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DAVIS COUNTY, UTAH RECORDER
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DEP eCASH REC'D FOR KIRK A CULLIMORE & ASSOC P

**SUPPLEMENTAL
DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS
FOR VALENTINE ESTATES PHASE 1
(Townhomes Phase 2)**

06-321-0201; 06-321-0202; 06-321-0203; 06-321-0204; 06-321-0205; 06-321-0206; 06-321-0207; 06-321-0208; 06-321-0209;
06-321-0210

THIS SUPPLEMENTAL DECLARATION is made 10/27/2009 2009 by Valentine Estates, L.L.C., a Utah limited liability company.

RECITALS

A. Valentine Estates, L.L.C., is Declarant "A" under the Valentine Estates Phase 1 Homeowner's, Inc. Supplemental Declaration of Covenants, Conditions, and Restrictions recorded May 9, 2006, as Entry No. 2166826 in the Davis County Recorder's office ("Declaration"). Declarant "A" is the owner and developer of Valentine Estates Subdivision, Woods Cross City, Davis County, Utah (the "Development");

B. Under Article III, Section 3.2 of the Declaration, Declarant "A" has the right to add Lots to the Property;

C. Declarant "A" desires to annex property into the Property. The annexed land shall be known as the Townhomes ("Project").

NOW THEREFORE, Declarant "A" hereby declares as follows:

1. All defined terms as used in this Supplemental Declaration shall have the same meaning as those set forth and defined in the Declaration, unless a definition is given to the term in this Supplemental Declaration. "Townhomes" shall mean attached single-family dwellings.
2. The real property described in Exhibit "A" and situated in Woods Cross City, Davis County, Utah, is hereby submitted to the provisions of the Declaration and, pursuant thereto, is hereby annexed in to the Property and is to be held, transferred, sold, conveyed, and occupied as a part of the Property, subject to the following:

RESERVING UNTO DECLARANT "A", however, such easements and rights of ingress and egress over, across, through, and under the said property and any improvements (including buildings) now or hereafter constructed thereon as may be reasonably necessary for Declarant "A" (in a manner which is reasonable and not inconsistent with the provisions of the Declaration): (i) to construct and complete the Project, and to do all things reasonably necessary or proper in connection therewith; (ii) to construct and complete on the Additional Property, or any portion thereof, such improvements as Declarant "A" shall determine to build in its sole discretion (and whether or not the Additional Property or any portion thereof has been or hereafter will be added to the Development); (iii) to amend the existing Project as to the number of lots, lot sizes, and units to be built upon the land, as permitted by the laws of the State of Utah and Davis County and the zoning requirements of Woods Cross City; and (iv) to improve portions of the said property with such other or additional improvements, facilities, or landscaping designed for the use and enjoyment of all Owners as Declarant "A" may reasonably determine to be appropriate. If, pursuant to all foregoing reservations, the said property or any improvement thereon is traversed or partially occupied by a permanent improvement or utility line, a perpetual easement for such improvement or utility line shall exist. With the exception of such perpetual easements, the reservations hereby effected shall, unless sooner terminated in accordance with their terms, expire

7 years after the date on which this Supplemental Declaration is recorded. Declarant "A" may add land and subject it to this Supplemental Declaration in its discretion for 7 years from the date this Supplemental Declaration is recorded.

THE FOREGOING IS SUBJECT TO all liens for current and future taxes, assessments, and charges imposed or levied by governmental or quasi-governmental authorities; all Patent reservations and exclusions; all mineral reservations of record and rights incident thereto; all instruments of record which affect the above-described real property or any portion thereof, including, without limitation, any mortgage or deed of trust (and nothing in this paragraph shall be deemed to modify or amend such mortgage or deed of trust); all visible easements and rights-of-way; all easements and rights-of-way, encroachments, or discrepancies shown on, or revealed by, a Plat or otherwise existing, an easement for each and every pipe, line, cable, wire, utility line, or similar facility which traverses or partially occupies the said real property at such time as construction of all Development improvements is complete; and all easements necessary for ingress to egress from, maintenance of, and replacement of all such pipes, lines, cable, wires, utility lines, and similar facilities; **AND TO EACH OF THE EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTIONS CONTAINED IN THIS SUPPLEMENTAL DECLARATION.**

3. Except as amended by the provisions of this Supplemental Declaration, the Declaration as previously amended and supplemented shall remain unchanged and, together with this Supplemental Declaration shall constitute the Declaration of Covenants, Conditions and Restrictions for the Development as further expanded by the annexation of the Additional Property described herein.
4. The Declarant "A" reserves the right, as stated in the Declaration, to Class B voting membership.
5. This Supplemental Declaration shall be recorded in the Davis County Recorder's Office to accompany the Plat Map entitled Valentine Estates Townhomes Phase 2, recorded simultaneously herewith, located in the City of Woods Cross, Davis County, Utah, executed and acknowledged by Declarant "A", and accepted by the City of Woods Cross.
6. As allowed by Article III, Section 3.2 of the Declaration, the following covenants, conditions, and restrictions shall apply to the Townhomes. These covenants, conditions, and restrictions are intended to compliment the Declaration, but are necessary to reflect the different character of the Townhomes. In the event of a conflict between the Declaration and this Supplemental Declaration, this Supplemental Declaration shall control with respect to the Townhomes only.
 - a. **Architectural Provisions.** The general appearance and features of the Townhomes shall comply with the existing Townhomes.
 - b. **Maintenance.** The maintenance of the Common Areas and the Lots shall be divided as follows:
 - i. **Common Areas.** Except as otherwise specifically assigned, the Association shall improve, develop, supervise, manage, operate, examine, insure, inspect, care for, repair, replace, restore and maintain the Common Areas and Limited Common Area driveways and streets. The Owners shall maintain any Limited Common Area exclusively assigned to their Lot, including rear yard area and walkways.
 - ii. **Lots.** Maintenance of the Lots, the interior of the Townhome, improvements, and utility lines servicing a single Townhome shall be the sole responsibility of the Owner, who shall maintain such Lot in accordance with the standards of the Association. The Association shall maintain the fences, sprinkling system outside of the rear yard areas, and the exterior of the Townhomes.

The Association, after notice and opportunity for hearing, may assume the maintenance responsibility over a Lot if, in the opinion of the Board of Directors, the Owner is unwilling or unable to adequately

provide such maintenance. Should the Board exercise its right under this provision, it shall not be liable for trespass or nuisance and shall have the right to levy an assessment to recover its maintenance costs.

c. **Townhome Assessment.** In addition to the assessments charged by the Association, the Townhome Owners shall pay an additional assessment to pay for the maintenance of the private streets, the exterior of the buildings, insurance, and landscaping. The Board shall prepare a budget for Townhome maintenance each fiscal year.

Annual assessments shall be determined by the Board based on the budget divided by the number of lots in the Townhomes. The Board shall notify the Townhome Owners of the amount of the annual assessment at least 30 days in advance of the beginning of the Association's fiscal year. Notice may be sent in any manner permitted in the Bylaws. Annual assessments shall be equal for each lot. Failure by the Board to set an annual assessment shall not be a waiver of the right to assess. If the Board fails to set an annual assessment, they may do so at anytime and such assessment shall be due after 30 day notice.

The Association, without consent of the Townhome Owners, may levy a special assessment up to an amount equal to 100% of the annual budget for Townhome maintenance, applicable for that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the private streets in the Townhomes. A majority of the votes of Owners of the Townhomes shall first approve any special assessment exceeding 100% of the annual budget.

If the annual assessments are, or will become, inadequate to meet all expenses incurred the Board shall, as soon as practicable, determine the approximate amount of the inadequacy and adopt a resolution which establishes a supplemental budget and levies an emergency assessment. The resolution shall specify the reason for the emergency assessment. The total of any emergency assessments levied in any fiscal year shall not exceed 50% of the budget. If more than 50% of the budget is needed as an emergency assessment, the emergency assessment must be approved by a majority of the Townhome Owners.

Any expenses benefiting or attributable to fewer than all of the Members may be assessed exclusively against the Members affected or benefited.

d. **Party Walls.** Each wall built as a part of the original construction of the Lots and placed on the dividing line between Lots shall constitute a party wall. Unless inconsistent with the provisions of this section, the general rules of law apply regarding party walls and liability for property damage due to negligence, willful acts, or omission. Owners using the party wall shall share the cost of repair and maintenance in proportion to such use. However, if one Owner is negligent or willfully damages a party wall, that Owner shall bear the whole cost of repairing the wall. If a party wall is destroyed or damaged by fire or other casualty, any Owner sharing the wall may restore it and demand the cost of restoration from the other Owners in proportion to their use. Restoration of a party wall shall not prejudice the right of an Owner to call for a larger contribution from the other Owners under any rule of law regarding liability for negligent or willful acts or omissions. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors in title.

e. **Insurance.** The Board of Directors may adopt General Insurance Rules, Policies and Procedures intended as a guide for Owners and residents in order to maintain the insurability of the project, keep the insurance premium reasonable, and enforce the maintenance responsibilities of the individual owners. The Association shall obtain and maintain, to the extent reasonably available, the insurance specified below ("The Association Master Policy"):

i. **Public Liability.** Public liability for the Common Areas, Limited Common Areas, and Facilities. The limits of each liability insurance policy purchased for the Association shall be in an amount not less than \$1,000,000.00 per occurrence and \$2,000,000.00 general aggregate for bodily injury, death, and property damage. This amount may be increased by resolution of the Board of Directors;

ii. **Common Area.** Property, fire and extended hazard for all Townhome Common Areas and Townhome Limited Common Areas;

iii. **Buildings and Units.** Special form property, fire and extended hazard for all buildings that contain more than one Townhome, including any improvement which is a permanent part of a Building such as cabinets, floor and wall coverings, built-in appliances, and attached fixtures;

iv. **D&O.** Directors and officers in not less than \$1,000,000; and

v. **Fidelity Bond.** Fidelity bond, in an amount not less than the reserves and operating capital of the association.

The premium for the Townhome insurance; including but not limited to: general liability, property coverage, directors and officers, and fidelity bond coverage is to be paid by Townhome assessments.

The Association has the right, power and authority to adjust claims.

Repair of damage shall be completed within a reasonable time and insurance proceeds shall be used to repair the covered damage.

The Association Master Policy DOES NOT cover loss of rents or rental income.

Each Owner shall obtain and maintain the following types of insurance coverages:

i. **Public Liability Insurance.** Each Owner will obtain public liability insurance for his Lot and shall provide the Association with a Certificate of Insurance upon request;

ii. **Building Coverage (inside the unit).** Each Owner shall have a minimum amount of \$10,000 for building coverage added to his individual owner's policy;

iii. **Loss Assessment.** Each Owner shall have a minimum amount of \$20,000 for loss assessment coverage added to his Townhome;

iv. **Premium.** The insurance premium on the Owner's policy shall be paid by the Owner.

v. **Maintenance of Coverage.** The Owner shall obtain and keep in full force and effect at all times the required insurance coverage provided by companies duly authorized to do business in Utah.

vi. **Not a Limitation.** The provisions of this subsection shall not be construed to limit the power or authority of the Owner to obtain and maintain insurance coverage in addition to any insurance coverage required hereunder, in such amounts and in such forms as he may deem appropriate.

viii. **Default.** If an Owner fails to maintain the required insurance or fails to provide a Certificate of Insurance within three (3) days of a request, and fails to remedy a default within ten (10) days of written notice, the Association may but is not obligated to, without further notice, purchase the required insurance and treat the cost as an Individual Assessment.

ix. **Contents.** The Association Master Policy DOES NOT cover the contents of the Townhome or the personal property of the Resident such as automobiles, furniture, furnishings, appliances, paintings, pictures, wall hangings, clothing, personal belongings and effects, and other contents, or personal liability.

Providing insurance to cover contents and lost rents or rental income is the responsibility of the individual

Owner or Resident.

It is presumed that the claimant is responsible to pay the deductible; provided, however, the deductible on a claim made against the Association Master Policy shall be paid for by the party (i) who would be liable for the loss, damage, claim, or repair in the absence of insurance or (ii) from whose Lot the causal event originates. 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. If a loss is caused by an act of God or nature or by an element, risk or peril beyond the control of the parties, then the Owner shall be responsible for the deductible. Each Owner is encouraged to purchase insurance to cover the cost of the deductible as stated above. The association deductible will be \$10,000 or less. 60 days written notice will be given to Owners in the event the board of directors elects to increase the deductible in an amount greater than \$10,000. Owners shall be responsible for the Association deductible despite inadequate insurance personally carried.

Each Owner is responsible for the maintenance of his Townhome and for the repair of any damage he causes to another Lot, Townhome, Limited Common Area, or the Common Area and Facilities.

IN WITNESS WHEREOF, Declarant "A" has executed this instrument the day and year first set forth above.

DECLARANT "A"

By: Valentine Estates, L.L.C.

By Valentine Estates Mgrs, LLC

By: Nathan Snipp

Its: Manager

STATE OF UTAH)
County of S. Lake :ss.)

On this 21 day of October, 2009, personally appeared before me Nathan Snipp, who being by me duly sworn, did say that he is the agent of Declarant "A", authorized to execute this Declaration.

Kristen Zandi
NOTARY PUBLIC



**EXHIBIT A
LEGAL DESCRIPTION**

ALL OF UNITS 201 THROUGH 210, VALENTINE ESTATES TOWNHOMES PHASE 2, A PRUD, AS SHOWN ON THE OFFICIAL PLAT MAP ON FILE WITH THE DAVIS COUNTY RECORDER'S OFFICE STATE OF UTAH.

Parcel Nos: 06-321-0201; 06-321-0202; 06-321-0203; 06-321-0204; 06-321-0205; 06-321-0206; 06-321-0207; 06-321-0208; 06-321-0209; 06-321-0210