay the premiums upon, as a Common Expense, a "master" or "blanket" type policy of property insurance covering all of the Common Areas and Facilities and Limited Common Areas and Facilities (except land, foundation, excavation and other items normally excluded from coverage) including fixtures, to the extent they are part of the Common Areas and Facilities of the Project, building service equipment and supplies, and other common personal property belonging to the Association. All references herein to a "master" or "blanket" type policy of property insurance, are intended to denote single entity condominium insurance coverage. In addition, any fixtures, equipment or other property owned by the Association within the Units must be covered in such "blanket" or "master" policy. Such policy must be consistent with state and local insurance laws and at least be equal to such coverage as is commonly required by prudent institutional mortgage investors in the area in which the Project is located. The policy shall be in an amount equal to 100% of current replacement cost of the Common Areas and Facilities (exclusive of land, foundation, excavation and other items normally excluded from coverage). The name of the insured under such policy must be set forth therein substantially as follows: "Association of Owners of The Kingston Place Condominiums for use and benefit of the individual Owners (designated by name if required by law)." The policies may also be issued in the name of an authorized representative of the Association, including any insurance trustee with whom the Association has entered into an Insurance Trust Agreement, or any successor trustee, as insured, for the use and benefit of the individual owners. Loss payable shall be in favor of the Association (or Insurance Trustee), as a trustee, for each Owner and each such Owner's Mortgagee, if any. The Association or insurance trustee, if any, must be required to hold any proceeds of

insurance in trust for Owners and their Mortgagees, as their interests may appear. Each Owner and each Owner's Mortgagee, if any, shall be beneficiaries of the policy according to the undivided interest in the Common Areas and Facilities appertaining to the Owner's Unit. Certificates of insurance shall be issued to each Owner and Mortgagee upon written request. Such policies shall contain the standard mortgage clause, or equivalent endorsement (without contribution), which is commonly accepted by private institutional mortgage investors in the area in which the Project is located and which appropriately names Federal National Mortgage Association ("FNMA") and Federal Home Loan Mortgage Corporation ("FHLMC") if such corporations are holders of Mortgages on Units within the Project. Such policies must also provide that they may not be cancelled or substantially modified, without at least 10 days' prior written notice to the Association and to each Mortgagee listed as a scheduled holder of a Mortgage in the policies. Policies are unacceptable where: (i) under the terms of the insurance carrier's charter, by-laws, or policy, contributions or assessments may be made against Owners, FNMA, FHLMC, or the designee of FNMA or FHLMC; 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, policyholders, or members, or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent FNMA, FHLMC, or the Owners from collecting insurance proceeds. The policies must also provide for the following: recognition of any Insurance Trust Agreement; a waiver of the right of subrogation against the Owners individually; that the insurance is not prejudiced by any act or neglect of individual Owners which is not in the control of such Owners collectively; and that the policy is primary in the event the Owner has other insurance covering the same loss. The requirements stated in this paragraph are generally provided by the insurer in the form of a "Special Condominium Endorsement" or its equivalent. The insurance policy shall afford, as a minimum, protection against the following: (1) loss or damage by fire and other perils normally covered by the standard extended coverage endorsement; (2) in the event the Project contains a steam boiler, loss or damage resulting from steam boiler equipment accidents in an amount not less than \$50,000 per accident per location (or such greater amount as deemed prudent based on the nature of the property); (3) all other perils which are customarily covered with respect to condominiums similar to the Project in construction, location and use, including all perils normally covered by the standard "all-risk" endorsement, where such is available. In addition, such policies shall include an "Agreed Amount Endorsement" and, if available, an "Inflation Guard Endorsement", and, construction code endorsements (such as a Demolition Cost Endorsement, a Contingent Liability from Operation of Building Laws Endorsement and an Increased Cost of Construction Endorsement) if the Project is subject to a construction code provision which would become operative and require changes to undamaged portions of any Building, thereby imposing significant costs in the event of partial destruction of the Project by an insured hazard.

7.02 Liability Insurance. The Association shall maintain comprehensive general liability insurance coverage covering all of the Common Areas and Facilities, commercial space owned and leased by the Association, if any, and public ways of the Project. Coverage limits shall be in amounts generally required by private institutional mortgage investors for condominium projects similar to the Project in construction, location, and use. However, such coverage shall be for at least \$1,000,000 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Areas

and Facilities, and legal liability arising out of lawsuits related to employment contracts of the Association. Such policies must provide that they may not be cancelled or substantially modified, by any party, without at least 10 days' prior written notice to the Association and to each holder of a Mortgage on any Unit in the Project that is listed as a scheduled holder of a Mortgage in the insurance policy. Such policies must also include protection against such other risks as are customarily covered with respect to condominium projects similar to the Project in construction, location and use, including, but not limited to, host liquor liability, employers liability insurance, contractual and all-written contract insurance, and comprehensive automobile liability insurance.

7.03 Flood Insurance. Where the Project is located within an area which has been officially identified by the Secretary of Housing and Urban Development as having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program (NFIP), the Association shall obtain and pay the premiums upon, as a common expense, a "master" or "blanket" policy of flood insurance on the Buildings and any other property covered by the required form of policy (herein insurable property), in an amount deemed appropriate by the Association, but not less than the following: The lesser of: (a) the maximum coverage available under the NFIP for all Buildings and other insurable property within the Project to the extent that such buildings and other insurable property are within an area having special flood hazards; or (b) 100% of "current replacement cost" of all such Buildings and other insurable property within such area. Such policy shall be in a form that meets the criteria set forth in the most current guidelines on the subject issued by the Federal Insurance Administrator.

7.04 Fidelity Bonds. The Association shall also obtain and maintain blanket fidelity bonds for all officers, directors, and employees of the Association and all other persons handling, or responsible for, funds of or administered by the Association. Where the Association has a management agent that is responsible for handling or administering funds of the Association, the management agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. Such fidelity bonds shall name the Association as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to 3 months aggregate assessments on all Units plus reserve funds. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The premiums on all bonds required herein, except those maintained by the management agent, shall be paid by the Association as a Common Expense. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 10 days' prior written notice to the Association or Insurance Trustee. Such bonds shall also provide that the FNMA Servicer, if FNMA is a holder of Mortgages on Units within the Project, on behalf of FNMA, also, receive such notice of cancellation or modification.

7.05 Insurance Trustees; Power of Attorney. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including

any trustee with whom the Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose. Each Owner appoints the Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose.

7.06 Qualifications of Insurance Carriers & General Coverage Requirement. The Association shall use generally acceptable insurance carriers that meet the specific requirements of FHLMC and FNMA if such corporations are holders of Mortgages on Units within the Project (See the FNMA Conventional Home Mortgage Selling Contract Supplement and the FHLMC Sellers Guide for specific requirements regarding the qualifications of insurance carriers). Notwithstanding anything herein contained to the contrary, insurance coverages required to be obtained hereunder must be in such amounts and meet other requirements of FNMA, FHLMC, FHA and the Department of Veterans Affairs.

7.07 Condemnation and Total or Partial Loss or Destruction. The Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with any condemning authority for acquisition of the Common Areas and Facilities, or part thereof, by the condemning authority. Each Owner appoints the Association as attorney-in-fact for such purpose. The Association may appoint a Trustee to act on behalf of the Owners, in carrying out the above functions, in lieu of the Association. In the event of a taking or acquisition of part or all of the Common Areas and Facilities by a condemning authority, the award or proceeds of settlement shall be payable to the Association, or any Trustee, to be held in trust for Owners and their Mortgagees, if any, as their interests may appear.

7.08 Unit Owners' Content Policies. Each Owner shall be responsible to purchase and maintain in force a condominium unit owner contents policy (State Farm HO6 or equivalent) (the "Content Policy"). All claims for damage to an individual Unit must first be submitted by the Owner on his Content Policy. The Management Committee will not be required to file claims on its master policy for any claims or damage that are covered under an Owner's Content Policy.

14. Article VIII, Subsection (f) - Termination of Project Subject to Approval of Mortgagees.
Article VIII, Subsection (e) is hereby added to Article VIII as follows:

(f) Any election to terminate the condominium regime after substantial destruction or a substantial taking in condemnation of the Project shall require the approval of at least 51% of Mortgagees who have requested written notice of any such substantial destruction or taking. Unless the formula for reallocation of interests in the Common Areas and Facilities after a partial condemnation or partial destruction of the Project is fixed in advance by the Act, no reallocation of interests in the Common Areas and Facilities resulting from a partial condemnation or partial destruction of the Project may be effected without the approval of at

least 51% of Mortgagees who have requested written notice of any such substantial destruction or taking.

15. **Section 9.01 - Notice to Mortgagee.** Section 9.01 is hereby amended so as to delete said Section 9.01 as it presently appears and to substitute therefore the following:

9.01 Notice to Mortgagee. Each Owner shall furnish the Committee the name and address of any Mortgagee that holds, insures or guarantees a Mortgage against an Owner's Condominium Unit, and the Committee shall maintain such information. Upon the written request of a Mortgagee to the Association, the Committee shall provide the Mortgagee timely written notice of (a) any proposed amendment of the Declaration effecting a change in the boundaries of any Unit or the exclusive easement rights appertaining thereto, the interest in the Common Areas and Facilities and Limited Common Areas and Facilities appertaining to any Unit or the liability for common expenses appertaining thereto; (b) any proposed termination of the condominium regime; (c) any condemnation loss or casualty loss that affects a material portion of the Project or that affects any Unit subject to a Mortgage held, insured or guaranteed by the Mortgagee; (d) any delinquency in the payment of any Common Expense assessments owed by the Owner of any Unit subject to a Mortgage held, insured or guaranteed by the Mortgagee, where such delinquency has continued for a period of 60 days or more; and (e) any lapse, cancellation or material modification of any insurance policy maintained by the Association.

9.02 Restoration After Condemnation or Damage.

(a) Any restoration or repair of the Project after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the Declaration and the original plans and specifications for the Project unless the approval of Mortgagees holding Mortgages on Units to which at least 51% of the votes of Units subject to Mortgages held by such Mortgagees are allocated, is obtained.

(b) Any election to terminate the condominium regime after substantial destruction or a substantial taking in condemnation of the Project must require the approval of the Mortgagees holding Mortgages on Units to which at least 51% of the votes of Units subject to Mortgages held by such Mortgagees are allocated.

(c) Unless the formula for reallocation of interests in the Common Areas after a partial condemnation or partial destruction of the Project is fixed in advance by the Declaration or the Act, no reallocation of interests in the Common Areas resulting from a partial condemnation or partial destruction of the Project may be effected without the approval of the Mortgagees holding Mortgages on Units to which at least 51% of the votes of Units subject to Mortgages held by such Mortgagees are allocated.

16. **Section 10.05 - Maintenance.** Section 10.05 is hereby amended so as to delete said Section 10.05 as it presently appears and to substitute therefore the following:

10.05 Maintenance. The maintenance, replacement and repair of the Common Areas and Facilities, including, without limitation, all conduits, ducts, plumbing, wiring and other facilities for the furnishing of heat, gas, light, power, air conditioning, water and sewer service contained in the portions of the Units that service part or parts of the Project other than the Unit in which they are contained, shall be the responsibility of the Management Committee, and the cost

thereof shall be a Common Expense. All incidental damages caused to a Unit by the maintenance, replacement and repairs of the Common Areas and Facilities or utility services shall be repaired promptly and the cost thereof charged as a Common Expense. A Unit Owner shall be responsible to maintain, repair, replace and keep in a clean and sanitary condition, at the Unit Owner's expense, all portions of his Unit, except those portions to be maintained, repaired and replaced by the Management Committee. The Management Committee is authorized to adopt rules and regulations with respect to maintenance to preserve the overall value, structural integrity and aesthetic appearance of the Project. The Management Committee shall have a reasonable right of entry upon the premises of any Unit and any Limited Common Areas and Facilities to effect any emergency or other repairs, improvements, replacements or maintenance deemed necessary by the Management Committee. The cost of any such repair, improvement, replacement or maintenance to any Unit shall be charged to the Unit Owner of the Unit so affected.

17. **Section 12.02 - Basis of Assessments.** Section 12.02 is hereby amended so as to add the following to the end of said Section 12.02:

There shall be established an adequate reserve fund for the periodic maintenance, repair and replacement of the Common Areas and Facilities, which fund shall be maintained out of regular assessments for Common Expenses. Additionally, a working capital fund must be established for the initial months of the Project's operations equal to at least a two months' estimated Common Expense charge for each Unit.

18. **Section 12.03 - Apportionment of Expenses.** Section 12.03 is hereby amended so as to delete said Section 12.03 as it presently appears and to substitute therefore the following:

12.03 Apportionment of Expenses. Expenses attributable to the Common Areas and to the Project as a whole shall be apportioned among all Units in proportion to their respective undivided interest in and to the Common Areas; provided, however, that Declarant shall pay only twenty-five percent (25%) of the annual assessment attributable to each Unit which it owns until the first to occur of the following: (a) the conveyance by Declarant of such Unit to a third-party purchaser, or (b) until control of the Association is passed from the Declarant to the Owners when and as provided in Section 10.02.

19. **Section 12.08 - Liens for Unpaid Assessments.** Section 12.08 is hereby amended so as to delete said Section 12.08 as it presently appears and to substitute therefore the following:

12.08 Liens for Unpaid Assessments. All sums assessed to any Unit pursuant to this Article, together with interest thereon as provided herein, and all costs and expenses incurred, with or without suit or before or after judgment, in collecting delinquent accounts or foreclosing against the Condominium Units concerned, shall be secured by a lien on such Unit in favor of the Association and, upon recording of a notice of lien by the Management Committee, shall be a lien upon the Unit prior to all other liens and encumbrances, recorded or unrecorded, except:

- (a) Tax and special assessment liens on the Unit in favor of any assessing agency or special improvement district; and
- (b) Liens of Mortgagees; and

(c) Any other encumbrances on the interest of the Unit Owner recorded prior to the date notice of the lien provided for herein is recorded, which by law would be a lien prior to subsequently recorded encumbrances.

20. **Section 12.13 - Purchaser's Obligation**. Section 12.13 is hereby amended so as to delete said Section 12.13 as it presently appears and to substitute therefore the following:

12.13 Purchaser's Obligation. A purchaser of a Unit in any voluntary conveyance of a Unit shall be jointly and severally liable with the seller thereof 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. Notwithstanding the foregoing, a sale or transfer of a Unit pursuant to a foreclosure or trust deed sale of a Mortgage shall extinguish a subordinate lien for Common Expenses which became payable prior to such sale or transfer.

21. **Section 12.14 - Termination of Utility Service** is hereby added to Article XII as follows:

12.14 Termination of Utility Service. If an Owner fails or refuses to pay any assessment when due, the Management Committee may, after giving notice and an opportunity to be heard, terminate the Owner's right to receive utility services paid as a Common Expense and access and use of any recreational facilities in the Project that are part of the Common Areas and Facilities. Said notice shall inform the Owner that utility service or right of access and use of recreational facilities (a) will be terminated if payment of the assessment is not received within the time provided herein, (b) the amount of the assessment due, including any interest or late payment fee, and (c) the right to request a hearing. An Owner who is given notice under this paragraph may request an informal hearing to dispute the assessment by submitting a written request to the Management Committee within fourteen (14) days after the date on which the Owner receives the notice. The Management Committee will conduct the hearing in accordance with the rules and regulations of the Association. If a hearing is requested, utility services or right of access and use of recreational facilities may not be terminated until after the hearing has been conducted and a final decision has been entered. Upon payment of the Assessment due, including any interest or late payment fee, the Management Committee shall take action to reinstate the terminated utility services or access and use of any recreational facilities.

22. **Section 12.15 - Payment of Tenant Lease Payments**. is hereby added to Article XII as follows:

12.15 Payment of Tenant Lease Payments.

(a) If an Owner is leasing his/her Unit and fails to pay an assessment for more than sixty (60) days after the assessment is due, the Management Committee may demand that the tenant that is leasing the Owner's Unit pay to the Association all future lease payments due the Owner, beginning with the next monthly or other periodic payment, until the amount due to the Association is paid.

(b) The Management Committee shall give the Owner written notice of its intent to demand full payment from the tenant. Said notice shall (i) provide notice to the tenant that

full payment of the remaining lease payments will be paid to the Association beginning with the next monthly or other periodic payment unless the delinquent assessment is received by the Association within the time provided herein, (ii) state the amount of the assessment due, including any interest or late payment fee, and (iii) state that any costs of collection, not to exceed the amount permitted by law in the State of Utah, and other assessments that become due may be added to the total amount due.

(c) If the Owner fails to pay the Assessment by the date specified in said notice, the Management Committee may then deliver written notice to the Owner's tenant demanding that the tenant make all future payments otherwise due the Owner be paid to the Association. The Management Committee shall mail a copy of said tenant notice to the Owner. Said notice shall state (i) that due to the Owner's failure to pay the assessment within the time period allowed, the Owner has been notified of the intent of the Management Committee to collect all lease payments due to the Association, (ii) that until notification by the Association that the assessment due, including any interest, collection cost, or late payment fee, has been paid, the tenant shall pay to the Association all future lease payments due to the Owner, and (iii) that payment by the tenant to the Association in compliance with this paragraph will not constitute a default under the terms of the tenant's lease agreement with the Owner.

(d) All funds deposited with the Association pursuant to this paragraph shall be (i) deposited in a separate account; and (ii) disbursed to the Association until the assessment due, together with any cost of administration, not to exceed \$25.00, is paid in full. Any remaining balance shall be paid to the Owner within five (5) business days after payment in full to the Association.

(e) Within five (5) business days after payment in full of the assessment, including any interest or late payment fee, the Management Committee shall notify the tenant in writing that future lease payments are no longer due to the Association. A copy of said notice shall also be mailed to the Owner.

23. **Section 12.16 Cumulative Remedies**. is hereby added to Article XII as follows:

12.16 Cumulative Remedies. The assessment lien and the rights to 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.

24. **Section 13.01 - Enforcement**. is hereby amended so as to delete said Section 13.01 as it presently appears and to substitute therefore the following:

13.01 Enforcement. This Declaration may be enforced by the Management Committee and any Owner as follows:

(a) Breach of any of the covenants contained in the Declaration or the Bylaws and the continuation of any such breach, as well as noncompliance with decisions of the Management Committee, may be enjoined, abated or remedied by appropriate legal

proceedings by an aggrieved Owner, by the Management Committee, or by any successor-in-interest of the Association. Any judgment rendered in any action or proceeding pursuant hereto shall include a sum for attorney's fees in an amount as the court may deem reasonable, in favor of the prevailing party, as well as the amount of any delinquent payment, interest thereon, costs of collection and court costs.

(b) The result of every act or omission whereby any of the covenants contained in this Declaration or the Bylaws are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance either public or private shall be applicable against every such result and may be exercised by any Owner, by the Management Committee, or by the Association's successor-in-interest.

(c) The remedies herein provided for breach of the covenants contained in this Declaration or in the Bylaws shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

(d) The failure of the Management Committee to enforce any of the covenants contained in this Declaration or in the Bylaws shall not constitute a waiver of the right to enforce the same thereafter.

(e) A breach of the covenants, conditions or restrictions contained in this Declaration or in the Bylaws shall not affect or impair the lien or charge of any bona fide first Mortgage made in good faith and for value on any Condominium Unit, provided, however, that any subsequent Owner of such property shall be bound by said covenants, whether such Owner's title was acquired by foreclosure in a trustee's sale or otherwise.

25. **Section 13.03 Amendments.** Section 13.03 is hereby amended so as to delete said Section 13.03 as it presently appears and to substitute therefore the following:

13.03 Amendments.

(a) Except as otherwise provided herein, the vote of at least a majority of the undivided ownership interest in and to the Common Areas and Facilities shall be required to amend this Declaration (including the Bylaws set for the herein) or the Record of Survey Map. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Management Committee. In such instrument the Committee shall certify that the vote required by this Section for amendment has occurred.

(b) Notwithstanding the above, until Units representing seventy-five percent (75%) of the undivided ownership interest in the Project have been sold, Declarant alone shall have and is hereby vested with the right to effect such amendments.

(c) Notwithstanding anything contained in this Section 13.03 hereof to the contrary, the consent of Owners to which at least 67 percent of the votes in the Association are allocated and the approval of at least 67 percent of the Mortgagees requesting written notice of any proposed amendment of this Declaration or the Record of Survey Map shall be required to terminate the condominium regime.

(d) Notwithstanding anything contained in this Section 13.03 hereof to the contrary, the consent of Owners to which at least 67 percent of the votes in the Association are allocated and the approval of at least 51 percent of the Mortgagees requesting written notice of any proposed amendment of this Declaration or the Record of Survey Map shall be required to materially amend any provisions of the Declaration or the Record of Survey Map, or to add any material provisions thereto, which establish, provide for, govern or regulate any of the following: (1) Voting; (2) Assessments, assessment liens or subordination of such liens; (3) Reserves for maintenance, repair and replacement of the Common Areas and Facilities; (4) Insurance or Fidelity Bonds; (5) Rights to use of the Common Areas and Facilities; (6) Responsibility for maintenance and repair of the several portions of the Project; (7) Expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project; (8) Boundaries of any Unit; (9) The interests in the Common Areas and Facilities or the Limited Common Areas and Facilities; (10) Convertibility of Units into Common Areas and Facilities or of Common Areas and Facilities into Units; (11) Leasing of Units; (12) Imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey his or her Unit in the Project; and (13) Establishment of self-management by the Association where professional management has been required by FNMA, FHLMC, FHL or Department of Veterans Affairs.

(e) Notwithstanding anything contained in this Section 13.03 hereof to the contrary, the consent of Owners of Units to which at least 67 percent of the votes in the Association are allocated and the approval of at least 51 percent of Mortgagees requesting written notice of any proposed amendment of this Declaration or the Record of Survey Map shall be required to amend any provisions included in the Declaration or the Record of Survey Map which are for the express benefit of such Mortgagees.

26. **Section 13.06 Agent for Service of Process.** Section 13.06 is hereby amended so as to delete said Section 13.06 as it presently appears and to substitute therefore the following:

13.06 Agent for Service of Process. T. Richard Davis, 900 Gateway Tower East, 10 E South Temple, Salt Lake City, Utah 84133, is designated initially as the person to receive notice of service of process in cases authorized by the Act, provided, however, that the Management Committee shall have the right to appoint a successor agent for service of process who shall be a resident of the State of Utah. Such successor and his or her address shall be specified by an appropriate amendment filed in the Office of the Recorder of Utah County, Utah.

27. **Section 13.12 of the Declaration** is hereby added to Article XIII as follows:

13.12 Fines. The Management Committee may assess a fine against a Unit Owner for a violation of the Declaration, the Bylaws, and any rules and regulations adopted by the Management Committee. Before assessing a fine, the Management Committee shall give notice to the Unit Owner of the violation and inform the Owner that a fine will be imposed if the violation is not cured within the time provided in the Declaration, the Bylaws, or the rules and regulations adopted by the Management Committee, which shall be at least 48 hours. A fine assessed by the Management Committee shall:

(a) be made only for a violation of a rule or regulation which is specifically listed in the Declaration, the Bylaws or the rules and regulations adopted by the Management Committee as an offense which is subject to a fine;

(b) be in the amount specifically provided for in the Declaration, the Bylaws or the rules and regulations for that specific type of violation, not to exceed \$500; and

(c) accrue interest and late fees as provided in the Declaration, Bylaws, or the rules and regulations.

Cumulative fines for a continuing violation may not exceed \$500 per month. A Unit Owner who is assessed a fine may request an informal hearing before the Management Committee to protest or dispute the fine within 30 days from the date the fine is assessed. The hearing shall be conducted in accordance with the standards provided in the Declaration, Bylaws, or rules and regulations. No interest or late fees may accrue until after the hearing has been conducted and a final decision has been rendered. A Unit Owner may appeal a fine by initiating a civil action within 180 days after (a) a hearing has been held and a final decision has been rendered by the Management Committee; or (b) the time to request an informal hearing has expired without the Unit Owner making such a request. Any fine assessed which remains unpaid after the time for appeal has expired becomes a lien against the Unit Owner's Condominium Unit in accordance with the same standards as a lien for the nonpayment of common expenses under Utah Code Ann. Section 57-8-20.

28. **Section 13.13 of the Declaration** is hereby added to Article XIII as follows:

13.13 Availability of the Declaration, Bylaws, Rules and Regulations, and Audited Financial Statement. Upon the written request of any Unit Owner or any Mortgagee, the Management Committee shall make current copies of the Declaration, Bylaws and any rules and regulations adopted by the Management Committee available for inspection during normal business hours or under other reasonable circumstances. Upon the written request of any existing or prospective Mortgagee, the Management Committee shall prepare and furnish within a reasonable time an audited financial statement of the Association for the immediately preceding year.

29. The undersigned members of the Management Committee hereby certify that this Amendment has been approved by the affirmative vote or written consent of Owners having a majority of the undivided ownership interest in and to the Common Areas and Facilities of the Project.

30. This Amendment may be executed in one or more counterparts, each of which, when executed and delivered, shall be an original and all of which shall together constitute one and the same instrument.

31. Except as otherwise provided herein or as may be required by the context, all terms defined in the Declaration shall have such defined meanings when used in this Amendment.

32. Except as herein modified, all other terms of the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned, being all of the members of the Management Committee of the Project, have set their hands the day and year first above written.

THE MANAGEMENT COMMITTEE OF THE KINGSTON PLACE CONDOMINIUMS

By: Scott Hansen
Managing, Member

By: Kerry Martin
Member, Member

By: _____, Member

STATE OF UTAH)
COUNTY OF Utah)ss.

The foregoing instrument was acknowledged before me this 19 day of July, 2006, by Scott Hansen, Kerry Martin, and _____, being all of the members of the Management Committee of The Kingston Place Condominiums.

Sharlyn Jex
NOTARY PUBLIC

My Commission Expires:
12/8/07

Residing at:
Utah County

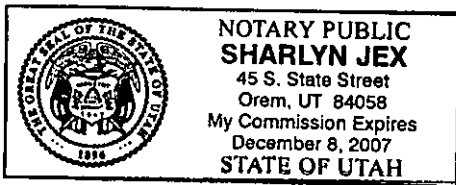


EXHIBIT "A"
LEGAL DESCRIPTION OF LAND INCLUDED IN
THE KINGSTON PLACE CONDOMINIUMS

That certain real property located in Utah County, Utah and more particularly described as follows:

Commencing South 89°39'11" West along the Section line 23.86 feet and South 1549.08 feet from the North 1/4 corner, Section 16, Township 6 South, Range 2 East, Salt Lake Base and Meridian; thence as follows: South 00°27'57" East 186.22 feet; thence West 231.48 feet; thence North 00°28'00" West 187.34 feet; thence South 89°43'22" East 231.49 feet to the point of beginning. Containing 0.99 acres, more or less.