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All Continental townhome Condo

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CONTINENTAL TOWNHOUSE CONDOMINIUM
AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS,
AND BY-LAWS

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REC'D FOR CONTINENTAL TOWNHOUSE MANAGEME

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CONTINENTAL TOWNHOUSE CONDOMINIUMS AMENDED AND RESTATED
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CONTINENTAL TOWNHOUSE CONDOMINIUMS
AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS, AND
BYLAWS

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This Amended and Restated Declaration of Covenants, Conditions and Restrictions (hereinafter called the "Declaration"), and the Amended and Restated Bylaws (the "Bylaws") which are attached hereto as Appendix B and made a part hereof by this reference are made and executed in Salt Lake County, Utah, this _____ day of _____, 1999, by the CONTINENTAL TOWNHOUSE HOMEOWNERS ASSOCIATION, INC., a Utah non-profit corporation, with its principal place of business at 113 East 1825 North, Centerville, Utah 84014 (hereinafter called the "Association"), for itself, its successors, grantees and assigns, pursuant to the provisions of the Utah Condominium Ownership act, Sec. 57-8-1, et seq., Utah Code Annotated 1953, as amended, (hereinafter referred to as "the Condominium Act" or "Act").

WITNESSETH:

WHEREAS, the original Declarant was the owner of certain real property located in Davis County, Utah (hereinafter referred to as the "Land"), more particularly described in Section 3 hereof; and

WHEREAS, there were certain Buildings (hereinafter defined) and other improvements now existing upon the Land, all of which were included within the Land and submitted to the Act and Control of the Land has been transferred by the original Declarant to the Association. It is the desire and intention of the Association to re-submit the Land to the Act and the condominium regime, subject to the covenants, conditions and restrictions herein reserved to be kept and observed; and

WHEREAS, the Association desires and intends by filing this Declaration to impose upon the Land mutually beneficial restrictions under a general plan of improvement for the benefit of the Land and owners thereof; and

WHEREAS, Section 26 of the original Declaration allows for amendments, conditional upon the approval of at least seventy-five percent (75%) of the voting power, which has been obtained and is hereby certified to by the Secretary of the Association.

NOW THEREFORE, the Association does hereby publish and declare that all of the Land described above is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the following covenants, conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of the Property and the creation of individual

condominium units, and shall be deemed to run with the Land and shall be a burden and a benefit to the Association, its successors and assigns, and any person acquiring or owning an interest in the Land, their grantees, successors, heirs, executors, administrators, devisees and assigns.

1. Name of the Condominium Property. The name by which this condominium project shall be known is "Continental Townhouse Condominiums," (hereinafter referred to as "Continental Townhouse").

2. Definitions. The terms used in the Declaration (including the "Recital" section above) and in the Bylaws shall be as defined in the Condominium Act, unless otherwise clearly indicated by the context, except as follows:

(a) Additional Charges shall mean and refer cumulatively to all collection and administrative costs, including but not limited to all attorney's fees, late charges, accruing interest, service fees, filing and recordation fees, and other expenditures incurred or charged by the Association.

(b) Articles of Incorporation shall mean and refer to the Articles of Incorporation of the CONTINENTAL TOWNHOUSE HOMEOWNERS ASSOCIATION on file or to be filed with the Utah Department of Commerce.

(c) Assessment shall mean and refer to that portion of the Common Expenses which a Unit Owner is obligated to pay.

(d) Building shall mean those structures located on the Land, including but not limited to those containing units.

(e) Business and Trade shall mean and refer to any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (1) such activity is engaged in full or part-time; (2) such activity is intended to or does generate a profit; or (3) a license is required therefor.

(f) Bylaws shall mean and refer to the bylaws of the Bylaws of the Association attached.

(g) Capital Improvement shall mean and refer to all nonrecurring expenses (as opposed to day-to-day expenses) to repair, maintain or replace significant fixed assets in the Project (e.g., the entrance, roofs, rights of way, building exteriors, amenities, etc.) intended to prolong the useful life or restore, enhance, improve or ameliorate the utility, value or beauty of the Common Areas or Facilities.

(h) Committee shall mean and refer to the Management Committee unless the context clearly requires otherwise.

(i) Common Expense shall mean and refer to: (1) All sums lawfully assessed against the Unit Owners; (2) Expenses of administration, maintenance, repair, or replacement of the Common Areas and Facilities; (3) Expenses agreed upon as common expenses by the Association; and (4) Expenses declared common expenses.

(j) Community shall mean and refer to the Project.

(k) Community Wide Standard shall mean and refer to the standard of conduct, maintenance, or other activity generally prevailing in the Community, as determined by the Management Committee from time to time.

(l) Corporate Use shall mean and refer to the use or occupancy of a Unit owned or leased by a corporation, partnership, limited liability company, trust, institution or entity and occupied by its agents, representatives, employees, or subleasees (who stay for less than one (1) year) for temporary housing or for Vacation, Transient, Hotel or Seasonal purposes.

(m) Eligible Insurer shall mean and refer to an insurer or governmental guarantor of a mortgage or trust deed who has requested notice in writing of certain matters from the Association in accordance with this Declaration.

(n) Eligible Mortgagee shall mean and refer to a mortgagee, beneficiary under a trust deed, or lender who has requested notice in writing of certain matters from the Association in accordance with this Declaration.

(o) Eligible Votes shall mean and refer to those votes available to be cast on any issue before the Association or the Committee. A vote which is for any reason suspended is not an "eligible vote".

(p) Guest shall mean and refer to an invitee, temporary visitor or any person whose presence within the Project is approved by or is at the request of a particular Resident.

(q) Hotel Use shall mean and refer to the use of a Unit for less than one (1) year as a resort hotel, as that term is generally defined in its ordinary commercial meaning as a house which is held out and made available to members of the vacationing, traveling or transient public as temporary accommodations for a reasonable rate.

(r) Improvement shall mean and refer to any physical change or addition to the Land to make it more valuable.

(s) Land shall mean and refer to the Property.

(t) Limited Common Area shall mean and refer to that Common Area designated in this Declaration or in the Record of Survey Map as reserved for the use of a certain Unit Owner to the exclusion of the other Unit Owners. Any doorsteps, porches, balconies, patios, decks, private yard areas, covered parking, carports, or other improvements intended to serve a single Unit, shall constitute Limited Common Area appertaining to that Unit exclusively, whether or not the Survey Map makes such a designation.

(u) Majority shall mean and refer to those eligible votes of Owners or other groups as the context may indicate totaling more than fifty (50%) percent of the total eligible number.

(v) Management Committee shall mean and refer to the group of Owners duly elected or appointed to manage, maintain, regulate and control the Project, and operate the Association.

(w) Manager shall mean and refer to the person or entity appointed or hired by the Association to assist the Management Committee.

(x) Map shall mean and refer to the Record of Survey Map.

(y) Member shall mean and refer to each Owner as a "member" of the Association, unless the context clearly requires otherwise (e.g., "member" of the Management Committee).

(z) Mortgage shall mean a deed of trust as well as a mortgage.

(aa) Mortgagee shall mean a beneficiary under or holder of a deed of trust as well as a mortgage.

(bb) Owner shall mean and refer to the person who is the Owner of record (in the office of the County Recorder) of a fee or an undivided fee interest in a Unit, excluding a mortgagee or a beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

(cc) Permanent Resident shall mean and refer to anyone who resides in the Project for more than four (4) consecutive weeks or for more than eight (8) weeks in any calendar year.

(dd) Person shall mean and refer to a natural

person, corporation, partnership, trust, limited liability company, or other legal entity.

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(ee) Project shall mean and refer to the CONTINENTAL TOWNHOUSE CONDOMINIUM PROJECT.

(ff) Project Documents shall mean and refer jointly and severally to the Declaration, Bylaws, Rules and Regulations, and Articles of Incorporation, as they may be amended or supplemented from time to time.

(gg) Property shall mean and include the Land, the Buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging thereto and all articles of personal property intended for use in connection therewith.

(hh) Record of Survey Map shall mean and refer to the "Record of Survey Map or Maps of the Continental Townhouse Condominiums" on file in the office of the County Recorder of Davis County, Utah, as amended or supplemented from time to time.

(ii) Recreational, Oversized or Commercial Vehicle shall mean and refer to any recreational, commercial or oversized vehicle, motor home, commercial vehicle, tractor, golf cart, mobile home or trailer (either with or without wheels), camper, camper trailer, boat or other watercraft, boat trailer, or any other recreational or commercial transportation device of any kind.

(jj) Resident shall mean and refer to any person living or staying at the Project. This includes but is not limited to all lessees, tenants and the family members, agents, representatives, or employees of Owners, tenants or lessees.

(kk) Resort shall mean and refer to a Hotel or Unit used by persons for less than one (1) year as accommodations primarily for recreation and pleasure, Vacation, Transient or Seasonal Use.

(ll) Seasonal Use shall mean and refer to a use confined to a definite period of time, which is less than one (1) year, such as winter, spring, summer or fall, or, for example, the ski season.

(mm) Single Family shall mean and refer to a collective body of two (2) or more persons living together in one Unit as their common home.

(nn) Single Family Residence shall mean and refer to both the architectural style of a Building or Dwelling Unit and the nature of the residential uses and activities permitted

therein.

(oo) Survey Map shall mean and refer to the Record of Survey Map.

(pp) Transient Use shall mean and refer to the use of a Unit which is not permanent or lasting and which is temporary, passing, of short duration, fleeting, or momentary, to wit, less than one (1) year.

(qq) Unit Number shall mean and refer to the number, letter or combination thereof designating a particular Unit.

(rr) Unit Owner shall mean and refer to an Owner.

(ss) Vacation Use shall mean and refer to the use of a Unit for less than one (1) year for a rest, recess, leave of absence, respite or time of rest, recess, leave of absence or respite from one's primary residence, work or employment.

3. Detailed Description.

(a) Description of Land. The Land is located in Davis County within the corporate limits of Bountiful, and is more particularly described as follows:

PARCEL 1:

Beginning on the West line of a street at a point North 0°24'30" East 280.90 feet from the Southeast corner of Lot 5, Block "K", North Mill Creek Plat, Bountiful Townsite Survey, in the City of Bountiful, and running thence North 0°24'30" East 66.35 feet along the West line of said street; thence West 146.0 feet; thence South 0°24'30" West 66.35 feet parallel to said street; thence East 146.0 feet along a line 1.5 feet South of the South edge of a concrete wall to the point of beginning.

PARCEL 2:

Beginning on the West line of a street at a point North 0° 10' East 347.25 feet from the Southeast corner of Lot 5, Block K, North Mill Creek Plat, Bountiful Townsite Survey, in the City of Bountiful, which point is North 0°10' East 380.25 feet and North 89°50' West 33.0 feet from the intersection monument at 1500 South and 200 West Streets, and running thence North 0°10' East 83.27 feet along said street to the Southeast corner of Lot 4, in Block K; thence North 89°50' West 150.0 feet along the South line of said Lot 4; thence North 0°10' East 100.0 feet parallel to the West line of said street; thence South 89°50' East 150.0 feet to the West line of said street; thence North 0°10' East 168.99 feet along said street; thence South 89°11'20" West 274.47 feet, more or less, the Southeasterly line of a highway, formerly the old Bamberger Railroad Right of Way; thence South 26°58'05" West 361.83 feet along said right of way to a point 57.75 feet South of the South

line of said Lot 4; thence South 89°45'40" East 291.56 feet to a point 146.0 feet West of the West line of said street; thence South 0°10' West 24.0 feet; thence South 89°45'40" East 146.0 feet to the point of beginning.

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(b) Description of Buildings. Continental Townhouse consists of eleven (11) buildings, fifty (50) units, and the appurtenant carports, and common areas used and utilized in connection therewith.

(c) Description of Units. The term "Unit" shall mean and refer to a separate physical part of the Property intended for independent use, including one or more rooms or spaces located in one or more floors or part or parts of floors in a building. Mechanical equipment and appurtenances located within any one Unit, or located without said Unit but designated and designed to serve only that Unit, such as appliances, electrical receptacles and outlets, fixtures and the like, shall be considered part of the Unit; so shall all decorated surfaces of interior walls, floors and ceilings, including but not limited to all paint, wallpaper, wall coverings, windows and window frames, doors and door frames, trim, carpeting, tile and linoleum. All pipes, wires, conduits, or other utility lines or installations constituting a part of the Unit or serving only the Unit, and any structural members, parts, components or any other property of any kind, including fixtures or appliances within any Unit, which are removable without jeopardizing the integrity, soundness, safety or usefulness of the remainder of the Building within which the Unit is located shall be deemed to be part of the Unit. The Unit number, Building location and square footage of each Unit are as set forth in Appendix A attached hereto and made a part hereof. Access to the Common Areas and Facilities from each Unit is direct from each Unit and by walkways in the Common Areas and Facilities. The boundary line of each Unit shall be the undercoated and/or unfinished interior surfaces of its perimeter walls, bearing walls, lowermost floors, and uppermost ceilings, and the interior surfaces of doors, window frames, door frames and trim.

(d) Description of Common Areas and Facilities. The Common Areas and Facilities shall mean all Land and all portions of the Property not contained within any Unit or within the Limited Common Areas and Facilities; including, but not by way of limitation, roofs, foundations, pipes, ducts, flues, chutes, floors, ceilings, conduits, wires and other utility installations to the outlets; bearing walls, perimeter walls, columns and girders to the undecorated and/or unfinished interior surfaces thereof, regardless of location; hallways, stairways, walkways, gardens and other areas and facilities which are now or hereafter contained within the Property; all installations of power, lights, and hot and cold water existing for common use; air-conditioning, compressors, furnaces, water heaters; and all other parts of the Property necessary or convenient to its existence, maintenance and

safety or normally in common use and all areas and facilities designated as Common Areas and Facilities in the Condominium Act; all Limited Common Areas and Facilities designated as such in the Survey Maps; all portions of the Project not specifically included within the individual Units; and all other parts of the Project normally in common use or necessary or convenient to its use, existence, maintenance, safety, operation or management.

(e) Description of Limited Common Areas and Facilities. "Limited Common Areas and Facilities" shall mean all balconies, patios, special corridors, terraces, carports, garages, parking spaces, storage areas, and individual room heaters adjacent to or associated with one or more particular Units and intended for the exclusive use of such Units. All areas of the Property which do not fall within the above definition of Limited Common Areas and Facilities or of Units shall be deemed to be part of the Common Areas and Facilities as set forth in subparagraph D above.

(f) Percentage of Ownership and Voting Rights. The percentage of undivided interest in the Common Areas and Facilities appertaining to each Unit and its Unit Owner for all purposes, including voting, is set forth in Appendix A attached hereto and made a part hereof as if herein set forth in full.

The percentage of undivided interest of each Unit approximately reflects the square footage size of such Unit divided by the aggregate total square footages of all Units.

4. Statement of Purposes, Use and Restrictions. The Units, Common Areas and Facilities and Limited Common Areas and Facilities shall be occupied and used as follows:

(a) Residential Project. A Unit Owner shall not occupy or use his Unit, or permit the same or any part thereof to be occupied or used, for any purpose other than as a Single Family Residence, to wit: for the personal use for dwelling purposes by the Unit Owner and his family members, guests, renters or lessees.

(b) Commercial Uses. No commercial trade or business may be conducted in or from any Unit unless: (1) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the residence; (2) the business activity conforms to all zoning requirements for the Project; (3) the business activity does not involve persons coming onto the Project who do not reside in the Project or door-to-door solicitation of residents of the Project; and (4) the business activity is consistent with the residential character of the Project and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Project, as may be determined in the sole discretion of the Committee. Notwithstanding the above, the leasing of a residence shall not be considered a trade or business

within the meaning of this sub-Section.

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(c) Obstruction and Storage. There shall be no obstruction or the Common Areas and Facilities. Except in the case of designated storage areas, nothing shall be stored in the Common Areas and Facilities without the prior written consent of the Management Committee.

(d) Damage, Waste or Threat to Insurance. Nothing shall be done or kept in any Unit, Parking Unit, or in the Common Areas and Facilities or Limited Common Areas and Facilities which will increase the rate of insurance on the Property without the prior written consent of the Management Committee. No Owner shall permit anything to be done or kept in his Unit, Common Areas and Facilities or in the Limited Common Areas and Facilities which will result in the cancellation or threatened of insurance of any Unit, or any part of the Common Areas and Facilities or Limited Common Areas and Facilities, or which would be in violation of any law. No waste will be committed of the Common Areas and Facilities or Limited Common Areas and Facilities.

(e) Signage. No sign of any kind shall be displayed to the public view or from any Unit or from the Common Areas and Facilities or Limited Common Areas and Facilities without the prior written consent of the Management Committee.

(f) Pets. Up to two domestic pets are allowed per Unit although dogs weighing more than fifteen (15) pounds are not allowed, not are pets which create a nuisance. Owners must abide by local ordinances regarding pets. All pets must be properly licensed and registered, if required by law. In addition any owner or person having charge, care, custody, or control of an animal or animals causing a nuisance, as defined below, shall be in violation of this section and subject to the sanctions provided herein. The following acts of a pet may constitute a nuisance: (1) Causes damages to the property of anyone other than its owner; (2) Causes unreasonable fouling of the air by odors; (3) Causes unsanitary conditions in enclosures or surroundings; (4) Defecates on any public sidewalk, street, property, park or building, or on any private property, unless the person owning, having a proprietary interest in or having care, charge, control, custody or possession of such pet shall immediately and completely remove any such defecation to a property trash receptacle; (5) Barks, whines or howls, or makes other disturbing noises in an excessive, continuous or untimely fashion. (6) Molests or harasses passersby by lunging at fences, chasing passing vehicles; (7) Attacks people or other domestic animals; (8) Otherwise acts so as to constitute a nuisance or public nuisance under the provisions of the laws of Utah; and (9) By virtue of the number of maintained, are offensive or dangerous to the public health, welfare or safety. Pets in the

common area must be in a cage or on a leash and under the control of a responsible person.

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(g) Noxious or Offensive Activities. No noxious or offensive activity shall be carried on in any Unit, in the Common Areas and Facilities or Limited Common Areas and Facilities, nor shall anything be done therein which may be or become an annoyance, bother or disturbance to other Unit Owners.

(h) Structural Alterations. Nothing shall be altered or constructed in or removed from the Common Areas and Facilities or Limited Common Areas and Facilities, except upon the prior written consent of the Management Committee.

(i) Rule Violations. There shall be no violation of rules for the use of the Common Areas and Facilities or Limited Common Areas and Facilities adopted by the Management Committee and furnished in writing to the Owners, and the Management Committee is authorized to adopt such rules.

(j) Encroachments. None of the rights and obligations of the Unit Owners created herein, or by the deeds conveying the Condominiums shall be altered in any way by encroachments due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor of a Unit Owner or Owners if said encroachment occurred due to the willful conduct of said Unit Owner or Owners.

(k) Nuisance. It shall be the responsibility of each Owner and Resident to prevent the creation or maintenance of a nuisance in, on or about the Project. The term "nuisance" includes but is not limited to the following:

1. The development of any unclean, unhealthy, unsightly, or unkempt condition on, in or about his Unit or the Common Areas;

2. The storage of any item, property or thing that causes any Unit or the Common Area to appear to be in an unclean or untidy condition or that will be noxious to the senses;

3. The storage of any substance, thing or material upon any Unit or in the Common Areas that emits any foul, unpleasant or noxious odors, or that causes any noise or other condition that disturbs or might disturb the peace, quiet, safety, comfort, or serenity of the other residents at the Project;

4. The creation or maintenance of any noxious or offensive condition or activity in or about any Unit or the

5. Actions or activities tending to cause embarrassment, discomfort, annoyance, distress or a disturbance to any other residents, their guests or invitees, particularly if the police or sheriff must be called to restore order;

6. Maintaining any plants, animals, devices or items, instruments, equipment, machinery, fixtures, or things of any sort whose activities or existence in any way is illegal, noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community by other residents, their guests or invitees;

7. Too much noise in, on or about any Unit or the Common Area, especially after 10:00 p.m. and before 8:00 a.m.;

8. Too much traffic in, on or about any Unit or the Common Area, especially after 10:00 p.m. and before 8:00 a.m.; and

9. Loitering in, on or about the Common Area.

(l) Garbage. All rubbish, trash, refuse, waste, dust, debris and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate thereon.

(m) Partitioning or Subdividing. No Unit shall be subdivided or partitioned.

(n) Firearms. The use of firearms and incendiary devices, or the painting or graffiti, within the Project is prohibited. The term firearms includes but is not limited to all guns, pistols, handguns, rifles, automatic weapons, semi-automatic weapons, BB guns, pellet guns, sling shots, wrist-rockets, blow-dart guns, and other firearms of all types, regardless of size.

(o) Temporary Structures. No Owner or occupant shall place upon any part of the Project any temporary structures including but not limited to tents, trailers, or sheds, without the prior written consent of the Committee. .

(p) Energy Devices. No solar energy collector panels, other energy conservation equipment or attendant hardware shall be constructed or installed on the Project without the prior written consent of the Committee.

(q) Antennas and Satellite Dishes. Antennas and satellite dishes shall be prohibited within the Property, except (1) antennas or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (2) antennas or satellite dishes designed to receive

video programming services via multipoint distribution services which are one meter or less in diameter or diagonal measurement; or (3) antennas or satellite dishes designed to receive television broadcast signals ("Permitted Devices") shall be permitted, provided that any such Permitted Device is:

(1) located in the attic, crawl space, garage, or other interior spaces of the dwelling or another approved structure on the Unit, so as not to be visible from outside the dwelling or other structure;

2) located in the rear yard of the dwelling (i.e., the area between the plane formed by the front facade of the dwelling and the rear lot line) and setback from all lot lines at least eight (8) feet;

(3) attached to or mounted on a deck or patio and extending no higher than the eaves of that portion of the roof of the dwelling directly in front of such antenna;

(4) attached to or mounted on the rear wall of the dwelling so as to extend no higher than the eaves of the dwelling at a point directly above the position where attached or mounted to the wall.

Notwithstanding the foregoing, should an Owner determine that a Permitted Device cannot be located in compliance with the above guidelines without precluding reception of an acceptable quality signal, then the Owner may install the device in the least conspicuous alternative location on the Unit where an acceptable quality signal can be obtained. The Board may adopt rules establishing a preferred hierarchy of alternative locations and requiring screening of all Permitted Devices, so long as such rules do not unreasonably increase the cost of installation, maintenance, or use of the Permitted Device.

(r) Window Coverings. No-aluminum foil, newspapers, reflective film coatings, or any other similar materials may be used to cover the exterior windows of any residential structure on a Unit. Sun shades are not allowed on the exterior of any Building.

(s) Windows. All windows and window panes in the Project shall be harmonious, and comparable in size, design and quality so as not to detract from uniformity in appearance and quality of construction.

5. Agent for Service of Process. The President of the Association is the agent for service of process.

6. Damage or Destruction: Sale. In the event that any Buildings and/or other improvements on the Land are damaged or destroyed by fire or other casualty or disaster, such Buildings and/or other improvements shall be promptly repaired, restored or reconstructed to the extent required to restore them to substantially the same condition in which they existed prior to the occurrence of the damage or destruction, with each Unit and the Common Areas and Facilities having the same vertical and horizontal boundaries. Such repairs, restoration or reconstruction shall be paid for out of any insurance proceeds received on account of the damage or destruction; provided, however, that if the insurance proceeds are not sufficient for such purpose, the deficiency shall be assessed as a Common Expense. Notwithstanding the foregoing, in the event that Buildings containing seventy-five percent (75%) or more of the Units are destroyed and the Unit Owners by an affirmative vote of at least seventy-five percent (75%) percent of the total voting power file notice with the Management Committee within 90 days after such destruction that they do not desire that the Buildings be reconstructed or restored, the Management Committee shall record, with the Recorder of Davis County, Utah, a notice setting forth such facts, and upon the recording of such notice:

(a) Ownership. The property shall be deemed to be owned in common by the Unit Owners;

(b) Percentage of Undivided Ownership. The undivided interest in the Property owned in common which shall appertain to each Unit Owner shall be the percentage of undivided interest previously owned by such Unit owner in the Common Areas and Facilities;

(c) Liens. Any liens affecting any of the Condominiums shall be deemed to be transferred in accordance with the existing priorities to the percentage of undivided interest of the Unit owner in the Property; and

(d) Action for Partition. The Property shall be subject to an action for partition at the suit of any Unit Owner, in which event the net proceeds of said (the Property not being susceptible of fair partition without depreciating the value thereof), together with the net proceeds of the insurance on the Property, if any, shall be considered as one fund and shall be divided among all the Unit Owners in proportion to their respective percentages of undivided interest in the Common Areas and Facilities, after first paying out of the respective shares of the Unit Owners, to the extent sufficient for the purpose, all liens on the undivided interest in the Property owned by each Unit Owner.

7. Bylaws. The Bylaws set forth in Appendix B hereof may be amended by an instrument in writing signed and acknowledged by Unit Owners holding 75 percent of the total voting power, which amendment shall be effective upon recordation with the Recorder of Davis County, Utah, as an amendment to the Bylaws.

8. Voting. At any meeting of the Association of Unit Owners, each Unit Owner, including Declarant, either in person or by proxy, shall be entitled to cast a number of votes in behalf of his Unit or Units corresponding with the percentage of undivided interest in the Common Areas and Facilities as listed in Appendix A. Where there is more than one record Unit Owner, any or all of such persons may attend any meeting of the Association of Unit owners, but is shall be necessary for those present to act unanimously in order to cast the votes to which they are entitled. Declarant shall be entitled to vote with respect to any Condominium owned by it.

9. Notices. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered 48 hours after a copy of same has been deposited in the U. S. Postal Service, first class postage prepaid, addressed to each such person at the address given by such person to the Management Committee for the purpose of service of such notice or to the Unit of such person if no such address has been given. Such address may be changed from time to time by notice in writing to the Management Committee.

10. Mortgage Protection. Notwithstanding all other provisions hereof:

(a) Priority. The liens created hereunder upon any Condominium shall be subject to, and shall not affect the rights of the holder of, the indebtedness secured by any recorded first Mortgage (meaning a Mortgage with first priority over other Mortgages) upon such Condominium made in good faith and for value, provided that after the foreclosure of any such Mortgage there may be a lien created pursuant to Article VI.B of the Bylaws on the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such purchaser as a Unit Owner after the date of such foreclosure sale;

(b) Amendment. No amendment to the Section shall affect the rights of the holder of any such Mortgage recorded prior to the recordation of such amendment who does not join in the execution thereof;

(c) Subordination. By subordination agreement executed by a majority of the Management Committee, the benefits of paragraphs a. and b. above may be extended to Mortgagees not otherwise entitled thereto.

11. Exclusive Ownership and Possession by Unit Owner. Each Unit Owner shall be entitled to exclusive ownership and possession of his Unit. Each Unit Owner shall have an undivided interest in the Common Areas and Facilities as listed in Appendix A. The percentage of undivided interest of each Unit in the Common Areas and Facilities as expressed in Appendix A shall be permanent and shall not be altered without the consent of all Unit Owners expressed in an amended Appendix A duly recorded. The percentage of undivided interest in the Common Areas and Facilities shall not be separated from the Unit to which it appertains and shall be deemed to be conveyed or encumbered or released from liens with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. Each Unit Owner may use the Common Areas and Facilities in accordance with the purposes for which they are intended, so long as he does not hinder or encroach upon the lawful rights of the other Unit Owners.

A Unit Owner shall not be deemed to own the undecorated and/or unfinished interior surfaces of the perimeter walls, floors, ceilings, windows and doors bounding his Unit, nor shall a Unit owner be deemed to own the utilities running through his Unit which are utilized for, or serve, more than one Unit, except as a tenant in common with the other Unit Owners. A Unit Owner, however, shall be deemed to own the decorated and/or finished interior surfaces of the perimeter walls, floors, ceilings, windows, and doors bounding his Unit and shall have the obligations set forth in Section 14 hereof with respect thereto.

12. Use of Parking Areas. The Property has or will have open parking areas. Said areas shall be Common Areas and Facilities not generally assigned to specific Units. The use and occupancy of the parking areas shall be for the parking of automobiles, motorcycles, and other wheeled conveyances. The Management Committee may by rule and regulation provide for the efficient and best use of such parking areas, subject to the following:

(a) Recreational, Commercial and Oversized Vehicles. The parking areas are not designed for recreational, commercial or oversized motor vehicles and the Management Committee may restrict or prohibit their use. Unless otherwise determined by the Management Committee, all such recreational, commercial or oversized vehicles shall be parked outside the Project, except for purposes of loading and unloading.

(b) Safe Parking Practices. No motor vehicle or trailer, including but not limited to any car, automobile, truck, van, recreational, commercial or oversized vehicle, or any other transportation device of any kind may be parked or stationed (except for purposes of loading or unloading), in such a manner so as to create an obstacle or potentially dangerous situation, or along any street or road, or in front of any covered parking space,

carport, walkway, driveway, Building or Unit, or in an unauthorized Common Areas.

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(c) Designated Parking Areas. Residents may only park their motor vehicles within their assigned garages, carports, or other designated areas.

(d) Red Zones. Residents may not park their motor vehicles in "red zones," "fire lanes," or unauthorized areas.

(e) Guest Parking. Visitors or guests shall park their motor vehicles in Common Areas designated for "guest" or "visitor" parking.

(f) Repairs. No Owners or Residents shall repair or restore any vehicle of any kind in, on or about any Unit or the Common Area, except for emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility.

(g) Garage Use. No garage, carport or parking space may be altered in such a manner that the number of motor vehicles which may reasonably be parked therein after the alteration is less than the number of motor vehicles that could have been reasonable parked in the garage as originally designed and constructed.

(h) Access. No motor vehicle shall be parked in such a manner as to inhibit or block access to a Unit, carport, garage, parking space, entrance, exit, or parking area.

(i) Restricted to Parking Use. All parking areas shall be used solely for the parking and storage of motor vehicles used for personal transportation.

(j) Immobilizing, Impounding and Towing of Vehicles. Vehicles parked in violation of this section may be towed, impounded or immobilized without further notice and at the owner's sole risk and expense.

13. Certain Obligations of Owners. Except for those portions (if any) which the Management Committee is required to maintain and repair hereunder, each Unit Owner shall at his expense keep the interior of his Unit, its equipment, furniture and furnishings, and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit. In addition to decorating and keeping the interior of the Unit in good repair, the Unit Owner shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, lighting fixtures, appliances, carpeting and other furniture and furnishings that may be in or connected with the Unit. The Unit

Owner shall also, at his own expense, keep the Limited Common Areas and Facilities appurtenant to his Unit or Units in a clean and sanitary condition.

The Management Committee shall not be responsible to the Unit Owner for loss or damage by theft or otherwise of articles which may be stored by the Unit Owner in his Unit or the Limited Common Areas and Facilities appurtenant thereto.

The Unit Owner shall promptly discharge any lien (other than Mortgage liens) which may hereafter be filed against his Condominium.

14. Prohibition Against Structural Changes by Unit Owner. No Unit Owner shall, without first obtaining written consent of the Management Committee, make or permit to be made any structural alteration, improvement or addition in or to his Unit or in or to the Common Areas and Facilities. No Unit Owner shall do any act or work that will impair the structural soundness or integrity of the Buildings or safety of the Property or impair any easement or hereditament without the written consent of all Unit owners.

No Unit owner shall paint or decorate any portion of the exterior of the Buildings or other Common Areas and Facilities without first obtaining written consent of the Management Committee.

15. Entry for Repairs. The Management Committee and their respective agents may enter any Unit when necessary in connection with any maintenance, landscaping or construction for which the Management Committee is responsible. Such entry shall be made with as little inconvenience to the Unit Owners as practicable, and any damage caused thereby shall be promptly repaired by the Management Committee out of the Common Expense Fund.

16. Failure to Insist on Strict Performance No Waiver. The failure of the Association of Unit Owners or Management Committee to insist, in any one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment, for the future, or such term, covenant, condition or restriction; but such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Management Committee of any assessment from a Unit owner, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Management Committee of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the management Committee or its designee.

17. Limitation of Management Committee Liability. The Management Committee shall not be liable for any failure of any service to be obtained and paid for by the Management Committee hereunder, or for injury or damage to person or property caused by the elements or by another Unit Owner or person, or resulting from electricity, water or rain which may leak or flow from outside or from any parts of the Buildings, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place, unless caused by gross negligence of the Management Committee. No diminution or abatement of Common Expense assessments shall be claimed or allowed for inconveniences or discomfort arising from the making of repairs or improvements to the Common Areas and Facilities or from any action taken to comply with any law, ordinance or order of a governmental authority.

18. Indemnification of Management Committee Members. Each member of the Management Committee shall be indemnified by the Unit owners against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party or in which he may become involved, by reason of his being or having been a member of the Management Committee, or any settlement thereof, whether or not he is a member of the Management Committee at the time such expenses are incurred, except in such cases wherein the member of the Management Committee is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Management Committee approves such settlement as being for the best interest of Continental Townhouse.

19. Taxes. Each Unit Owner shall have the sole responsibility to pay property taxes or special assessments that are assessed against the individual unit he owns and the assigned percentage of the common or undivided area assessed to the owners individual unit. The Management Committee shall pay the taxes on all personal properties held for the benefit of all Unit Owners.

20. Insurance. The Management Committee shall obtain and maintain at all times insurance of the type and kind and in at least the amounts provided in the Bylaws and including insurance for such other risks, or a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium properties similar in construction, design and use to Continental Townhouse. Such insurance shall be governed by the following provisions:

(a) Authority to Adjust. Exclusive authority to adjust losses under policies hereafter in force on the Property shall be vested in, and the proceeds thereof payable to, the Management Committee or its authorized representative as insurance trustee.

(b) Contribution. In no event shall the insurance coverage obtained and maintained by the Management Committee hereunder be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees.

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(c) Unit Owner Insurance. Each Unit Owner may obtain additional insurance at his own expense, provided however, that no Unit Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Management Committee, on behalf of all of the Unit Owners, may realize under any insurance policy which the Management Committee may have in force on the Property at any particular time.

(d) Notification of Improvements. Each Unit Owner shall notify the Management Committee of all improvements made by the Unit Owner to his Unit, the value of which is in excess of \$1,000.

(e) Certificate of Insurance. Any Unit Owner who obtains individual insurance policies covering any portion of the Property, other than personal property belonging to such Unit Owner, shall file a copy of such individual policy or policies with the Management Committee within thirty (30) days after purchase of such insurance.

(f) Quality of Coverage. The Management Committee shall make every effort to secure insurance policies that will provide for the following:

1. A waiver of subrogation by the insurer as to any claims against the Management Committee, the Unit Owners and their respective servants, agents and guests;
2. That the master policy on the Property cannot be canceled, invalidated or suspended on account of the conduct of any one or more individual Unit Owners;
3. That the master policy on the Property cannot be canceled, invalidated or suspended on account of the conduct of any officer or employee of the Management Committee without prior demand in writing that the Management Committee cure the defect;
4. That any "no other insurance" clause in the master policy on the Property exclude individual Unit Owners' policies from consideration.

(g) Deductible. The deductible on a claim made against the Association's insurance policy shall be paid for by the party who would be liable for the loss, damage, claim or repair in the absence of insurance, and in the event of multiple responsible parties, the loss shall be allocated in relation to the amount each party's responsibility bears to the total. Provided, however, if the loss is caused by an act of god or nature, or by an element beyond the control of the Association, then the Association shall be responsible for and pay the deductible.

(h) Primary Coverage and Excess Insurance. If there is duplicate coverage of a claim, then the Owner's insurance shall be deemed to be primary and that of the Association secondary.

21. No Partition. There shall be no judicial partition of the Property or any part thereof, nor shall Declarant or any person acquiring any interest in the Property or any part thereof seek any such judicial partition, until the happening of the conditions set forth in Section 7 of this Declaration in the case of damage or destruction or unless the Property has been removed from the provisions of the Condominium Act as provided in Section 57-8-232 of that Act; provided, however, that if any Condominium shall be owned by two or more co-tenants as tenants in common or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition as between such co-tenants. Such partition shall not affect any other Condominium.

22. Enforcement. Each Unit Owner shall comply strictly with the provisions of this Declaration, the Bylaws and the rules, regulations and decisions issued pursuant thereto and as the same may be lawfully amended from time to time. Failure to so comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee on behalf of the Association of Unit Owners, or in a proper case, by an aggrieved Unit Owner. The Association may recover its reasonable attorney's fees and court costs incurred in enforcing or construing the Project Documents, regardless of whether a lawsuit is filed.

23. Personal Property. The Management Committee may acquire and hold, for the benefit of the Association of Unit Owners, tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in such personal property shall be held by the Unit Owners in the same proportion as their respective undivided interests in the Common Areas and Facilities, and shall not be transferrable except with a transfer of a Condominium. A transfer of a Condominium shall vest in the transferee ownership of the transferor's beneficial interest in such personal property.

At the time when the first conveyances of Units are made by Declarant to the Unit owners, Declarant shall execute and deliver a bill of sale to the Association of Unit Owners, transferring title to all items or personal property located on the Property and furnished by Declarant, which personal property is intended for the common use and enjoyment of the Unit Owners.

24. Second Hand Smoke. Smoking or the use of tobacco products is not prohibited in the Buildings, Units or Common Area and Facilities; provided, however, the Association expressly reserves the right to prohibit smoking or the use of tobacco products in the Common Area and Facilities, although the Unit Owners and residents shall be given at least thirty (30) days prior written notice of any change in policy. In addition:

(a) Nuisance Defined. Utah Code Annotated, Section 76-3-203.1 (1997) defines a "nuisance" so as to include tobacco smoke that drifts into any Unit a person rents, leases or owns from another Unit more than once in each of two (2) or more consecutive seven (7) day periods which is injurious to health, indecent, offensive to the senses, or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property. The Association adopts this definition until such time as it is amended or repealed by the Utah legislature at which time this definition shall be similarly and automatically amended or repealed.

(b) Release, Waiver & Indemnity. By accepting a deed or other document of conveyance to a Unit, each Owner hereby expressly waives, releases and forever discharges, and further agrees to indemnify, save and hold the Association, Management Committee and members of the Management Committee harmless against any and all claims, suits, actions, debts, damages, costs, charges and expenses, including court costs and attorney's fees, and against all liability, losses and damages of any nature whatever as it relates to the creation or maintenance of a nuisance arising out of the smoking of tobacco products in, on or about the Project, including but not limited to any claim that the Association or Management Committee abate or attempt to abate any nuisance caused or allegedly caused by smoking tobacco products.

(c) Reservation of Right of Action. Anything to the contrary notwithstanding, the right of action of a Unit Owner or resident created by Utah Code Annotated, Section 78-38-1 (1997) against another Unit Owner or resident who creates a nuisance by generating tobacco smoke is expressly recognized and reserved, conditioned upon the existence of the statutory remedy or its equivalent, and the Association shall approve any reasonable structural alterations to the Common Areas and Facilities provided the alterations (1) do not impair the structural integrity of the buildings or improvements, (2) do not materially alter the nature of the Project, (3) do not damage another Unit, (4) are completed

consistent with the final plans and specifications, which must be approved in writing by the Management Committee in advance; and (5) are paid for by the Unit Owner or resident.

(d) Delivery of Copy of Project Documents to Purchaser or Resident. By accepting a deed or other document of conveyance to a Unit, each Unit Owner promises and agrees, when he sells, rents or leases his Unit, to deliver a copy of the Declaration, By-Laws, and Rules and Regulations to the buyer, renter, tenant, lessee or resident, and further promises to ask said person to sign the "Second Hand Smoke Waiver" in the form of Exhibit "C" attached hereto and incorporated herein by this reference.

25. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a condominium project.

26. Amendment. Except as otherwise provided herein and except as prohibited by the Condominium Act, the provisions of this Declaration may be amended by an instrument in writing signed and acknowledged by Owners holding seventy-five percent (75%) of the voting power, which amendment shall be effective upon recordation with the Recorder of Davis County. Any amendment altering the percentages of undivided interest in the Common Areas and Facilities or voting rights shall require the approval of all Unit Owners.

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

28. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of this Declaration or the intent of any provision hereof.

29. Law Controlling. This Declaration and the Bylaws attached hereto shall be construed and controlled by and under the laws of the State of Utah.

30. Effective Date. This Declaration shall take effect when recorded with the Recorder of Davis County.

IN WITNESS WHEREOF, the undersigned have executed this instrument this 3rd day of November, 1999.

CONTINENTAL TOWNHOUSE HOMEOWNERS ASSOCIATION
E 1556752 B 2578 P 1058

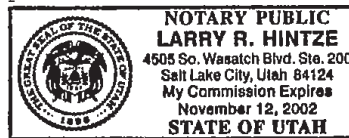
By: C. Claude L. Mills
Title: President

By: Cindy Hintze
Title: Secretary

STATE OF UTAH }
: ss.
COUNTY OF DAVIS }

On the 3rd day of November, 1999,
personally appeared before me Claude L. Mills and
Cindy Hintze, who being by me duly sworn did say, each
himself, that they are the President and Secretary of CONTINENTAL
TOWNHOUSE HOMEOWNERS ASSOCIATION, a Utah non-profit corporation,
and that the within and foregoing instrument was signed by said
Claude L. Mills and Cindy Hintze as an
act of the corporation, pursuant to its Articles of Incorporation
or a Resolution of its Board of Trustees, and that the corporation
executed the same.

Larry R. Hintze
NOTARY PUBLIC
Residing at:
My Commission Expires:



APPENDIX A

<u>BUILDING NO.</u>	<u>UNIT NO.</u>	<u>SQ. FEET IN UNIT</u>	<u>PERCENTAGE OF OWNERSHIP IN COMMON AREA</u>
			E 1536752 B 2578 P 1059
1	1	835.75	2.06%
1	2	835.75	2.06%
1	3	817.11	2.01%
1	4	817.11	2.01%
2	5	835.75	2.06%
2	6	835.75	2.06%
2	7	817.11	2.01%
2	8	817.11	2.01%
3	9	854.22	2.10%
3	10	854.22	2.10%
3	11	835.40	2.06%
3	12	835.40	2.06%
4	13	855.52	2.10%
4	14	855.52	2.10%
4	15	836.70	2.06%
4	16	836.70	2.06%
5	17	855.52	2.10%
5	18	855.52	2.10%
5	19	836.70	2.06%
5	20	836.70	2.06%
6	21	603.54	1.49%
6	22	603.54	1.49%
6	23	611.53	1.50%
6	24	611.53	1.50%
7	25	590.97	1.45%
7	26	590.97	1.45%
7	27	590.97	1.45%
7	28	590.97	1.45%
7	29	590.97	1.45%
7	30	590.97	1.45%
7	31	590.97	1.45%
7	32	590.97	1.45%
7	33	590.97	1.45%
7	34	590.97	1.45%
7	35	590.97	1.45%
7	36	590.97	1.45%
8	37	855.52	2.10%
8	38	855.52	2.10%
8	39	836.70	2.06%
8	40	836.70	2.06%
9	41	854.22	2.10%
9	42	854.22	2.10%
9	43	835.40	2.06%
9	44	835.40	2.06%
10	45	836.70	2.06%
10	46	836.70	2.06%
10	47	855.52	2.10%
10	48	855.52	2.10%
11	49	2,016.54	4.96%
11	50	2,196.39	5.46%
TOTALS	50	40,642.40	100.00%

APPENDIX B

BYLAWS OF
CONTINENTAL TOWNHOUSE CONDOMINIUMS

E 1556752 B 2578 P 1060

I. Application of Bylaws.

All present and future Unit Owners, Mortgagees, and occupants of Units and their lessees, renters, agents, servants, and guests, and any other persons who may use the facilities of the Property in any manner are subject to the Declaration, these Bylaws and Rules and Regulations made pursuant hereto, and any amendment to these Bylaws upon the same being passed and duly recorded.

The acceptance of a deed or conveyance, the entering into of a contract for purchase or a lease, or the act of occupancy of a Unit shall constitute an agreement that these Bylaws and any Rules and Regulations made pursuant hereto and the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

II. Management Committee.

The affairs of the Association of Unit Owners shall be conducted by a Management Committee composed of five (5) members.

A. Election.

At least thirty (30) days prior to the annual meeting, the Management Committee will nominate unit owners for the up-coming election. Nominations will also be accepted from unit owners on the floor before the election. All members of the Management Committee must be unit owners or the legal representative or an organizational owner, and at least one member of the Committee must reside at the Project. The newly elected Management Committee will elect the officers of the Association. Provided, however, the immediate past-President will serve one additional year to coordinate transition of management and he shall be a voting member of the Committee.

B. Term.

Members of the Management Committee shall serve for a term of two (2) years: The members of the Management Committee shall serve until their respective successors are elected, or until their death, resignation or removal.

C. Resignation and Removal.

Any member of the Management Committee may resign at any time by giving written notice to the President and Management Committee, and any member may be removed from membership on the Management

by giving written notice to the President and Management Committee, and any member may be removed from membership on the Management Committee by an affirmative vote of Unit Owners having two-thirds (2/3) of the total voting power. Whenever there shall occur a vacancy on the Management Committee due to death, resignation, or any other cause, (except removal by the members of the Association) the remaining members shall elect a successor to serve until the next annual meeting of the Association of Unit Owners, at which time said vacancy shall be filled for the unexpired term.

D. Compensation.

The Management Committee shall receive no compensation for their services unless expressly provided for by the Management Committee with the approval of Unit Owners having two-thirds (2/3) of the total voting power. Provided, however, the Association may enter into separate independent contracts with members of the Management Committee to provide additional goods or services, beyond the scope of their duties as Committee members (e.g., accounting, bookkeeping, maintenance, groundskeeping, legal, etc.).

E. Powers and Authority of the Management Committee.

The Management Committee, for the benefit of Continental Townhouse and the Unit Owners, shall enforce the provisions of the Declaration, Bylaws and Rules and Regulations governing the Property and, subject to the provisions of Article V hereof, shall acquire or arrange for and pay for out of the Common Expense Fund the following:

1. Water, sewer, garbage collection, electrical, telephone and other necessary utility service for the Common Areas and Facilities;

2. Water, sewer, electrical, telephone and other necessary utility costs for Units and Limited Common Areas and Facilities which are not separately metered or charged, the cost thereof so far as practicable to be specially assessed to the owners of the Units affected thereby;

3. Gas for heating, cooking, air conditioning, etc. is to be furnished to each Unit from a central distribution center; is owned and distributed by the Management Committee. Each Unit Owner must pay for his prorata share of the cost of furnishing this service;

4. A policy or policies of fire insurance, with extended coverage endorsements, for the full insurable replacement value of the Units and Common Areas and Facilities, or such other fire and casualty insurance as the Management Committee shall determine gives substantially equal or greater protection to the Unit Owners and their Mortgagees. The limits and coverage of such

policies shall be reviewed at least annually by the Management Committee and increased in its discretion. Insurance proceeds shall be payable and applicable as provided in Sections 7 and 21 of the Declaration;

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5. A policy or policies of public liability insurance insuring the Management Committee, the Association of Unit Owners and the individual Unit owners against any liability to any person or persons incident to the ownership and/or use of the Property. Such policy or policies shall be consistent with the provisions of Section 21 of the Declaration. Limits of liability under such insurance shall not be less than \$1,000,000 for any one or more persons injured in any one accident, and shall not be less than \$100,000 for property damage for each occurrence (such limits and coverage to be reviewed at least annually by the Management Committee and increased at its discretion). Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsement wherein the rights of any named insured under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured;

6. Workmen's Compensation Insurance to the extent necessary to comply with any applicable laws;

7. The services of the Manager to manage its affairs as provided in Article IX hereof, to the extent deemed advisable by the Management Committee, as well as such other personnel as the Management Committee shall determine shall be necessary or proper for the operation of the Common Areas and Facilities, whether such personnel are employed directly by the Management Committee or are furnished by the Manager;

8. Legal and accounting services necessary or proper in the operation of the Common Areas and Facilities or the enforcement of the Declaration;

9. A fidelity bond naming the Manager and such other persons as may be designated by the Management Committee as principals and the Unit Owners as obligees in an amount to be determined by the Management Committee.

10. Painting, maintenance, repair and all landscaping of the Common Areas and Facilities, and such furnishings and equipment for the Common Areas and Facilities as the Management Committee shall determine are necessary and proper, and the Management Committee shall have the exclusive right and duty to acquire the same for the Common Areas and Facilities; provided, however, that the interior surfaces of each Unit shall be painted, maintained and repaired by the Unit Owner thereof, all such maintenance to be at the sole cost and expense of that particular Unit Owner.

11. Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Management Committee is required to secure or pay for pursuant to the terms of the Declaration or Bylaws or which in its opinion shall be necessary or proper for the operation of the Common Areas and Facilities or for the enforcement of the Declaration, provided that if any such materials, supplies, labor, services, maintenance, repairs, structural, alterations, insurance, taxes or assessments are provided for particular Units, the cost thereof shall be specially assessed to the owners for such Units;

12. Maintenance and repair of any Unit, if such maintenance or repair is reasonably necessary in the discretion of the Management Committee to protect the Common Areas and Facilities or preserve the appearance and/or value of the Property, and the Unit Owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity therefor delivered by the Management Committee to said Unit Owner, provided that the Management Committee shall levy a special assessment against the Condominium of such Unit Owner for the cost of said maintenance or repair;

13. The Management Committee shall have the exclusive right to contract for all goods, services and insurance, payment for which is to be made from the Common Expense Fund. This provision shall not be construed to prohibit the Management Committee from delegating such authority to the Manager as it deems proper.

F. Additional Powers of the Management Committee

The Management Committee shall have the right to acquire, operate, lease, manage and otherwise trade and deal with property real and personal, including Condominiums, as may be necessary or convenient in the operation and management of the Property, and in accomplishing the purposes set forth in the Declaration.

G. Regular Meetings of the Management Committee

A majority of the members of the Management Committee shall constitute a quorum and, if a quorum is present, the decision of a majority of the present shall be the act of the Management Committee. The Management Committee shall annually elect all of the officers of the Association of Unit Owners as set forth in Article IV of these Bylaws. The officers shall be elected at a meeting of the Management Committee to be called immediately following the annual meeting of the Association of Unit Owners.

H. Special Meetings of the Management Committee

Special meetings of the Management Committee may be called by or at the request of the President or by any two Management

I. Notice of Meetings

Regular meetings of the Management Committee may be held without notice. The person or persons calling a special meeting of the Management Committee shall, at least ten(10) days before the meeting, give notice thereof by any usual means of communication.

Such notice need not specify the purpose for which the meeting is called; if an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

J. Waiver of Notice

Any member of the Management Committee may, at any time, waive notice of any meeting of the Management Committee in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at a meeting shall constitute a waiver of notice of such meeting except where a member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the members of the Management Committee are present at any meeting thereof, no notice shall be required and any business may be transacted at such meeting.

K. Conduct of Meeting.

The President shall, or in his absence the Vice-President, preside over all meetings of the Association in the manner set forth below, and the Secretary shall keep the minutes of the meeting as well as record of all transactions occurring thereat.

1. A portion of each meeting of the Management Committee shall be open to all members of the Association, but Owners other than members of the Committee may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Committee.

2. The Management Committee may, with approval of a majority of a quorum, adjourn a meeting and reconvene in an Executive Session to discuss and vote upon private, confidential, sensitive or personnel matters, litigation, and orders of business of a similar nature. The nature of any and all business to be considered in an Executive Session shall first be announced in open session.

3. Any action to be taken at a meeting of the Management Committee may be taken without a meeting if a consent in

The fiscal year shall be as determined by the Management Committee.

III. Meetings of the Association of Unit Owners

The presence, in person or by proxy at any meeting of the Association of Unit Owners of Unit Owners holding twenty-five (25%) percent of the total voting power, in response to notice to all Unit Owners of record properly given in accordance with Section 10 of the Declaration, shall constitute a quorum. In the event that the total number of Unit Owners present, in person or by proxy, do not hold at least twenty-five (25%) percent of the total voting power, the meeting shall be adjourned for twenty-four (24) hours, at which time it shall reconvene and any number of Unit Owners present in person or by proxy, at such subsequent meeting shall constitute a quorum. Unless otherwise expressly provided in the Declaration, any action may be taken at any meeting of the Association of Unit Owners upon the affirmative vote of a majority of the voting power of the Unit Owners present and voting provided that a quorum is present as provided for above.

A. Annual Meeting

There shall be a meeting of the Association of Unit Owners in January of each year as may be designated by written notice of the Management Committee delivered to the Unit Owners not less than thirty (30) days prior to the date fixed for said meeting. At or prior to such meeting, the Management Committee shall furnish to the Unit Owners a budget for the current fiscal year that shall itemize the estimated Common Expenses of the fiscal year with the estimated allocation thereof to each Unit Owner, and a statement of the Common Expenses, itemizing receipts and disbursements, for the preceding fiscal year, together with the allocation thereof to each Unit Owner.

B. Special Meetings

Special meetings of the Association of Unit Owners may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the Unit Owners, or for any other reasonable purpose. Said meetings shall be called by written notice, signed by a majority of the Management Committee or by the Unit Owners holding 1/3 of the total voting power and delivered not less than 30 days prior to the date fixed for said meeting. Said notices shall specify the date, time and place of the meeting, and the matters to be considered thereat.

time and place of the meeting, and the matters to be considered thereat.

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C. Parliamentary Rules

Robert's Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration or these Bylaws.

D. Order of Business.

The order of business at all meetings of the Association shall be as follows:

1. roll call;
2. proof of notice of meeting;
3. reading of minutes of preceding meeting;
4. reports of officers;
5. report of special committees, if any;
6. election of inspectors of election, if applicable;
7. election of Committee Members, if applicable;
8. unfinished business; and
9. new business.

IV. Officers of the Association

The officers of the Association of Unit Owners shall be a President, Vice President, Secretary, and Treasurer. The offices of Secretary and Treasurer may, by direction of the Management Committee, be combined as one office. Any officer must be a Unit Owner. The President must be a member of the Management Committee. No officer shall receive compensation for serving as such. Officers shall be annually elected by, and may be removed and replaced by, the Management Committee. The Management Committee may in its discretion require that officers be subject to fidelity bond coverage.

A. President

The President shall preside at all meetings of the Association of Unit Owners and of the Management Committee and may exercise the powers of a presiding officer of an association including the appointment of committees.

B. First Vice President

The Vice President shall perform the functions of the President in the absence or inability of the President.

C. Second Vice President

The Second Vice President shall assist the President and First Vice President as needed.

D. Secretary

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The Secretary shall keep minutes of all proceedings of the Management Committee and of the meetings of the Association of Unit Owners and shall keep such books and records as may be necessary and appropriate for the records of the Association and its Management Committee.

E. Treasurer

The Treasurer shall be responsible for the fiscal affairs of the Association, but may delegate the daily handling of income and expense payments to the authorized Manager employed by the Association.

F. Past President

The Past President shall assist the Committee in the transition of management.

V. Maintenance, Repair and Replacement of Common Areas and Facilities

It shall be the responsibility of the Management Committee to determine questions relating to the maintenance, repair and replacement of all Common Areas and Facilities. There shall be no structural alterations, capital additions to, or capital improvements of the Common Areas and Facilities requiring an expenditure in excess of \$10,000 without 30 days prior notice to all Unit Owners. Unless within the aforementioned 30 day period Unit Owners holding the majority of the total voting power of the Association of Unit Owners shall give notice of disapproval of such structural alterations, capital additions to, or capital improvements of the Common Areas and Facilities, the Unit Owners shall be deemed to have approved the same. Notwithstanding the foregoing, the Manager shall have the power to make any such structural alterations of, capital additions to, or capital improvements of the Common Areas and Facilities as are necessary in the Manager's reasonable judgement to restore, preserve or maintain the integrity of the Common Areas and Facilities without giving the Unit Owners notice and an opportunity to disapprove such action.

VI. Common Expenses

A. Assessments

1. Within 30 days prior to the annual meeting, the Management Committee shall estimate the net charges to be paid during the current fiscal year, including a reasonable provision

for contingencies and replacements and less any expected income and any surplus from the prior fiscal year's operation, together with the estimated utility costs for Units and Limited Common Areas and Facilities which are not separately metered or charged. Said "Estimated Cash Requirement" shall be approved at the annual meeting and assessed monthly to the Unit Owners pursuant to the Declaration and Appendix A thereof. Declarant will be liable for the amount of any assessment against Units owned by Declarant. If said estimated sum proves inadequate for any reason, including nonpayment of any Unit Owner's assessment, the Management Committee may at any time levy a further assessment, which shall be assessed to the Unit Owners in like proportion unless otherwise provided herein. Each Unit Owner shall be obligated to pay assessments made pursuant to this paragraph to the Management Committee on or before the first day of each month, or in such other reasonable manner as the Management Committee shall designate.

2. The monthly payments made by Unit Owners shall be kept in separate accounts as the Management Committee may deem proper, including accounts for general working capital, for the general operating reserve, and for a reserve fund for replacements and major maintenance.

3. The rights, duties and functions of the Management Committee set forth in this Article shall be exercised by Declarant for the period ending 30 days after the election of the first Management Committee hereunder.

4. All funds collected hereunder shall be expended for the purposes designated in the Declaration or Bylaws.

5. The omission by the Management Committee before the expiration of any fiscal year to fix the Estimated Cash Requirement hereunder for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of the Declaration or a release of the Unit Owner from the obligation to pay the assessments or any installment thereof for that or any subsequent year, but the Estimated Cash Requirement fixed. Amendments to this Article VI shall be effective only upon unanimous written consent of the Unit Owners and their Mortgagees. No Unit Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the Common Areas and Facilities or by abandonment of his Unit.

6. The Manager or Management Committee shall keep detailed, accurate records of the receipts and expenditures affecting the Common Areas and Facilities specifying and itemizing the maintenance and repair expenses of the Common Areas and Facilities and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by any Unit Owner at convenient hours of week days.

7. Anything contained herein to the contrary notwithstanding, the Management Committee shall at all times treat all funds of the Association of Unit Owners so as to avoid adverse income tax consequences, including, but not limited to applying surplus funds toward expenses so that no common profits accrue to the Association and maintaining any reserves of the Association in a manner that will not result in these sums being treated as taxable income to the Association.

8. No reduction or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association or Committee to take some action or perform some function required to be taken or performed by the Association or committee under this Declaration or the By Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay Assessments being a separate and independent covenant on the part of each Owner.

9. All Assessments and liens created to secure the obligation to pay Assessments are superior to any homestead exemptions to which an Owner may be entitled.

10. At the discretion of the Committee, the right of an Owner to vote on issues concerning the Association may be suspended if the Owner is delinquent in the payment of his Assessments, and has failed to cure or make satisfactory arrangements to cure the default after reasonable notice of at least ten (10) days.

B. Special Assessments.

In addition to the other Assessments authorized herein, the Association may levy special assessments in any year, subject to the following:

1. Committee Based Assessment. So long as the special assessment does not exceed the sum of Five Hundred and 00/100th Dollars (\$500.00) (the "Special Assessment Limit") per Unit in any one fiscal year, the Committee may impose the special assessment without any additional approval.

2. Association Approval. Any special assessment which would exceed the Special Assessment Limit shall be effective only if approved by a majority of the members of the Association. The Committee in its discretion may allow any special assessment to be paid in installments.

C. Specific Assessments.

The Management Committee shall also have the power specifically to

assess the Owners in a particular area pursuant to this Section as, in its discretion, it shall deem necessary or appropriate, subject to the following:

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1. No Obligation or Waiver. Failure of the Committee to exercise its authority under this Section shall not be grounds for any action against the Association or the Committee and shall not constitute a waiver of the Committee's right to exercise its authority under this Section in the future with respect to any expenses, including an expense for which the Committee has not previously exercised its authority under this Section.

2. Enabling Power. The Committee may specifically assess an Owner in a particular area for the following expenses; provided, however, the specific assessment is not for any maintenance, repair or replacement ordinarily required by the Act or this Declaration, the Unit Owner has the choice to accept or reject the benefit, and:

(a) Benefit only To Specific Unit. If the expense benefits less than all of the Units, then those Units benefitted may be specifically assessed, and the specific assessment shall be equitably apportioned among those Units according to the benefit received.

(b) Unequal or Disproportionate Benefit. If the expense benefits all Units, but does not provide an equal benefit to all Units, then all Units shall be specifically assessed, but the specific assessment shall be equitably apportioned among all Units according to the benefit received.

D. Individual Assessments.

Individual Assessments shall be levied by the Committee against a Unit and its Owner to reimburse the Association for:

1. administrative costs and expenses incurred by the Committee in enforcing the Project Documents;
2. costs associated with the maintenance, repair or replacement of Common Area for which the Unit Owner is responsible;
3. any other charge, fee, due, expense, or cost designated as an Individual Assessment in the Project Documents or by the Management Committee; and
4. attorneys' fees, interest, and other charges relating thereto as provided in this Declaration.

E. Default in Payment of Assessments

Each assessment (including all monthly installments under Article

VI.A.1) and each special assessment shall be separate, distinct and personal debts and obligations of the Unit Owner against whom the same are assessed at the time the assessments are made and shall be collectible as such. Any Assessments delinquent for a period of more than fifteen (15) days shall incur a late charge of Twenty-Five Dollars (\$25.00) or five percent (5%) of the delinquent amount, whichever is greater. Simple interest at the rate of One and $\frac{1}{2}$ percent (1.5%) per month shall accrue on all delinquent accounts. The Committee may, in its sole discretion, waive late fees and accruing interest but is not required to do so. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing the same. The amount of any assessment, whether regular or special, assessed to the Unit Owner of any Condominium plus interest at the highest legal rate permitted by Utah law and costs, including reasonable attorneys' fees, shall become a lien upon such Condominium upon recordation of a notice of assessment by the Management Committee. The said lien for nonpayment of Common Expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

1. Tax and special assessment liens on the Condominium in favor of any taxing authority, and
2. All sums unpaid on a first Mortgage of record on the Condominium.

A certificate executed and acknowledged by a majority of the Management Committee stating the indebtedness secured by the lien provided for under this Section B upon any Condominium shall be conclusive upon the Management Committee and the Unit Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Unit Owner or any encumbrancer or prospective encumbrancer of a Condominium upon request at a reasonable fee. Unless the request for a certificate of indebtedness shall be complied with within ten days, all unpaid Common Expenses which became due prior to the date of the making of such request shall be subordinate to the lien held by the person making the request. Any encumbrancer holding a lien on a Condominium may pay any unpaid Common Expenses payable with respect to such Condominium and upon such payment such encumbrancer shall have a lien on such Condominium for the amount paid of the same rank as the lien of his encumbrance.

Upon payment or other satisfaction of a delinquent assessment concerning which such a certificate has been so recorded, the Management Committee shall cause to be recorded in the same manner as the certificate of indebtedness a further certificate stating the satisfaction and the release of the lien thereof. Such lien for nonpayment of assessment may be enforced by sale by the Management Committee or by a bank or trust company, attorney, or

title insurance company authorized by the Management Committee, such sale to be conducted in accordance with the provisions of law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any manner permitted by law. In any foreclosure or sale, the Unit Owner shall be required to pay the costs and expenses of such proceedings and reasonable attorney's fees.

In case of foreclosure, the sale or foreclosure shall be conducted in the same manner as foreclosures in deeds of trust or mortgages or in any other manner permitted by law. In any foreclosure or sale, the Owner shall pay the costs and expenses of such proceedings, including but not limited to the cost of a foreclosure report, reasonable attorney's fees, and a reasonable rental for the Unit during the pendency of the foreclosure action. The Association in the foreclosure action may require the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The Committee may bid for the Unit at foreclosure or other sale and hold, lease, mortgage, or convey the same. If the Committee elects to foreclose the lien in the same manner as foreclosures in deeds of trust, then the Owner by accepting a deed to the Unit hereby irrevocably appoints the attorney of the Association, provided s/he is a member of the Utah State Bar, as Trustee, and hereby confers upon said Trustee the power of sale set forth with particularity in Utah Code Annotated, Section 57-1-23 (1953), as amended. In addition, Owner hereby transfers in trust to said Trustee all of his right, title and interest in and to the real property for the purpose of securing his performance of the obligations set forth herein. Each Owner by accepting a deed to a Unit hereby irrevocably appoints the Association as his attorney in fact to collect rent from any person renting his Unit, if the Unit is rented and Owner is delinquent in his Assessments. Rent due shall be paid directly to the Association, upon written demand, until such time as the Owner's Assessments are current; and the Owner shall credit the Renter, against rent due, for the amount of money paid to the Association. The Unit Owner shall be required to pay a reasonable rental for the Condominium and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The Management Committee or the Manager acting on its behalf shall have the power to buy in the Condominium at foreclosure or other sale and to hold, lease, mortgage and convey the Condominium.

VII. Abatement and Enjoyment of Violations by Unit Owners.

The violation of any Rules or Regulations adopted by the Management Committee or the breach of any Bylaw contained herein, or the breach of any provisions of the Declaration, shall give the Management Committee the right, in addition to any other rights set

forth in these Bylaws:

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A. to enter the Unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, and structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Management Committee shall not thereby be deemed guilty in any manner of trespass; or

B. to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

VIII. Rental or Lease of Units by Unit Owners.

Any Unit Owner who rents or leases his Unit shall file with the Management Committee or Manager a copy of the rental or lease agreement affecting said Unit. The provisions of Article VII shall apply with equal force to renters or lessees of Units. Any agreement for the leasing, rental, or occupancy of a Unit (the "lease") shall be in writing. By virtue of taking possession of a unit, each lessee shall be deemed to have agreed to be bound by and subject to the Project Documents. No Owner shall be permitted to lease his Unit for purposes of Transient, Hotel, Resort, Seasonal, Corporate or Vacation Use, which shall be deemed to be any rental with an initial term of less than one (1) year. Daily or weekly rentals are prohibited. No Owner may lease individual rooms to separate persons or less than his entire Unit without the prior written consent of the Management Committee. The Association may recover all of its reasonable attorney's fees and costs incurred in enforcing or interpreting this section, regardless of whether a lawsuit is filed. Any Unit Owner who rents or leases his Unit shall be responsible for the conduct of his tenants, and upon written notice from the Management Committee or the Manager said Unit Owner shall be responsible for correcting violations of the Declaration, Bylaws, or Rules and Regulations of Continental Townhouse committed by such tenants.

If a Unit Owner fails to correct violations by tenants within seventy-two (72) hours of such notice, the Management Committee or Manager shall be deemed to be the agent of the Unit Owner and empowered to take any enforcement action the Unit Owner would be entitled to take, the cost of such action to be assessed to the Unit Owner and payable within thirty (30) days of assessment. Such costs shall be collected and enforced in the same manner as common assessments under Article VI. B. of the Bylaws.

The power of the Management Committee or Manager hereunder shall include but not be limited to any and all legal remedies available under the laws of the State of Utah. Any Unit Owner by the act of renting or leasing his Unit shall be deemed to have consented to these procedures and shall indemnify and save harmless

the Management Committee and the Manager from and against any and all liability therefor. It is expressly understood that the remedies available to the Management Committee or Manager shall include but not be limited to the right to seek eviction of the tenant without any liability to the Unit Owner.

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IX. Manager.

The Management Committee may delegate any of its duties, powers or functions (including but not limited to the authority to give the certificate provided for in Article VI.B hereof and the authority to give the subordination agreements provided for in Section 11 of the Declaration) for such period of time and pursuant to such terms and conditions as either deems advisable to any person or firm designated to act as Manager of the project. Any such delegation which extends beyond the term of office of the delegator shall be binding upon the successor Management Committee.

The members of the Management Committee shall not be liable for loss, damage, claim, action, cause of action, cost, expense or demand arising out of or caused by any omission or improper exercise by the Manager of any of such duties, powers or functions so delegated by written instrument executed by the Management Committee.

X. Special Committees.

The Management Committee by resolution may designate one (1) or more special committees, each committee to consist of two (2) or more Unit Owners, which, to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. Such Special Committee or Committees shall have such name or names as may be determined from time to time by the Management Committee. Such Special Committees shall keep regular minutes of their proceedings and report the same to the Management Committee when required. The members of such Special Committee or Committees designated shall be appointed by the Management Committee. The Management Committee may appoint Unit Owners to fill vacancies on any of said Special Committees occasioned by death, resignation, removal or inability to act for any extended period of time.

XI. Rules and Regulations.

The Management Committee shall have the right to adopt and amend such Rules and Regulations as may be authorized by the Condominium Act and Declaration for the purpose of governing the details of the operation and use of the Common Areas and Facilities

and setting forth restrictions on, and requirements respecting the use and maintenance of Units and Common Areas and Facilities. Copies of the Rules and Regulations shall be furnished to each Unit Owner prior to the time the same shall become effective.

XII. Audit.

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Any Unit Owner may at any reasonable time at his own expense cause an audit or inspection to be made of the books of account of the Manager or Management Committee pertaining to the Property. The Management Committee, as a Common Expense, shall, upon the request of at least a majority of the voting power of the Association, obtain a formal certified audit of the books of account pertaining to the Property and furnish copies thereof to the Unit Owners. Otherwise, the Committee shall obtain a review, compilation or formal audit as in its sole discretion is deemed necessary.

XIII. Terms.

The terms used herein shall have the same meanings as provided in the Declaration and the Condominium Act.

XIV. Amendment of Bylaws.

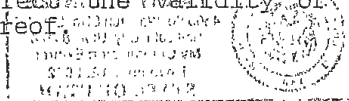
These Bylaws may be amended by an instrument in writing signed and acknowledged by the record Unit Owners holding fifty-one (51%) percent of the total voting power which amendment shall be effective upon recordation with the Recorder of Davis County, Utah; provided, however, that any amendment which would prohibit the rental or lease of Units by Owners shall require the approval of all record Unit Owners.

XV. Interpretation.

The provisions of these Bylaws shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a condominium property. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

XVI. Severability.

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



XVII. Captions.

The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of these Bylaws nor the intent of any provision hereof.

XVIII. Effective Date.

These Bylaws shall take effect upon recording of the Declaration of which they are a part.

Dated the day and year first above written.

CONTINENTAL TOWNHOUSE HOMEOWNERS ASSOCIATION

By: Claude R. Mills
Title President

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By: Cindy Hintze
Title Secretary

STATE OF UTAH }
: ss.
COUNTY OF DAVIS }

On the 3rd day of November, 1999,
personally appeared before me Claude L. Mills and
Cindy Hintze, who being by me duly sworn did say, each
himself, that they are the President and Secretary of CONTINENTAL
TOWNHOUSE HOMEOWNERS ASSOCIATION, a Utah non-profit corporation,
and that the within and foregoing instrument was signed by said
Claude L. Mills and CINDY HINTZE as an
act of the corporation, pursuant to its Articles of Incorporation or
a Resolution of its Board of Trustees, and that the corporation
executed the same.

Larry R. Hintze
NOTARY PUBLIC
Residing at:
My Commission Expires:

