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Covenants, Conditions & Restrictions
Bylaws
Rules

Revised August 8, 2012

AMENDED AND RESTATED DECLARATION OF
CONDOMINIUM
OF
DANBURY LANE CONDOMINIUMS
PHASES I THROUGH IX

Table of Contents

Name of the Condominium	2
Definitions	2
The Act	2
Association of Unit Owners	3
Common Areas and Facilities	3
Management Committee	4
Manager	4
Map	4
Mortgage	4
Mortgagee	4
Percentage Interest	4
Phase	5
Property	5
Unit	5
Unit Number	5
Unit Owner	5
Submission to Condominium Ownership	5
Name and Location	6
Interpretation of Declaration and Applicability of The Act	6
Agent for Service of Process	6
Covenants to Run with the Land	6
Description of Property	6
Description of Land	6
Description of Improvements	6

Description and Legal Status of Units	7
Common Areas and Facilities	7
Description of Limited Common Areas and Facilities	7
Statement of Purpose and Restriction on Use	8
Purpose	8
Restrictions on Use	8
Ownership and Use	8
Ownership of a Unit	8
Nature of and Restrictions on Ownership and Use	8
Ownership of Common Areas and Facilities	8
Use of Common Areas and Facilities	8
Computation of Undivided Interest	9
Use of Limited Common Areas and Facilities	9
Management	9
Organization of Association	9
Legal Organization	9
Membership	9
Voting	10
Voting-Multiple Ownership	10
Management Committee	10
Management Committee	10
Composition of Management Committee	11
Responsibility	12
Additional Facilities	12
Name	12
Manager	12
Rules	12
Remedies Available to the Management Committee	12
Reserve Fund	13
Availability of Condominium Project Documents	13
Managing Agent	13
Hearing before Management Committee	14
Covenant for Assessments	14
Creation of Lien and Personal Obligation for Assessment	14
Purpose of Assessments	14
Regular Assessment	14
Capital Improvements	15
Capital Improvements	15
Homeowner Approval/Expenditure Limit	15
Homeowner Approval/Changing the Nature of the Project	15
Emergencies and Livability of the Project	15
Percentage Assessments	15
Rules Regarding Billing and Collection Procedures	15

Certificate of Payment	16
Special Assessments	16
Acceptance of Materials or Services	16
Application of Excess Assessments	16
No Offsets	17
Homestead Waiver	17
Effect of Nonpayment of Assessments and Remedies	17
Due Date and Delinquency	17
Collection Charge	17
Action at Law	17
Foreclosure Sale	17
Suspension of Votes	17
Use Restrictions	18
Rules and Regulations	18
Signs	18
Nuisance	18
Temporary Structures	18
Parking and Use of Open Parking/Visitor Parking	18
External Fixtures	19
Window Covers	19
External Laundering	19
Outside Speakers and Amplifiers	19
Repairs	19
Unsightly Items	19
Pets	19
Leases	19
Landscape Maintenance	20
Floor Load	20
Residential Occupancy	21
No Subdivision of Units or Further Restrictions	21
Architectural Control	21
Lighting	22
Variances	22
Hazardous Substances	22
Easements	23
Change in Ownership	23
Destruction or Damage	24
Taxes	24
Insurance	25
Property Insurance	25
Comprehensive Public Liability Insurance	30
Workers' Compensation Insurance	30
Fidelity Insurance	30

Premium	30
Policy Provisions	31
Supplemental Insurance	31
Annual Insurance Report	32
Insurance Obtained by Owners	32
Right's of Lenders	32
Notice of Lenders	32
Priority of Lenders	32
Relationship with Assessment Liens	33
Required Lender Approval	33
Other Rights of Lenders	34
Notices of Action	34
Eminent Domain	35
Maintenance	35
Amendment	35
Consent in Lieu of Vote	35
Severability	36
Legal Description of a Unit	36
Gender	36
Waivers	36
Topical Headings	37
Effective Date	37
Exhibit "A"	39
Exhibit "B"	40

AMENDED AND RESTATED DECLARATION OF
CONDOMINIUM
OF
DANBURY LANE CONDOMINIUMS
PHASES I THROUGH IX

THIS AMENDED AND RESTATED DECLARATION OF CONDOMINIUM ("Declaration") is made as of the date of the recording in the Davis County Recorder's Office by the DANBURY LANE Condominium Association ("Association") pursuant to the Utah Condominium Ownership Act.

RECITALS

- A. Capitalized terms in this Declaration are defined in Section 2.
- B. On May 12, 1986, the Prowswood interests executed a Declaration of Condominium of Danbury Lane Phase 1, an Expandable Condominium Community (the "Declaration") as part of a plan of the Danbury Lane Condominium Project (the "Project") which Declaration was recorded in the Office of the County Recorder of Davis County, State of Utah, on May 20, 1986, Book 1089, Pages 842 through 905. During the next 24 months, the Project was expanded by the First Amendment to Declaration (Phase 2), Second Amendment to Declaration (Phase 3), Third Amendment to Declaration (Phase 4), Fourth Amendment (Phase 5), Fifth Amendment (Phase 6), Sixth Amendment (Phase 7), the Seventh Amendment to Declaration (Phase 8), and the Eighth Amendment (Phase 9), which was recorded December 19, 1990, Book 1387 beginning on Page 397, Entry Number 911847. All attendant documents and Record of Survey Maps for each of the Phases were duly recorded and are on file in the office of the Davis County Recorder. The Declaration, Amendments and attendant Maps as submitted, commit to the provisions of the Condominium Ownership Act the following described real property situated in Davis County, being the sum total of the land embodied in Phases 1 through 9, to wit:

SEE EXHIBIT "A" ATTACHED HERETO

- C. The Association, consistent with the prior recorded Declarations and any amendments thereto (including any not herein referenced above), hereby adopts this Declaration, which (along with any future amendments) shall be the sole declaration for Danbury Lane Condominiums and which shall amend and completely replace all prior recorded Declarations, By-laws and amendments thereto recorded prior to the date of this Declaration. The Association further changes the name of the Association to Danbury Lane Condominiums. This Declaration is adopted consistent with the procedures for amending the prior Declaration. It is adopted to update the Declaration, to eliminate ambiguity, to further define the rights of the Association and the Unit Owners, to provide specifically for the ability to more easily amend, change, and correct the Plat under various circumstances and for various purposes, and in furtherance of the Association's efforts to safely, efficiently, and economically provide a quality living environment.
- D. The Association hereby desires to establish for its own benefit and for the mutual benefit of all future Owners and Occupants of the Condominium Project, certain covenants, conditions, restrictions, easements, rights, privileges, assessments and liens as set forth herein (collectively, the "Restrictions," which shall run with and be a burden upon the Property).
- E. The Association intends that the Owners, Occupants, Lenders and all other persons hereafter acquiring any interest in the Property shall at all times enjoy the benefits of, and shall hold their interest subject to this Declaration, which is recorded in furtherance of establishing a general plan of condominium ownership for the Property, and for establishing rules for the use, occupancy, management and enjoyment thereof.

2 **NOW, THEREFORE**, for the reasons recited above and subject to the covenants, conditions and restrictions set forth below, the Association, hereby amends and replaces all prior Declarations and By-laws for Danbury Lane Condominiums (which shall be referred to herein as "The Project") with the following Declaration and included By-laws:

1. **Name of the Condominium.** The name by which the Condominium Community shall be known is Danbury Lane Condominiums.

2. **Definitions.** The terms used in this Declaration including Exhibits attached hereto shall have the meaning stated in the Utah Condominium Ownership Act and as given in this Section 2 unless the context otherwise requires.

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

(b) "Association of Unit Owners" or "Association" shall mean and refer to Danbury Lane Condominium Home Owner's Association, of which all of the Unit Owners are members. The Association shall be governed in accordance with the Declaration and By-laws attached hereto as Exhibit "B".

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

- (1) The Land;
- (2) That portion of the Property not specifically included in the respective Units as herein defined;
- (3) All foundations, columns, girders, beams, supports, main walls, roofs, stairways, exterior walkways, driveways, streets, such recreational areas and facilities as may be provided, yards, fences, service and parking areas and entrances and exits, and in general all other apparatus, installations and other parts of the Property necessary or convenient to the existence, maintenance and safety of the Common Areas and Facilities or normally in common use;
- (4) Those areas specifically set forth and designated in the Map as "Common Ownership" or "Limited Common Area;" and
- (5) All Common Areas and Facilities as defined in The Act, whether or not expressly listed herein.

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

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

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

(g) "Declaration" shall mean this instrument by which Danbury Lane is established as a Condominium Project, as may hereafter be modified, amended, supplemented or expanded.

(h) "Eligible Mortgagee" shall mean a Mortgagee who has requested The Association in writing to notify it on any proposed action which requires the consent of a specified percentage of Eligible Mortgagees, or has requested notice of any condemnation or casualty loss, sixty day delinquency in payment of assessment or charges owed by a Unit Owner, lapse, cancellation or material modification of any insurance policy or fidelity bond.

(i) "Land" shall mean and refer to the real property described on Exhibit "A" submitted to the provisions of The Act, together with any Additional Land which is added to the Project.

(j) "Limited Common Areas and Facilities" or "Limited Common Areas" shall mean and refer to those Common Areas and Facilities designated herein or on the Map as reserved for use of a certain Unit to the exclusion of the other Units including patios, entrance walkways, driveways and/or patio areas associated with the Units.

(k) "Management Committee" or "Committee" shall mean and refer to the Committee as provided in the Declaration and the By-laws attached hereto (which By-laws are hereby incorporated by reference and made a part of this Declaration). Said Committee is charged with and shall have the responsibility and authority to make and to enforce all of the reasonable rules and regulations covering the operation and maintenance of the Project.

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

(m) "Map" or shall mean and refer to the Record of Survey Maps of the Project: Phase I recorded on May 20, 1986 as Book 1089, Page 841, Entry Number 737253, Phase II recorded on May 20, 1986 as Book 1089, Page 906, Entry Number 737255, Phase III recorded on February 11, 1987 as Book 1144, Page 102, Entry Number 772502, Phase IV recorded on May 14, 1987 as Book 1166, Page 898, Entry Number 786044, Phase V recorded on October 15, 1987 as Book 1199, Page 32, Entry Number 804776, Phase VI recorded on October 15, 1987 as Book 1199, Page 43, Entry Number 804778, Phase VII recorded on December 23, 1987 as Book 1210, Page 1070, Entry Number 811585, Phase VIII recorded on April 29, 1988 as Book 1231, Page 1062, Entry Number 823453, and Phase IX recorded on December 19, 1990 as Book 1387, Page 396, Entry Number 911846.

(n) "Mortgage" shall mean and include both a first Mortgage on any Condominium Unit and a first deed of trust on any Condominium Unit.

(o) "Mortgagee" shall mean and include both the mortgagee under a first mortgage on any Unit and the beneficiary under a first deed of trust on any Unit.

(p) "Percentage Interest" shall mean the undivided Percentage Interest of each Unit Owner in the Common Areas at any point in time as may be revised from time to time upon expansion of the Project.

(q) "Phase" shall mean and refer to each separate step in development of the Land and Additional Land which is initiated through the submission of a tract to the terms of The Act. The term shall also include all improvements which are constructed and all appurtenances, rights, obligations, and legal relationships which come into existence in conjunction with the submission of any single tract. The submission which is effected by this Declaration, the rights and obligations which are created by this Declaration, and the improvements described in the Map which have been constructed, together constitute a Phase, i.e., Phase One of the Project.

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

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

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

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

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

3. **Submission to Condominium Ownership.** The Association hereby submits the Land, buildings, and other improvements constructed thereon or hereafter to be constructed, together with all appurtenances thereto, to the provisions of The Act as a Condominium and this Declaration is submitted in accordance with the terms and the provisions of The Act and shall be construed in accordance therewith. It is the intention of The Association that the provisions of The Act shall apply to the Property.

4. **Name and Location.** The Condominium Project shall be named and known as Danbury Lane Condominiums. The Condominium Project is located in Davis County, Utah, and the legal description of the real estate included in the Condominium Project is the Parcel set forth on Exhibit "A." The name of The Association is the Danbury Lane Condominium Association. If the name of the Condominium Project is ever found to infringe on another legal name, copyright, or other legal right, or its use becomes distasteful, inappropriate, or unwanted for any other reason, as determined by the Management Committee in its sole discretion, the Management Committee may utilize another name for The Association and for the common use of The Association. In such a case, the legal name of the Condominium Project may remain the same or be changed, as the Management Committee may determine in its sole discretion. Any decision by the Management Committee to change or utilize another name must be by unanimous consent of all members of the Management Committee.

5. **Interpretation of Declaration and Applicability of The Act.** The Association intends that the Condominium Project shall be governed by The Act, except where (in compliance with The Act) The Association has included specific provisions in this Declaration that legally vary, supersede or supplement The Act, in which event such specific provisions of this Declaration that are contrary to The Act shall govern the Condominium Project to the extent allowed by The Act.

6. **Agent for Service of Process.** The president of the Management Committee shall be the person to receive service of process for the Condominium Project pursuant to Section 57-8-10(2)(d)(iii) of The Act, until such time as the Management Committee shall duly appoint a new agent. The address of said agent shall be 865 North 250 West, Bountiful, Utah 84010. The Management Committee may execute and record a Supplemental Declaration solely for the purpose of changing the Agent for Service of Process at any time and without satisfying any procedure otherwise required for a Supplemental Declaration.

7. **Covenants to Run with the Land.** This Declaration containing covenants, conditions and restrictions relating to the Project shall be enforceable equitable servitudes which shall run with the Land and this Declaration and its servitudes shall be binding upon The Association, its successors and assigns and upon all Unit Owners or subsequent Unit Owners, their grantees, Mortgagees, successors, heirs, executors, administrators, devisees and assigns.

8. **Description of Property.**

(a) **Description of Land.** The Land is that tract or parcel, more particularly described in Exhibit "A" attached hereto.

(b) **Description of Improvements.** The significant improvements contained or to be contained in the Project includes forty-two (42) Units each constructed principally of concrete foundation with exterior walls of a combination of hard board and vinyl siding and brick or brick veneer, asphalt shingle roofing, interior walls of wood studs, plywood and dry wall plaster. Each Unit has a two car garage. The Project also includes landscaping, and other facilities located substantially as shown in the Map and will be subject to easements which are reserved through the Project as may be required for utility services.

(c) **Description and Legal Status of Units.** The Map shows the Unit Number of each Unit, its location, those Limited Common Areas and Facilities which are reserved for its use, and the Common Areas and Facilities to which it has immediate access. All Units, of whatever type, shall be capable of being independently owned, encumbered and conveyed. Each Unit has immediate access to the outside and shall include that part of the building containing the Unit which lies within the boundaries of the Unit, which boundary lines of each Unit are the undecorated and/or unfinished interior surfaces of its: perimeter walls, bearing walls, lowermost floor, uppermost ceiling, all window panes, interior surfaces of doors, window frames and door frames and trim. Each Unit shall include both the portions of the building, that are not Common Areas and Facilities within such boundary lines and the space so encompassed. Without limitation, a Unit shall include any finishing material applied or affixed to the interior surfaces of the interior walls, floors, and ceilings, non-supporting interior walls and all utility pipes, lines, systems, fixtures, or appliances found within the boundary lines of the Unit and servicing only that Unit.

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

- (1) All structural parts of the buildings including, without limitation, foundations, columns, joists, beams, supports, supporting walls, floors, ceilings and roofs;
- (2) Roads, parking areas, lawns, shrubs, and gardens, swimming pool, cabana and recreational areas;
- (3) Any utility pipe or line or system servicing more than a single Unit, and all ducts, wires, conduits, and other accessories used therewith;
- (4) All other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common Areas and Facilities in the Map;
- (5) The Limited Common Areas and Facilities herein described; and
- (6) All repairs and replacements of any of the foregoing.

(e) **Description of Limited Common Areas and Facilities.** Each Owner of a Unit is hereby granted an irrevocable and exclusive license to use and occupy the Limited Common Areas and Facilities reserved exclusively for the use of his Unit. The Limited Common Areas appurtenant to any given Unit consist of a patio, driveway and entrance walkway contiguous with the Unit as indicated on the Map. The exclusive right to use and occupy each Limited Common Area shall be appurtenant to and shall pass with the title to the Unit with which it is associated.

9. **Statement of Purpose and Restriction on Use.**

(a) **Purpose.** The purpose of the Condominium Project is to provide residential housing and parking space for Unit Owners and to guests, all in accordance with the provisions of The Act.

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

(1) Each of the Units shall be occupied by the Unit Owner, the Owner's family, servants, or guests as a private residence and for no other purpose.

(2) The Common Areas and Facilities shall be used only for the purposes for which they are intended in the furnishing of service's and facilities for the enjoyment of the Units.

(3) Nothing shall be done or kept in any Unit or in the Common Areas and Facilities which will increase the rate of insurance on the buildings or contents thereof beyond that customarily applicable for residential use, or will result in the cancellation of insurance on the buildings, or the contents thereof. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Areas and Facilities which is in violation of any law, ordinance or regulation of any governmental authority.

10. **Ownership and Use.**

(a) **Ownership of a Unit.** Except with respect to any of the Common Areas and Facilities located within the bounds of a Unit, each Unit Owner shall be entitled to the exclusive ownership and possession of his Unit and to the ownership of an undivided interest in the Common Areas and Facilities.

(b) **Nature of and Restrictions on Ownership and Use.** Each Unit Owner shall have and enjoy the rights and privileges of fee simple ownership of his Unit. There shall be no requirements concerning who may own Units, it being intended that they may and shall be owned as any other property rights by persons, corporations, partnerships, or trusts and in the form of Common tenancy.

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

(d) **Use of Common Areas and Facilities.** Except with respect to Limited Common Areas each Unit Owner may use the Common Areas and Facilities in accordance with the purpose for

which they are intended, but subject to this Declaration, the By-laws, and the rules and regulations of the Management Committee. This right of use shall be appurtenant to and run with each Unit.

(e) **Computation of Undivided Interest.** The percentage of undivided ownership interest in the Common Areas and Facilities which is appurtenant to each Unit has been computed by determining the ratio between the square footage associated with such Unit and the aggregate square footage of all Units in the Project (with such minor adjustments in some or all of the resulting Percentage Interests as may have been necessary to assure that the total undivided interest respecting the Project equals 100%. Substantially identical Units have been assigned the same square footage, and the total of all undivided interests equals 100% (with such minor adjustments in some or all of the resulting Percentage Interests as may have been necessary to assure that the total undivided interest respecting the Project equals 100%). A Unit Owner's percentage of ownership interest in the Common Areas and Facilities shall be for all purposes, including voting and assessment of Common Expenses:

11. **Use of Limited Common Areas and Facilities.** A Unit Owner's exclusive right of use and occupancy of the Limited Common Areas and Facilities reserved for his Unit shall be subject to and in accordance with this Declaration and the By-laws.

12. **Management.**

(a) **Organization of Association.** The Association shall serve as the governing body for all Owners. The Association shall make provisions for the maintenance, repair, replacement, administration and operation of the Common Area; assessment of expenses; payment of losses; division of profits; acquisition of hazard insurance and disposition of such hazard insurance proceeds; and other matters as provided in The Act, this Declaration and the By-laws. The Association shall have all rights and powers granted to it under The Act and in this Declaration, any Articles, and the By-laws. The Association shall not be deemed to be conducting a business of any kind, and all funds received by The Association shall be held and applied by it for the Owners in accordance with this Declaration, the Articles and the By-laws. Except as specifically authorized in this Declaration, any Articles, or the By-laws, no Owner or group of Owners shall have authority to take any action on behalf of the Owners, The Association, or the Management Committee.

(b) **Legal Organization.** The Association, in the discretion of the Management Committee may organize as a non-profit corporation or other legal entity that may be selected by the Management Committee. The Management Committee may select the name for this entity, which shall, to the extent reasonably possible, be consistent with the name of The Association. In the Management Committee's sole discretion, the By-laws of The Association, attached hereto, may be adopted, in part or in whole, as the By-laws of any corporation or legal organization of The Association, or The Association may adopt additional By-laws related to the legal organization of The Association not inconsistent with the Declaration and By-laws.

(c) **Membership.** Membership in The Association shall at all times consist exclusively of the Owners. Each Owner shall be a member of The Association so long as such Owner owns a Unit and such membership shall automatically terminate when the Owner ceases to own a Unit. Upon the transfer of an ownership interest in a Unit, the new Owner succeeding to such ownership interest shall likewise succeed to such membership in The Association. If title to a Unit is held by more

than one person, the membership appurtenant to that Unit shall be shared by all such persons in the same proportional interest and by the same type of tenancy in which title to the Unit is held. The Association shall make available to the Owners, Lenders and the holders, insurers and guarantors of the first Mortgage on any Unit current copies of this Declaration, Articles, By-laws and other rules governing the Condominium Project and other books, records and financial statements of The Association. The term "available" as used in this Section 12(c) shall mean available for inspection within a reasonable time after receiving a request, during normal business hours or under other reasonable circumstances.

(d) **Voting.** Except as otherwise disallowed in this Declaration or the By-laws, Owners shall be entitled to vote their Allocated Interest pertaining to the Unit owned by that Owner at any meeting of the Owners.

13. **Voting-Multiple Ownership.** The vote attributable to and exercisable in connection with a Unit shall be the percentage of undivided ownership interest in the Common Areas and Facilities which is appurtenant to such Unit. In the event there is more than one Owner of a particular Unit, the vote relating to such Unit shall be exercised as such Owners may determine among themselves. A vote cast at any meeting by any of such Owners shall be conclusively presumed to be the vote attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

14. **Management Committee.**

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

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

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

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

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

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

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

(7) The power to sue and be sued;

(8) The authority to license persons not otherwise entitled to use any of the recreational areas and facilities to use the same from time to time as the Management Committee deems appropriate upon payment of fees prescribed by it to help defray the cost of maintenance thereof;

(9) The power and authority to borrow money, provided that no indebtedness for borrowed funds shall exceed in the aggregate at any given time the sum of \$5,000.00 without the prior vote or approval of The Association at a meeting duly called and convened at which a quorum is present;

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

(11) The power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions as agent for the Unit Owners.

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

(b) **Composition of Management Committee.** The Committee shall be composed of five (5) members: The president, vice-president, two (2) regular members and one (1) secretary; the president, vice-president, two committee members, and secretary shall be elected by the Unit Owners; the members will serve staggered terms of three (3) years, with at least one member being elected annually. Only Unit Owners and officers and agents of Owners other than individuals shall be eligible for Committee membership. At the annual meeting the percentage of undivided ownership interest appurtenant to a Unit may be voted in favor of as many candidates for Committee membership as there are seats on the Committee to be filled; notwithstanding anything herein to the contrary.

Any Committee member who fails on three successive occasions to attend Committee meetings (whether regular or special) or who has failed to attend at least 25% of all Committee meetings (whether regular or special) held during any twelve-month period shall automatically forfeit his or her seat. In all other cases of vacancy the remaining Committee members shall elect a replacement to sit on the Committee until the expiration of the term for which the member being replaced was elected. Unless a member forfeits or otherwise loses his or her seat as herein provided, a member shall serve on the Committee until his

successor is elected. Committee members shall be reimbursed for all expenses reasonably incurred in connection with Committee business (such as postage, office supplies and telephone), however, no Committee Member shall receive any compensation.

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

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

(e) **Name.** The Management Committee shall be known, as The Danbury Lane Management Committee.

(f) **Manager.** The Committee may carry out through a Professional Property Manager any of its functions which are properly the subject of delegation. Each professional manager retained for such services shall be an individual, entity or organization experienced and qualified in the field of property management with a Certified Property Manager or candidate accepted by the Institute of Real Estate Management. Any Manager so engaged may be an independent contractor and not an agent or employee of the Committee, shall be responsible for managing the Project for the benefit of the Committee and the Unit Owners, and shall, to the extent permitted by law and the terms of the agreement with the Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself. Any agreement for professional management of the Project which may be entered into by the Management Committee or The Association shall call for a term not exceeding one (1) year renewable by agreement of the parties for successive one-year periods, and shall provide that such management agreement may be terminated with or without cause by either party upon not more than thirty (30) days written notice, and without any payment of a termination fee.

(g) **Rules.** The Management Committee may adopt and administer reasonable Rules for the regulation and operation of the Condominium Project. The Rules may address any issues including those addressed in this Declaration and the By-laws. The Rules may supplement, clarify, and add detail to issues otherwise addressed in this Declaration and the By-laws so long as they do not contradict the same. The Management Committee's determination as to whether a particular activity being conducted or to be conducted violates or will violate the Rules shall be conclusive.

(h) **Remedies Available to the Management Committee.** In addition to any other remedies allowed or provided in this Declaration for any violation of the Declarations, By-laws, or Rules, the Management Committee may: (1) impose fines for violation of the Declaration, By-laws, or Rules; (2) terminate Owners' rights to receive utility services paid as a Common Expense; (3) terminate Owners' rights to access and use recreational facilities; (4) take any other action or seek any other remedy allowed by The Act or other applicable Utah law. All such actions shall be conducted in accordance with any requirements in The Act, if any, and any other applicable law, if any.

(i) **Reserve Fund.** The Association shall maintain a reserve fund for maintenance, repair and replacement of the Common Area and Limited Common Area, the amount of which shall be determined in the absolute discretion of the Management Committee. Reserve funds may be collected as part of the monthly Assessments. To the extent the Management Committee deems necessary, surplus monies of The Association may be retained as additional reserves rather than refunded to the Owners or credited to future Assessments. The Association shall require that a Reserve analysis to determine the need for a reserve fund to accumulate money to cover the cost of repairing, replacing, and restoring Common Areas and Facilities that have a useful life of three years or more, but excluding any cost that can reasonably be funded from the general budget or other funds of The Association of Unit Owners; and the appropriate amount of any reserve fund, be conducted no less frequently than every six years; and if no reserve analysis has been conducted since March 1, 2008, cause a reserve analysis to be conducted before July 1, 2012; and review and, if necessary, update a previously conducted reserve analysis no less frequently than every three years. The Management Committee may conduct a reserve analysis itself or may engage a reliable person or organization, as determined by the Management Committee, to conduct the reserve analysis. The Management Committee may not use money in a reserve fund:

(1) For daily maintenance expenses, unless a majority of the Members of The Association vote to approve the use of reserve fund money for that purpose; or

(2) For any purpose other than the purpose for which the reserve fund was established.

The Management Committee shall maintain a reserve fund separate from other funds of The Association of Unit Owners. This Subsection may not be construed to limit the Management Committee from prudently investing money in a reserve fund, subject to any investment constraints imposed by this Declaration.

The Association shall annually, at the annual meeting of Unit Owners or at a special meeting of Unit Owners: (i) present the reserve study; and (ii) provide an opportunity for Unit Owners to discuss reserves and to vote on whether to fund a reserve fund and, if so, how to fund it and in what amount; and shall prepare and keep minutes of each meeting held hereunder and indicate in the minutes any decision relating to funding a reserve fund.

(j) **Availability of Condominium Project Documents.** The Association will maintain current copies of this Declaration, the Articles, the By-laws and the Rules concerning the Condominium Project and The Associations own books, records and financial statements available for inspection, upon request, during normal business hours by any Owner or Lender (or any insurer or guarantor of a Lender). The Association may charge a reasonable fee (to be established by the Management Committee) to Unit Owners and others for duplication of documents, not to exceed any maximum fee established by The Act.

(k) **Managing Agent.** The Management Committee may contract with a professional management agent to assist the Management Committee in the management and operation of the Condominium Project and may delegate such of its powers and duties to the management agent as it deems appropriate; provided, however, that only the Management Committee shall have the right to approve Association budgets and make Assessments. Any powers and duties delegated to any

management agent may be revoked by the Management Committee at any time, with or without cause. Any management agreement must be terminable without penalty and with or without cause upon thirty (30) days notice and have a term not to exceed two years, which may be renewed by the Management Committee.

(l) **Hearing before Management Committee.** The Management Committee shall have the authority to create a reasonable hearing process applicable in case the Management Committee or Association shall take adverse action related to any particular Owner or group of Owners. The Management Committee shall not be under any obligation to offer a hearing process, except as required by law or by this Declaration, and in any such process, shall have the absolute authority to designate the procedure related to any such hearing and to make any and all final determinations of issues subject to the hearing process.

15. **Covenant for Assessments.**

(a) **Creation of Lien and Personal Obligation for Assessment.** Each Owner of any Unit, by acceptance of a deed or other instrument creating in such Owner the interest required to be deemed an Owner, whether or not it shall be so expressed in any such deed or other instrument, is deemed to covenant and agree with each other Owner and with The Association to pay to The Association such Assessments to be fixed, established and collected from time to time as provided in this Declaration. The Assessments, together with interest thereon, collection charges, attorneys' fees, court costs and other costs of collection as hereinafter provided shall be secured by a continuing lien upon the Unit against which each such Assessment is made in favor of The Association. Each such Assessment, together with such interest, collection charges, costs and attorneys' fees, shall also be the personal obligation of the Owner of such Unit at the time the Assessment becomes due. The personal obligation shall not pass to the successor in title of an Owner unless expressly assumed by such successor. However, a lien to secure unpaid Assessments shall not be affected by the sale or transfer of the Unit unless foreclosure by a prior recorded encumbrance is involved, in which case: (a) the foreclosure will extinguish the lien for any Assessments that were payable before the foreclosure sale, but shall not relieve any subsequent Owner from paying further Assessments; and (b) the prorated share of any extinguished Association lien may be redistributed to the other Units in the Condominium Project.

(b) **Purpose of Assessments.** The assessments levied by The Association shall be used exclusively for the purposes of promoting the health, safety and welfare of the Owners; the management, maintenance, care, preservation and protection of the Condominium Project; enhancing the quality of life in the Condominium Project and the value of the Condominium Project including, without limitation, the improvement and maintenance of the services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area; or in furtherance of any other duty or power of The Association.

(c) **Regular Assessment.** The Management Committee is expressly authorized to adopt and amend budgets from time to time. Not later than thirty (30) days prior to the beginning of each fiscal year, the Management Committee shall adopt a pro forma operating statement or budget for the upcoming fiscal year which shall, among other things, estimate the total Common Expenses to be incurred for such fiscal year. The Management Committee may, but is not required to, send a written summary of the budget to all Owners within thirty (30) days after the adoption of the proposed budget.

The Management Committee shall at that time determine the amount of the regular Assessments to be paid by each Owner. Each Owner shall thereafter pay to The Association the Owner's regular Assessment in equal monthly installments on the first day of each month. In the event the Management Committee determines that the estimate of total charges for the current year is, or will become, inadequate to meet all Common Expenses for any reason, it shall then immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the Common Expenses and determine the revised amount of the regular Assessment against each Owner, and the date or dates when due. The Owners shall have no right to ratify any budget, or amendment thereof, adopted by the Management Committee.

(d) **Capital Improvements.** All expenses for Capital Improvements shall be governed by and subject to the following conditions, limitations, and restrictions:

(1) **Capital Improvements.** All expenses for Capital Improvements shall be governed by and subject to the following conditions, limitations, and restrictions.

(2) **Management Committee Discretion/Expenditure Limit.** Any Capital Improvement to the Project that costs twenty percent (20%) or less of the total annual budget of The Association for all expenses, and does not materially alter the nature of the Project, may be authorized by the Management Committee alone (the "Capital Improvement Ceiling"). For example purposes, a material alteration to the Project includes but is not limited to the first time installation of or the permanent removal of an existing swimming pool, tennis court, playground, or parking area. Landscaping alterations are not material unless they cause other material changes such as those listed above.

(3) **Homeowner Approval/Expenditure Limit.** Any Capital Improvement, the cost of which will exceed the Capital Improvement Ceiling, must, prior to the commencement of construction, be authorized by at least sixty-seven percent (67%) of the undivided ownership interest in the Common Area;

(4) **Homeowner Approval/Changing the Nature of the Project.** Any Capital Improvement that would materially alter the nature of the Project must, regardless of its cost and prior to being constructed or accomplished, be authorized by at least sixty-seven percent (67%) of the undivided ownership interest in the Common Area; and

(5) **Emergencies and Livability of the Project.** Notwithstanding anything to the contrary, in case of emergencies or Capital improvements necessary to preserve the ability of people to comfortably live in the Units, the Management Committee may authorize any necessary Capital Improvement.

(e) **Percentage Assessments.** Except as otherwise provided herein, all Assessments (other than special Assessments) shall be in an amount based on the Percentage Interest for each Unit stated in Section 10(e) of this Declaration, as the same may be amended from time to time.

(f) **Rules Regarding Billing and Collection Procedures.** The Management Committee shall have the right and responsibility to adopt rules and regulations setting forth procedures for the purpose of making the Assessments provided for in this Declaration and for the billing and

collection of regular and special Assessments, provided that such procedures are not inconsistent with the provisions hereof. The failure of The Association to send a bill to an Owner shall not relieve any Owner of liability for any Assessment or charge under this Declaration, but the Assessment lien therefor shall not be foreclosed or otherwise enforced until the Owner has been given not less than thirty (30) days' written notice prior to such foreclosure or enforcement, at the address of the Owner on the records of The Association, of the Assessment or installment and of the amount owing. Such notice may be given at any time prior to or after delinquency of such payment.

(g) **Certificate of Payment.** The Association shall, within ten (10) business days after written demand, furnish to any Owner liable for Assessments or to the Lender or a potential Lender for such Unit, a recordable written statement or certificate signed by an officer or authorized agent of The Association setting forth whether the Assessments relating to a specified Unit have been paid and the amount of delinquency, if any. To the extent permitted by law, a reasonable charge not to exceed the maximum amount provided for in The Act may be collected by the Management Committee for the issuance of each such certificate. Each certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

(h) **Special Assessments.** Special Assessments shall be levied by the Management Committee against a Unit and its Owner to reimburse The Association for:

(1) Costs incurred in bringing an Owner or the Owner's Unit into compliance with the provisions of the Declaration, the Articles, the By-laws or the Rules;

(2) Costs associated with the maintenance, repair or replacement of a Limited Common Area assigned to such Unit;

(3) Any other charge designated as a special Assessment in this Declaration, the Articles, the By-laws or the Rules; and

(4) Attorneys' fees, interest, costs, and other charges relating thereto as provided in the Declaration, By-laws or the Rules.

(i) **Acceptance of Materials or Services.** In the event The Association undertakes to provide materials or services that are not otherwise required in the maintenance of The Association, which benefit individual Units, and which can be accepted or not by individual Owners, such Owners, in accepting such materials or services, agree that the costs thereof shall be a special Assessment at the discretion of the Management Committee.

(j) **Application of Excess Assessments.** In the event the amount budgeted to meet Common Expenses for a particular fiscal year proves to be excessive in light of the actual Common Expenses, the Management Committee in its discretion may apply the excess to reserves, credit the excess against future Assessments or pay the excess to the Owners in proportion to the Allocated Interests of each Unit in the Common Expenses of the Condominium Project, as the Management Committee deems appropriate. The decision of the Management Committee shall be binding and

conclusive. In addition, The Association shall not be obligated to reduce the amount of Assessments in succeeding years if an excess exists for a prior year.

(k) **No Offsets.** All Assessments shall be payable in the amount specified by the Assessment and no offsets against such amount shall be permitted for any reason, including, without limitation, a claim that The Association is not properly exercising its duties and powers as provided in this Declaration.

(l) **Homestead Waiver.** Each Owner, to the extent permitted by law, hereby waives, to the extent of any liens created pursuant to this Declaration, whether such liens are now in existence or are created at any time in the future, the benefit of any homestead or exemption laws of the State of Utah now in effect, or in effect from time to time hereafter.

16. **Effect of Nonpayment of Assessments and Remedies.**

(a) **Due Date and Delinquency.** The first day of each month shall be the Assessment due date for that month. Any Assessment that is not paid within ten (10) days after it becomes due shall be delinquent. Whenever an Assessment is delinquent, the Management Committee may at its option invoke any or all of the sanctions granted in this Section 16.

(b) **Collection Charge.** If any Assessment is delinquent, the Owner shall be obligated to pay interest, a collection charge, or such other penalty as the Management Committee may establish in the Rules of The Association. Until paid, such collection charges, interest, and/or late fees shall constitute part of the Assessment lien as provided for in Section 15(a) of this Declaration.

(c) **Action at Law.** The Association may bring an action to recover a delinquent Assessment either personally against the Owner obligated to pay the same or by foreclosure of the Assessment lien. In addition, The Association's choice of one remedy shall not prejudice or constitute a waiver of The Association's right to exercise any other remedy. Any attorneys' fees and costs incurred in this effort shall be assessed against the delinquent Owner and the Owner's Unit, and reasonable attorneys' fees and court costs will thereafter be added to the amount in delinquency (plus interest and collection charges, if appropriate). Each Owner vests in The Association or its successors or assigns the right and power to bring actions at law or lien foreclosures against such Owner or Owners for the collection of delinquent Assessments.

(d) **Foreclosure Sale.** Any foreclosure provided for in this Declaration may be conducted pursuant to a judicial foreclosure or in compliance with applicable provisions relating to the foreclosures of deeds of trust or realty Mortgages in the State of Utah. In any foreclosure or sale, the Owner of the affected Unit shall pay the costs and expenses of such proceedings and reasonable attorneys' fees. The Association may, through its duly authorized agents, have and exercise the power of the trustee and the power to bid on the Unit at the foreclosure or other sale and to acquire, hold, mortgage and convey such Unit.

(e) **Suspension of Votes.** The Management Committee may suspend the obligated Owner's right to vote on any matter at regular or special meetings of The Association and the Owner's right to use all or any portion of the Common Area (exclusive of the Limited Common Area appurtenant to the Owner's Unit) for the entire period during which an Assessment or other amount due under any

of the provisions of the Declaration. remains delinquent. Prior to suspending the Owner's right to vote and if the Management Committee has established a hearing process, the Management Committee shall afford the Owner the right to a hearing before the Management Committee as provided in Section 14(l) of this Declaration.

17. **Use Restrictions.**

(a) **Rules and Regulations.** The Association shall have authority to promulgate and enforce such reasonable rules, regulations and procedures as may aid The Association in carrying out any of its functions or to insure that the Condominium Project is maintained and used in a manner consistent with the interest of the Owners.

(b) **Signs.** No signs whatsoever (including, but not limited to commercial, political, sale and similar signs) shall be erected or maintained on the Property whether in a window or otherwise without the approval of The Association, except as determined by the Management Committee.

(c) **Nuisance.** No noxious or offensive activity shall be carried on upon the Condominium Project, nor shall any activity that might be or become an annoyance or nuisance to the Owners or Occupants be permitted to interfere with their rights of quiet enjoyment or increase the rate of any insurance or decrease the value of the Units. No Owner or Occupant shall engage in activity within the Condominium Project in violation of any law, ordinance, statute, rule or regulation of any local, county, state or federal body.

(d) **Temporary Structures.** No structure or building of a temporary character, including a tent or shack, shall be placed upon the Condominium Project or used therein unless the same and its proposed use are approved by the Management Committee.

(e) **Parking and Use of Open Parking/Visitor Parking.** Unless otherwise permitted by The Association, and except for "customary parking" and "temporary parking," as permitted by this Section 17, no automobiles or other vehicles of any type (including, without limitation, motorcycles, trailers, campers, vans, recreational vehicles or boats) shall be parked, stored or located within any portion of the Condominium Project, including any Unit, Limited Common Area, or Common Area. "Customary parking" shall mean the parking of operable automobiles, motorcycles, small trucks and vans (each of which must not be used for commercial purposes and each of which must not exceed 3/4 ton in size and seven (7) feet in height measured from ground level and eighteen (18) feet in length) within the parking spaces designated as an exclusive Limited Common Area for each respective Unit. "Temporary Parking," shall mean the use of designated parking areas within the Condominium Project for parking of operable vehicles belonging to invited guests of the Owners and Occupants including the parking of delivery trucks, service vehicles and other commercial vehicles being used in the furnishing of goods and services to the Owners and Occupants as well as parking, of vehicles belonging to or being used by Owners, Occupants and invitees dining social engagements and for loading and unloading purposes. The Association may adopt Rules relating to the admission and temporary parking of vehicles within the Condominium Project and the use of the visitor parking spaces identified on the Plat, if any, including, without limitation, the right to loan or license the visitor parking spaces in the discretion of The Association, the right to remove or cause, to be removed any vehicles that are improperly parked, restrictions on the time visitor spaces may be used and the assessment of charges

to Owners and Occupants who violate, or whose invitees violate, such rules. Any charges so assessed shall be special Assessments.

(f) **External Fixtures.** No external items such as, but not limited to, television and radio antennas, satellite dishes, flag poles, clotheslines, wiring, insulation, air conditioning equipment, water softening equipment, fences, awnings, ornamental screens, screen doors, porch or patio or balcony enclosures, sunshades, lighting fixtures, walls, window, skylight, landscaping and planting, other than those provided in connection with the original construction for the Condominium Project, and any replacements thereof, and other than those approved by the Management Committee, and any replacements thereof, shall be constructed, erected or maintained on the Condominium Project without the prior written approval of the Management Committee.

(g) **Window Covers.** Only curtains, drapes, shades, shutters and blinds may be installed as window covers, and all such window covers shall be approved in advance by the Management Committee. No window shall be covered by paint, foil, sheets or similar items. The Management Committee may adopt Rules regulating the type, color and design of the external surface of window covers.

(h) **External Laundering.** Unless otherwise permitted by the Management Committee, external laundering and drying of clothing and other items is prohibited.

(i) **Outside Speakers and Amplifiers.** No radio, stereo, broadcast or loudspeaker units and no amplifiers of any kind shall be placed upon or outside, or be directed to the outside of, any Unit without the prior written approval of the Management Committee.

(j) **Repairs.** No repairs of any detached machinery, equipment or fixtures, including without limitation, motor vehicles, shall be made upon the Condominium Project.

(k) **Unightly Items.** All rubbish, debris or unsightly materials or objects of any kind shall be regularly removed from Units and shall not be allowed to accumulate therein or thereon. Refuse containers and machinery and equipment not a part of the Units, shall be prohibited in any Unit unless obscured from view of adjoining Units and Common Area. Trash and garbage shall be properly disposed in accordance with the Rules applicable thereto adopted by the Management Committee.

(l) **Pets.** Each Unit may have a maximum of two (2) domestic pets; all such pets shall be maintained in the Unit or the Limited Common Area connected to such Unit and shall be approved by the Management Committee provided such pets are not raised, bred, kept or maintained for any commercial purposes. Notwithstanding the foregoing, no animal may be kept within a Unit which, in the good faith judgment of the Management Committee, results in an annoyance, threat of injury, or is obnoxious to Owners or Occupants within the Condominium Project. The Management Committee may exercise its judgment for specific pets even though others are permitted to remain. All fecal matter shall be immediately cleaned up from the Common Area. The Management Committee may adopt Rules adding further restrictions related to pets not inconsistent with this Declaration including but not limited to requirements for registration and the use of leashes and noise and barking limitations.

(m) **Leases.** No Owner shall occupy or use his or her Unit, or permit the same or any part thereof to be occupied for any purpose other than a private residence for the Owner's family. For

the purpose of this Declaration, non-owner occupancy means that someone resides in a Unit that an Owner of the Unit does not reside in. Non-owner occupancy includes but is not limited to all leasing and rental type arrangements where the Owner does not permanently reside in the Unit. Non-owner occupancy of Units (whether for pay or not) is strictly prohibited. Renting out or leasing of individual rooms or areas within any Unit is prohibited. Any reference to a tenant or leasing arrangement otherwise in this Declaration is not an indication that such practices are allowed or permitted. In addition to all other remedies for any breach of this Declaration, The Association shall have the right to institute a forcible entry and unlawful detainer proceeding in the name of and on behalf of the Owner of the Unit against anyone residing in a Unit in violation of this provision. Neither The Association nor any agent of The Association shall be liable to the Owner or Occupant for any eviction under this Section that is made in good faith. Any expenses incurred by The Association related to an eviction, including attorney fees, service fees, storage fees, constable or sheriff fees, and costs of suit, shall be charged as an Assessment to such Owner. The Management Committee may make exceptions to the prior restriction for the immediate family of an Owner, in its sole discretion and only so long as they otherwise comply with the age requirement and restrictions for the community and do not pay any rent or similar payments. All Residents of an organizationally owned Unit (such as a corporation, partnership, or trust) shall be non-owner occupants unless one or more of the non-owner occupant is/are the sole Owners or Trustees of the organization that owns the Unit, in which case the occupants shall be considered the Owners. Non-owner occupants of a organizationally owned unit shall also be considered the Owners for purposes of this Section if their biological or adopted children, step children, grandchildren, and/or the spouses of these persons, are the only Owners or trustees of the organization. The Management Committee shall have the right to adopt Rules related to these restrictions that may further define and explain the restriction and, in its discretion, are necessary for the proper and complete enforcement of the prior restrictions, including but not limited to Rules related to the monitoring of the occupancy of Units and to restrict any sort of transaction that purports to be something other than a lease but functions essentially as a lease. No Unit in this Association may be sold "under contract" in any arrangement that allows or is essentially an "option" to purchase after a term of leasing; or in any transaction that otherwise does not require the prompt transfer of title to the Unit to the new Owner. This shall not prohibit any trust deed, Mortgage, or similar financing arrangement. The Management Committee shall be allowed to promulgate Rules as it deems necessary to enforce this provision and to gather information and documents related to Units, the transfer of Units, and the Occupants of Units for the purposes of enforcing these provisions.

(n) **Landscape Maintenance.** The Association shall have the right and duty to maintain and the right to alter and change any and all landscaping in the Common Area, subject to the following: The Association may, in the discretion of the Management Committee, allow or require Owners to maintain the landscaping in Limited Common Areas. The Association may further allow Owners to alter and change landscaping in Limited Common Areas subject to limitations that may be set by the Management Committee by resolution or Rule. The Association shall have the right of access to all Common Area and Limited Common Area of the Condominium Project as necessary for such landscape maintenance.

(o) **Floor Load.** There shall be no floor load in excess of the weight for which the Unit or balcony was designed, unless special arrangements are made, and an engineering determination of floor load capacity in the areas of the heavy use is approved in writing by the Management Committee.

(p) **Residential Occupancy.** The use of each Unit is restricted to residential occupancy. No industry, business, trade or commercial activities (other than home professional pursuits without employees, signs visible to the outside of the unit, advertising, public visits, and nonresidential storage and mail), or other use of the Unit, shall be conducted, maintained or permitted in any part of a Unit. A business operated in or out of a Unit and commencing at least six months prior to the recording of this Declaration shall be permitted if it: (1) provides a detailed information sheet indicating who owns the business, the exact nature of the business including the scope of services provided, and any other information the Management Committee may request related to the business; and (2) is approved by the Management Committee as consistent with the residential nature of The Association. Any such business operation cannot expand beyond the scope of the ongoing services or the scope of service provided and must comply with whatever reasonable restrictions the Management Committee may impose upon approval and in the future to protect the residential nature of The Association. Any such business shall immediately terminate and shall no longer be permitted if: (1) the person(s) responsible for operating the business cease to be involved in the business or new persons become involved in the operation of the business; (2) the business is sold, transferred, or otherwise abandoned; (3) the ownership of the Unit in which the business is located changes in any way; or (4) the business fails to comply with the future requests for information from the Management Committee related to the operation of the business or the restrictions of the Management Committee related to the ongoing operation of the business.

(q) **No Subdivision of Units or Further Restrictions.** No Unit shall be split, subdivided or separated into two or more Units, and no Owner of a Unit shall sell or lease part of a Unit. No subdivision plat or covenants, conditions or restrictions shall be recorded by any owner or other person with respect to any Unit unless the Management Committee has first approved the plat or the proposed covenants, conditions or restrictions, such approval to be evidenced by The Association's signature on the final recorded plat or instrument imposing the covenants, conditions or restrictions. Any plat or covenants, conditions, or restrictions recorded in violation of this Section 17(q) shall be absolutely null and void. The Management Committee's review shall be for the purpose of assuring, in the sole and absolute discretion of the Management Committee, that the plat or Covenants, Conditions, and Restrictions are consistent and compatible with the overall plan of development of the Property. However, in no event shall the approval of the Management Committee of any plat or Covenant, Condition, or Restriction be an abandonment or waiver of any provision of this Declaration. The provisions of this Declaration shall be and remain superior to any such plat or Covenants, Conditions, or Restrictions except to the extent they defer to the Plat.

(r) **Architectural Control.** No exterior changes whatsoever shall be commenced, erected, maintained, made or done without the prior written approval of the Management Committee or any committee established by the Management Committee for that purpose. By way of illustration, but not of limitation, the following are considered exterior changes: painting, landscaping, repairs, excavation, patio covers, screens, doors, evaporative coolers, fireplaces, skylights, storage buildings, solar collectors, shade screens, awnings, window coating or tinting, decorative alterations or other work that in any way alters the exterior appearance of the Property. The Management Committee, or committee established by the Management Committee for that purpose, may designate the design, style, model and manufacturer of any exterior improvement or alteration that is acceptable to the Management Committee. Such designations shall be for the purpose of achieving uniformity of appearance and preservation of property values. No interior structural changes whatsoever shall be commenced, erected, maintained, made or done without the prior written approval of the Management Committee, or any

committee established by the Management Committee for that purpose. By way of illustration, but not of limitation, the following are considered interior structural changes: moving, removing, adding, or altering walls, doorways, and the like.

(s) **Lighting.** Exterior lighting fixtures and walkway and landscaping lights shall be allowed only to the extent approved by the Management Committee.

(t) **Variances.** The Management Committee may, at its option and in extenuating circumstances, grant variances from the Restrictions set forth in this Section 17 if the Management Committee determines in its discretion: (a) either (i) that a Restriction would create an unreasonable hardship or burden on an Owner or Occupant, or (ii) that a change of circumstances since the recordation of this Declaration has rendered such Restriction obsolete; and (b) that the activity permitted under the variance will not have any substantial adverse effect on the Owners or Occupants of the Condominium Project and is consistent with the high quality of life intended for residents of the Condominium Project. Any such variance shall be unenforceable and without any effect whatsoever unless reduced to writing and signed by every member of the then existing Management Committee. The members of the Management Committee and the Management Committee shall not have any right or authority to deviate from this Declaration except as specifically provided for in this provision. No Owner or any other person may rely upon any permission to deviate from this Declaration by anyone including any member of the Management Committee or the entire Management Committee, unless it is reduced to writing and signed as required in this provision.

(u) **Hazardous Substances.**

(1) The Owners shall comply with applicable Environmental Laws (as defined below), and shall not cause or permit the presence, use, disposal, storage or release of any Hazardous Substances (as defined below), on or within the Condominium Project, that are not properly controlled, safeguarded and disposed of. The Owners shall not do, nor allow anyone else to do, anything affecting the Condominium Project that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use or storage on the Condominium Project of small quantities of Hazardous Substances that are generally recognized to be appropriate to maintenance of a Unit or the Condominium Project.

(2) Each Owner shall indemnify, defend and hold The Association and each and every other Owner harmless from and against any and all claims and proceedings (whether brought by private party or governmental agency) for bodily injury, property damage, abatement or remediation, environmental damage or impairment, or any other injury or damage resulting from or relating to any Hazardous Substances located under or upon or migrating into, under, from or through the Condominium Project, which The Association or the other Owners may incur due to the actions or omissions of an indemnifying Owner. The foregoing indemnity shall apply: (i) whether or not the release of the Hazardous Substances was caused by an indemnifying Owner, invitee or otherwise of an indemnifying Owner; and (ii) whether or not the alleged liability is attributable to the handling, storage, generation, transportation or disposal of Hazardous Substances on the Condominium Project. The obligations of each Owner under this Section 17(u) shall survive any subsequent sale by an indemnifying Owner.

(3) As used in this Section 17(u), "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following

substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde and radioactive materials. As used in this Section 17(u), "Environmental Law" means federal laws and laws of the jurisdiction where the Condominium Project is located that relate to health, safety or environmental protection.

18. **Easements.**

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

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

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

(d) The Management Committee shall have non-exclusive easements to make such use of the Common Areas as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration.

19. **Change in Ownership.** The Management Committee shall maintain up-to-date records showing the name of each person who is an Owner, the address of such person, and the Unit which is owned by him. In the event of any transfer of a fee or undivided fee interest in a Unit either the transferor or transferee shall furnish the Management Committee with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of record in the office of the County Recorder of Davis County, Utah. The Management Committee may for all purposes act and rely on the information concerning Owners and Unit ownership which is thus acquired by it or, at its

option, the Management Committee may act and rely on current ownership information respecting any Unit or Units which is obtained from the office of the County Recorder of Davis County, Utah. The address of an Owner shall be deemed to be the address of the Unit owned by such person unless the Management Committee is otherwise advised in writing. The Management Committee may charge a fee for providing copies of documents and ownership change in the maximum amount permitted by The Act or such lesser amount as shall be established by the Management Committee.

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

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

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

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

(d) If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Committee are insufficient to accomplish restoration, and if the Unit Owners do not, within 100 days after the destruction or damage and by a vote of at least 75% of the entire undivided ownership interest in the Project, elect to repair or reconstruct the affected improvements, the Management Committee shall promptly record with the Davis County Recorder a notice setting forth such facts. Upon the recording of such notice the provisions of Subsections (1) through (4) of Section 57-8-31, Utah Code Annotated (1953), as amended from time to time, shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units.

(e) Any reconstruction or repair which is required to be carried out by this Section shall be accomplished at the instance and direction of the Management Committee. Any determination which is required to be made by this Section regarding the extent of damage to or destruction of Project improvements shall be made by an MAI appraiser selected by the Management Committee who shall determine the figure representing the percentage of Project improvements which have been destroyed or substantially damaged.

21. **Taxes.** It is understood that under The Act each Unit, together with its percentage of undivided interest in the Common Areas and Facilities in the Project, is deemed a parcel and subject to separate assessment and taxation by each assessing unit and special district for all types of taxes

authorized by law. Each Unit Owner will, accordingly, pay and discharge any and all taxes which may be assessed against his Condominium Unit.

22. **Insurance.**

(a) **Property Insurance.** The Association shall obtain and maintain the insurance specified in this Declaration; provided, however, The Association shall always comply with the insurance requirements of The Act.

(b) **Hazard Insurance.** A "master" or "blanket" type policy of property insurance shall be maintained covering the entire Condominium Project, including: the Common Area; all buildings including all Units (other than the interior content thereof); fixtures, building service equipment, personal property and supplies that are part of the Common Area or owned by The Association, and that are of a class typically encumbered by First Mortgages held by FNMA or other similar institutional mortgage investors; but excluding land and other items not normally covered by such policies. References herein to a "master" or "blanket" type of policy of property insurance are intended to denote single entity insurance coverage. At a minimum, such "master" or "blanket" policy shall afford protection against loss or damage by fire, by other perils normally covered by the standard extended coverage endorsement, and by all other perils that are customarily covered with respect to projects similar to the Condominium Project in construction, location and use, including, without limitation, all perils normally covered by the standard "all risk" endorsement, where such endorsement is available. Such "master" or "blanket" policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all elements of the Condominium Project covered by such policy, exclusive of land, foundations, excavation and other items normally excluded from coverage. The insurance policy shall include either of the following endorsements to assure full insurable value replacement cost coverage: (1) a Guaranteed Replacement Cost Endorsement (under which the insurer agrees to replace the insurable property regardless of the cost) and, if the policy includes a coinsurance clause, an Agreed Amount Endorsement (which waives the requirement for coinsurance); or (2) a Replacement Cost Endorsement (under which the insurer agrees to pay up to one hundred percent (100%) of the Property's insurable replacement cost but not more) and, if the policy includes a coinsurance clause, an Agreed Amount Endorsement (which waives the requirement for coinsurance). The maximum deductible amount for such policy covering the Common Area shall be the lesser of Ten Thousand Dollars (\$10,000) or one percent (1%) of the policy face amount.

(1) Subject to Subsection (a), property insurance on the physical structures in the Condominium Project, including Common Areas and Facilities, Limited Common Areas and Facilities, and Units, insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage perils; and

(2) Subject to Subsection (j), liability insurance, including medical payments insurance covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Areas and Facilities.

(c) If an association of Unit Owners becomes aware that property insurance or liability insurance is not reasonably available, The Association shall, within seven calendar days after

becoming aware, give all Unit Owners notice, as provided in Section 57-8-42 of the Act, that the insurance is not reasonably available.

(d) In addition to any type of insurance coverage or limit of coverage provided in the declaration or by-laws and subject to the requirements of this Section, The Association may, as the Management Committee considers appropriate, obtain:

- (1) An additional type of insurance than otherwise required; or
- (2) A policy with greater coverage than otherwise required.

(e) Unless a Unit Owner is acting within the scope of the Unit Owner's authority on behalf of The Association, a Unit Owner's act or omission may not:

- (1) Void a property insurance policy or a liability insurance policy; or
- (2) Be a condition to recovery under a policy.

(f) An insurer under a property insurance policy or liability insurance policy obtained under this Section waives the insurer's right to subrogation under the policy against any Unit Owner or member of the Unit Owner's household.

(g) An insurance policy issued to The Association may not be inconsistent with any provision of this Section.

(h) A property insurance or liability insurance policy issued to The Association may not prevent a Unit Owner from obtaining insurance for the Unit Owner's own benefit.

(i) This Subsection (g) applies to property insurance required under Subsection (b).

(1) The property covered by property insurance shall include any property that, under the Declaration, is required to become Common Areas and Facilities.

(2) The total amount of coverage provided by blanket property insurance may not be less than 100% of the full replacement cost of the insured property at the time the insurance is purchased and at each renewal date, excluding items normally excluded from property insurance policies.

(3) Property insurance shall include coverage for any fixture, improvement, or betterment installed by a Unit Owner to a Unit or to a Limited Common Area, including a floor covering, cabinet, light fixture, electrical fixture, heating or plumbing fixture, paint, wall covering, window, and any other item permanently part of or affixed to a Unit or to a limited common element.

(4) Notwithstanding anything in this Section and unless otherwise provided in this Declaration, The Association is not required to obtain property insurance for a loss to a Unit that is not physically attached to:

- Another Unit; or

● An above-ground structure that is part of a Common Area or Facility.

(5) Each Unit Owner is an insured person under a property insurance policy.

(6) If a loss occurs that is covered by a property insurance policy in the name of The Association and another property insurance policy in the name of a Unit Owner:

● The Association's policy provides primary insurance coverage;
and

● Notwithstanding the preceding Subsection (i)(6), the Unit Owner's policy applies to that portion of the loss attributable to the policy deductible of The Association.

(7) As used in this Subsection (i)(7):

● "Covered loss" means a loss, resulting from a single event or occurrence, that is covered by a property insurance policy of The Association.

● "Unit damage" means damage to a Unit or to a Limited Common Area or Facility applicable to that Unit, or both.

● "Unit damage percentage" means the percentage of total damage resulting in a covered loss that is attributable to Unit damage.

(8) A Unit Owner who owns a Unit that has suffered Unit damage as part of a covered loss is responsible for an amount calculated by applying the Unit damage percentage for that Unit to the amount of the deductible under the property insurance policy of The Association.

(9) If a Unit Owner does not pay the amount required under Subsection (i)(6) within 30 days after substantial completion of the repairs to the Unit, The Association may levy an Assessment against the Unit Owner for that amount.

(10) The Association shall set aside an amount equal to the amount of The Association's property insurance policy deductible or \$10,000, whichever is less.

(11) The Association shall provide notice in accordance with Section 57-8-42 of the Act to each Unit Owner of the Unit Owner's obligation under Subsection (i)(6) for The Association's policy deductible and of any change in the amount of the deductible.

(12) If The Association fails to provide notice as provided in Subsection (i)(11) is responsible for the amount of the deductible increase that The Association could have assessed to a Unit Owner under Subsection (i)(6).

(13) The failure of The Association to provide notice as provided in Subsection (i)(11) may not be construed to invalidate any other provision of this Section.

(14) If, in the exercise of the business judgment rule, the Management Committee determines that a claim is likely not to exceed the property insurance policy deductible of The Association:

- The Unit Owner's policy is considered the policy for primary coverage to the amount of the policy deductible of The Association;

- A Unit Owner who does not have a policy to cover the property insurance policy deductible of The Association is responsible for the loss to the amount of the policy deductible of The Association, as provided in Subsection (i)(6); and

- The Association need not tender the claim to The Association's insurer.

(15) An insurer under a property insurance policy issued to The Association shall adjust with The Association a loss covered under The Association's policy.

(16) Notwithstanding Subsection (i)(12), the insurance proceeds for a loss under a property insurance policy of The Association:

- Are payable to an insurance trustee that The Association designates or, if no trustee is designated, to The Association; and

- May not be payable to a holder of a security interest.

- The insurance trustee or The Association shall hold any insurance proceeds in trust for The Association, Unit Owners, and lien holders.

- Insurance proceeds shall be disbursed first for the repair or restoration of the damaged property.

- After the disbursements described in Subsection (i) are made and the damaged property has been completely repaired or restored or the Project terminated, any surplus proceeds are payable to The Association, Unit Owners, and lien holders.

(17) An insurer that issues a property insurance policy under this Section, or the insurer's authorized agent, shall issue a certificate or memorandum of insurance to:

- The Association;

- A Unit Owner, upon the Unit Owner's written request; and

- A holder of a security interest, upon the holder's written request.

(18) A cancellation or nonrenewal of a property insurance policy under this Section is subject to the procedures stated in Section 31A-21-303 of The Act.

(19) If the Management Committee acquires from an insurer the property insurance required by this Section, it is not liable to Unit Owners if the insurance proceeds are not sufficient to cover 100% of the full replacement cost of the insured property at the time of the loss.

(20) This Subsection (20) applies to a liability insurance policy required under Subsection (j).

(j) **Liability Insurance.** A liability insurance policy shall be in an amount determined by the Management Committee but not less than an amount specified herein or in the By-laws. Each Unit Owner is an insured person under a liability insurance policy that The Association obtains that insures against liability arising from the Unit Owner's interest in the Common Areas and Facilities or from membership in The Association.

(k) **Flood Insurance.** If any part of the Condominium Project is or comes to be situated in a Special Flood Hazard area as designated on a Flood Insurance Rate Map, a "master" or "blanket" policy of flood insurance shall be maintained covering the Condominium Project, any machinery and equipment that are not part of a building and all Common Area within the Condominium Project ("Insurable Property") in an amount deemed appropriate, but not less than the lesser of: (i) the maximum limit of coverage available under the National Flood Insurance Administration Program for the Insurable Property within any portion of the Condominium Project located within a designated flood hazard areas; or (ii) one hundred percent (100%) of the insurable value of the Insurable Property. The maximum deductible amount for any such policy shall be the lesser of Five Thousand Dollars (\$5,000.00) or one percent (1%) of the policy face amount.

(l) The name of the insured under each policy required to be maintained by the foregoing (1) and (2) shall be The Association for the use and benefit of the individual Owners (the Owners shall be designated by name, if required). Notwithstanding the requirement of the immediately foregoing sentence, each such policy may be issued in the name of an authorized representative of The Association, including any Insurance Trustee with whom The Association has entered into an insurance trust agreement, or any successor to such Insurance Trustee, for the use and benefit of the individual Owners. Loss payable shall be in favor of The Association (or Insurance Trustee). Each Owner and each Owner's Lender, if any, shall be beneficiaries of such policy. Evidence of insurance shall be issued to each Owner and Lender upon request.

(m) Each policy required to be maintained by the foregoing items (1) and (2) shall contain the standard mortgage clause, or equivalent endorsement (without contribution) commonly accepted by private institutional mortgage investors in the area in which the Condominium Project is located.

(n) Each policy required to be maintained by the foregoing items (1) and (2) shall provide, if available, for the following: recognition of any insurance trust agreement; a waiver of the right of subrogation against Owners individually; the insurance is not prejudiced by any act or neglect of individual Owners which is not in the control of such Owners collectively; and that the policy is primary in the event the Owner has other insurance covering the same loss.

(o) Each policy required to be maintained by the foregoing item (i) shall also contain or provide the following: (i) "Inflation Guard Endorsement," if available; (ii) "Building Ordinance or

Law Endorsement,” if the enforcement of any building, zoning or land use law will result in loss or damage, increased cost of repairs or reconstruction, or additional demolition and removal costs (the endorsement must provide for contingent liability from the operation of building laws, demolition costs and increased costs of reconstruction); and (iii) “Steam Boiler and Machinery Coverage Endorsement,” if the Project has central heating or cooling, which shall provide that the insurer’s minimum liability per accident at least equals the lesser of Two Million Dollars (\$2,000,000.00) or the insurable value of the building containing the boiler or machinery. In lieu of obtaining this coverage as an endorsement to the commercial package property, The Association may purchase separate stand-alone boiler and machinery coverage.

(p) **Comprehensive Public Liability Insurance.** To the extent available, The Association shall obtain comprehensive general liability insurance insuring The Association, the agents and employees of The Association, the Owners and Occupants and the respective family members, guests and invitees of the Owners and Occupants, against liability incident to the use, ownership or maintenance of the Common Area or membership in The Association. The coverage limits under such policy shall be in amounts generally required by private institutional mortgage investors for projects similar to the Condominium Project in construction, location and use. Nevertheless, such coverage shall not be less than One Million Dollars (\$1,000,000.00) covering all claims for death of or injury to any one person or property damage in any single occurrence. Such insurance shall contain a Severability of Interest Endorsement or equivalent coverage which would preclude the insurer from denying the claim of an Owner because of the negligent acts of The Association or another Owner or Occupant. Such insurance shall also include protection against water damage liability, liability for non-owned and hired automobiles and liability for the property of others. Such insurance must provide that, despite any provisions giving the carrier the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable without the approval of The Association. The Management Committee may adjust the amount of the insurance carried under this Section 22(p) from time to time.

(q) **Workers' Compensation Insurance.** The Management Committee shall purchase and maintain in effect workers’ compensation insurance for all employees of The Association to the extent that such insurance is required by law.

(r) **Fidelity Insurance.** The Management Committee shall obtain fidelity coverage against dishonest acts on the part of Committee Members, officers, employees or volunteers who handle or who are responsible for handling funds of The Association. Such fidelity bonds shall name The Association as obligee and shall be written in an amount no less than one hundred fifty percent (150%) of the estimated current annual Common Expenses of The Association, including reserves, and shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of “employee” or similar terms or expressions.

(s) **Premiums.** Premiums upon insurance policies purchased by the Management Committee on behalf of The Association shall be paid by The Association as part of the Common Expenses.

(t) **Policy Provisions.**

(1) Any insurer that has issued an insurance policy to The Association under this Section shall also issue a certificate or memoranda of insurance to The Association and upon request, to any Owner or Lender.

(2) The named insured under any policy of insurance shall be The Association, as trustee for the Owners, or its authorized representative; including an Insurance Trustee, who shall have exclusive authority to negotiate losses under the policies. The policy shall provide that each Owner shall be an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Area or membership in The Association. Each Owner hereby appoints The Association, or any Insurance Trustee, as attorney-in-fact for the purpose of purchasing and maintaining insurance required by this Declaration, and adjustment of all losses related thereto, including: the collection and appropriate disposition of all insurance proceeds, the negotiation of all losses and execution of releases of liability, the execution of all documents and the performance of all other acts necessary to administer such insurance. The Association shall receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for the Owners and their Lenders, as their interests may appear. This power-of-attorney is coupled with an interest, shall be irrevocable, and shall be binding on any heirs, personal representatives, successors or assigns of an Owner.

(3) The Association's insurance shall contain the "Special Condominium Endorsement" or its equivalent. Insurance coverage obtained by The Association shall be primary insurance and may not be brought into contribution with insurance purchased by the Owners.

(4) Coverage must not be limited by (i) any act or neglect by Owners or Occupants which is not within control of The Association, or (ii) any failure of The Association to comply with any warranty or condition regarding any portion of the Condominium Project over which The Association has no control.

(5) Coverage may not be canceled or substantially modified (including cancellation for nonpayment of premium) and the insurer may not refuse to renew the policy without at least thirty (30) days prior written notice to The Association and all Lenders, and to any Owner to whom a certificate has been issued.

(6) All policies must contain a waiver of subrogation by the insurer as to any and all claims against The Association, the Owners, Occupants and their respective agents and employees, and any defenses based on coinsurance or on invalidity arising from acts of the insured.

(u) **Supplemental Insurance.** The Management Committee may obtain such other policies of insurance in the name of The Association as the Management Committee deems appropriate to protect The Association and Owners. The Management Committee shall obtain Committee Member's and officer's liability insurance for officers and Committee Members of The Association in accordance with this Declaration. Notwithstanding any of the provisions herein, The Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for Condominium Projects established by FNMA, the Department of Veterans Affairs and the Government National Mortgage Association, so long as any is a Mortgagee or

Owner of a Unit, except to the extent such coverage is not available or has been waived in writing by FNMA, the Department of Veterans Affairs or the Government National Mortgage Association.

(v) **Annual Insurance Report.** Not later than sixty (60) days prior to the beginning of each fiscal year, the Management Committee may obtain a written report by a reputable independent insurance broker or consultant setting forth the existing insurance obtained pursuant to this Declaration and stating whether, in the opinion of such broker or consultant, the insurance complies with the requirements of this Declaration and The Act. Such report may also set forth recommendations regarding current policy provisions and for additional insurance reasonably required for the protection of the Owners and the Lenders in light of the insurance then available and the prevailing practice with respect to other similar Condominium Projects. The Management Committee shall be fully protected in relying on the written report furnished pursuant to this Section 22(v) provided reasonable care and prudence were exercised in selecting such independent insurance broker or consultant.

(w) **Insurance Obtained by Owners.** Notwithstanding the above, Owners shall obtain insurance coverage in addition to the insurance maintained by The Association. All Unit Owners shall have a minimum Coverage of \$10,000 or the deductible under the policy maintained by The Association, whichever is less, added to their individual Unit Owner's policy. Anything to the contrary notwithstanding, the insurance coverage of a Unit Owner or resident shall be primary and the insurance of The Association shall be secondary for losses that emanate from within their Unit, or from items that are their responsibility to maintain and replace. If any Unit Owner fails to maintain insurance, Unit Owners will still be responsible for an amount equal to The Association's insurance deductible on any claim arising from the losses that emanates from within their Unit or from items that are their responsibility to repair or replace, including improvements, betterments, and special fixtures.

23. **Right's of Lenders.**

(a) **Notice of Lenders.** A Lender shall not be entitled to receive any notice that this Declaration requires The Association to provide Lenders for notice, approval or consent regarding a proposed action or otherwise, unless and until such Lender or its mortgage servicing contractor, has delivered to The Association a written notice stating that such Lender is the holder of a loan encumbering a Unit within the Condominium Project, in accordance with Section 23(f). Notwithstanding the foregoing, if any right of a Lender under this Declaration is conditioned on a specific written request to The Association, in addition to the above, a Lender must also make such request in writing delivered to The Association. Except as provided in this Section 23(a), a Lender's rights pursuant to this Declaration, including, without limitation, the priority of any mortgage lien over the lien of Assessments levied by The Association hereunder shall not be affected by the failure to deliver a notice or request to The Association. The provisions of this Section 23(a) shall not apply to the Department of Veterans Affairs or the Department of Housing and Urban Development.

(b) **Priority of Lenders.** No breach of the Restrictions herein contained, nor the enforcement of any lien provision herein, shall affect, impair, defeat or render invalid the lien or charge of any Lender made in good faith and for value encumbering any Unit, but all of such Restrictions shall be binding upon and effective against any Owner whose title to a Unit is derived through foreclosure or trustee's sale, or otherwise.

(c) **Relationship with Assessment Liens.**

(1) The lien provided for in Section 15(a) for the payment of Assessments shall be subordinate to the lien of any Lender that was recorded prior to the date any such Assessment becomes due.

(2) If any Unit that is subject to a monetary lien created by this Declaration is also subject to the lien of a Lender, then: (i) the foreclosure of any lien created by this Declaration shall not operate to affect or impair the lien of such Lender; and (ii) the foreclosure of the lien of a Lender or the sale under a power of sale included in a Mortgage or deed of trust shall not operate to affect or impair the lien hereof, except that any Person who obtains an interest thereafter shall take title free of any lien created by this Declaration for any Assessments that became due after the recordation of the Mortgage or deed of trust, or any personal obligation for such charges, but such Person shall remain subject to the lien hereof for all charges that shall accrue subsequent to such foreclosure.

(3) Without limiting the provisions of Section 15, any Lender who obtains title to a Unit by reason of any foreclosure, or deed or assignment in lieu of foreclosure, or any Person who obtains title at a private or judicial foreclosure sale, shall take title to such Unit free of any lien or claim for unpaid Assessments against such Unit that accrued prior to the time such Lender or purchaser takes title to such Unit, except for liens or claims for a share of such Assessments resulting from a pro rata reallocation of such Assessments to all Units within the Condominium Project.

(4) Nothing in this Section 23(4) shall be construed as releasing any Person from the personal obligation to pay for any Assessments levied Pursuant to this Declaration during the period such Person is an Owner.

(d) **Required Lender Approval.** Except upon the prior written approval of seventy-five percent (75%) of all Lenders that have provided notice to The Association as described in Section 23(a) and Section 23(f), based on one vote for each Unit encumbered by a loan, neither The Association nor the Management Committee shall be entitled by action or inaction to do any of the following:

(1) Abandon or terminate by an act or omission the legal status of the Condominium Project; or

(2) Except as specifically provided by this Declaration, amend any provisions governing the following:

- Voting rights;
- Increases in Assessments that raise the previously assessed amount by more than twenty-five percent (25%), Assessment liens, or the priority of Assessment liens;
- Reductions in reserves for maintenance, repair and replacement of the Common Area;

- Reallocation of interests in the Common Area and the Limited Common Area, or rights to their use;
- Redefinition of any Unit boundaries;
- Convertibility of Units into Common Area or vice versa;
- Expansion or contraction of the Condominium Project, or the addition, annexation or withdrawal of Property to or from the Condominium Project;
- Hazard or fidelity insurance requirements;
- Imposition of any restrictions on the leasing of Units;
- Imposition of any restrictions on an Owner's right to sell or transfer such Owner's Unit;
- Restoration or repair of the Condominium Project (after damage or particular condemnation) in a manner other than that specified in this Declaration, the Articles or the By-laws; or
- Any provision that expressly benefits Lenders (including their insurers or guarantors).

Any Lender who receives, by certified or registered mail, a written request, with a return receipt requested, to approve a change and who does not return a negative response within thirty (30) days shall be deemed to have approved such request.

(e) **Other Rights of Lenders.** Any Lender (and such Lender's insurer or guarantor) shall, upon written request to The Association, be entitled:

(1) To inspect current copies of this Declaration (and any amendments), The Association's Articles, By-laws, Rules and other books and records of The Association during normal business hours; and

(2) To receive an annual financial statement of The Association within ninety (90) days following the end of The Association's fiscal year.

(f) **Notices of Action.** Upon written request to The Association identifying the name and address of the Lender (and the name and address of the Lender's insurer or guarantor, if desired) and the Unit Number or address, any such Lender (or any such insurer or guarantor) will be entitled to timely written notice of:

(1) Any condemnation or casualty loss that affects a material portion of the Condominium Project or any Unit on which there is a First Mortgage held by such Lender;

(2) Any delinquency in the payment of Assessments or charges owed by an Owner of a Unit subject to the lien of a Lender, that remains uncured for a period of sixty (60) days;

(3) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by The Association; and

(4) Any proposed action by the Owners or The Association that would amount to a material change in the Declaration as identified in Section 15(d) of the Declaration.

24. **Eminent Domain.** In the event that eminent domain proceedings are commenced against the Project or any portion thereof, the provisions of Section 57-8-32.5, Utah Code Annotated (1953), as amended from time to time, shall apply.

25. **Maintenance.**

(a) Each Owner of a Unit at his own expense shall keep the exterior doors, garage doors, windows, and interior of such Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating and painting which may at any time be necessary to maintain the good appearance of such Unit. Except to the extent that The Association is protected by insurance against such injury, the Unit Owner shall repair all injury or damages to the Unit or building or buildings caused by The Act, negligence or carelessness of the Unit Owner, or any member of the Unit Owner's family and all such repairs, redecorating and painting shall be of a quality and kind equal to the original work as determined and approved in writing by the Management Committee. In addition to decorating and keeping the interior of the Unit in good repair, the Unit Owner shall be responsible for the maintenance or replacement of any plumbing, fixtures, refrigerators, air conditioning and heating equipment, dishwashers, disposals, ranges, etc., that may be in or connected with the Unit, and the maintenance of limited common patio except the fences surrounding such areas. In addition, the Unit Owner shall be responsible for the maintenance or replacement of the air conditioning unit which is for the use of but separate from the Unit. Without the written permission of the Management Committee first had and obtained, a Unit Owner shall not make or permit to be made any structural alteration, in or to the Unit, parking stalls, or in or to the exterior of the buildings, and shall not paint, decorate or plant any portion of the exterior of the Unit or of the building in which the Unit is located including any Limited Common Area.

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

26. **Amendment.** In addition to the amendment provisions contained in Sections 14(a)(2) and 14(d), but subject to the terms of Section 23, this Declaration and/or the Map may be amended upon the affirmative vote or approval and consent of not less than sixty-seven percent (67%), one hundred percent (100%) to change the undivided interest of a Unit Owner in Common Areas and Facilities of the undivided interest in the Common Areas and Facilities. Any amendment so authorized shall be accomplished by recordation of an instrument executed by the Management Committee. In said instrument the Committee shall certify that the vote or consent required by this Section has occurred.

27. **Consent in Lieu of Vote.** In any case in which The Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for authorization or approval

of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who collectively hold at least such stated percentage of undivided ownership interest. The following additional provisions shall govern any application of this Section:

- (a) All, necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Owner;
- (b) Any change in ownership of a Unit which occurs after consent has been obtained from the Owner having an interest therein shall not be considered or taken into account for any purpose; and
- (c) Unless the consent of all Owners having an interest in the same Unit are secured, the consent of none of such Owners shall be effective.

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

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

Unit _____ in Building _____ as shown in the Record of Survey Map for Danbury Lane, a Condominium Project appearing in the Records of the County Recorder of Davis County, Utah, in Book _____ Page _____ of Plats, and as defined and described in the Declaration of Condominium, appearing in such records in Book _____, Page _____ of Records.

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

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

30. **Gender.** The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

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

32. **Topical Headings.** The topical headings contained in this Declaration are for convenience only and do not define, limit or construe the contents of the Declaration.

33. **Effective Date.** This Declaration shall take effect upon recording.

IN WITNESS WHERE The Association has executed this Declaration this 15 day of August, 2012.

DANBURY LANE HOME OWNERS'
ASSOCIATION

R Lowell Hadley

PRESIDENT

ATTESTED TO:

Caryl Jensen

SECRETARY

STATE OF UTAH)

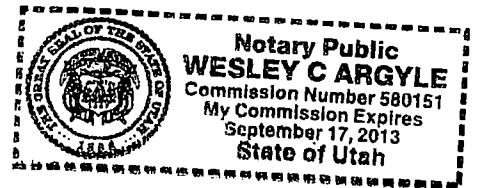
:SS.

COUNTY OF DAVIS)

On the 15 day of August, 2012 personally appeared before me R. Lowell Hadley the signer of the above instrument, who being by me first duly sworn did say: That he is the President of Danbury Lane home Owners' Association, that this instrument was signed in behalf of said Associations by authority of its Covenants, Conditions and Restrictions and By-laws, and that said Association executed the same.

Wesley C Argyle

Notary Public



STATE OF UTAH)

:SS.

COUNTY OF SALT LAKE)

On the 15 day of August, 2012 personally appeared before me Cheryl Jensen the signer of the above instrument, who being by me first duly sworn did say: That she is the Secretary of Danbury Lane Home Owner's Association,



Notary Public

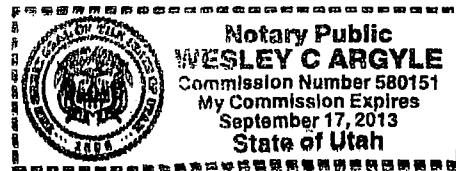


Exhibit "A"

All of Danbury Lane Condominiums, Phases I through IX (or 1 through 9), inclusive, according to the official plats thereof, on file with the office of the recorder of Davis County, State of Utah, more particularly described as follows:

Beginning on the West line of 200 West Street and the Northeast Corner of Danbury Lane Condominiums, Phase 1, at a point S 0°08'06" E 506.00 feet from the Northeast Corner of Lot 3, Block 8, North Mill Creek Plat, Bountiful Townsite Survey, Bountiful, Utah and running thence S 0°08'06" E 169.30 feet along the West line of said street to the Southeast Corner of said Phase 1, and running thence N 87°59'58" W 182.20 feet, thence N 83°24'25" W 44.25 feet, thence S 89°46'54" W 116.00 feet, thence N 0°13'06" W 11.96 feet, thence S 89°46'54" W 90 feet, thence N 0°13'06" W 146.63 feet, thence N 70°30' W 35.00 feet, thence N 1°10'34" W 31.15 feet, thence N 3°53'34" E 66.44 feet thence N 8°54'44" E 65.03 feet, thence N 7°51'13" W 71.78 feet, thence N 0°25'06" E 118.00 feet to the Northwest Corner of Danbury Lane Condominiums, Phase 6, thence S 89°34'54" E 120.95 feet, thence N 0°08'06" W 14.63 feet to a Northerly Corner of Danbury Lane Condominiums Phase 5, thence N 89°25'22" E 126.18 feet, thence S 89°34'54" E 33.81 feet to the Northeast Corner of Danbury Lane Condominium Complex, thence S 0°08'06" E 104.84 feet, thence N 89°58'05" E 18.99 feet, thence S 0°12'30" E 153.14 feet, thence N 89°34'54" W 29.20 feet, thence S 0°08'06" E 117.00 feet, thence N 89°46'54" E 180.00 feet to point of beginning, containing 3.9964 acres.

AND ALSO INCLUDING:

Beginning at the Southeast Corner of Lot 11, Holmes Park Subdivision, a subdivision of part of Block 8, North Millcreek Plat, Bountiful Townsite Survey, Bountiful, Utah which point is N 89°34'54" W 432.98 feet and S 0°13'06" E 781.16 feet from the Northeast corner of Lot 3, Block 8, North Millcreek; and running thence N 0°13'06" W 130.11 feet along the East boundary of said subdivision to the South boundary of Danbury Lane Condominiums Phase 4, thence N 89°46'54" E 90.00 feet, thence S 0°13'06" E 11.96 feet to the Southwest corner of Danbury Lane Condominium Phase 1, thence N 89°46'54" E 116.00 feet to the Southwest Corner of Danbury Lane Condominiums Phase 2, thence S 83°24'25" E 44.24 feet, thence S 1°06' W 121.75 feet, thence N 88°10'24" W 247.29 feet to the point of beginning, containing 0.7216 acres.

Exhibit "A"

Exhibit "B"

By-Laws Attached

Exhibit "B"

BYLAWS
OF
DANBURY LANE OWNERS ASSOCIATION

I. IDENTITY

These are the Bylaws of Danbury Lane, a Condominium Community, duly made and provided for in accordance with the Utah Condominium Ownership Act (the "Act"). Any term used herein which is defined in the Declaration to which these Bylaws are appended shall have the meaning ascribed therein.

II. OFFICE

The office of the Association shall be located at the Condominium Community or at such other place as may be designated by the Management Committee.

III. APPLICATION

All present or future owners, or any other persons who might use the facilities of Danbury Lane in any manner are subject to the regulations set forth in these Bylaws. The mere acquisition of any of the Units or parts thereof, or the mere act of occupancy or use of any of said Units or parts thereof or the Common Areas and Facilities will signify that these Bylaws are accepted, ratified, and will be complied with by said persons.

IV. ASSOCIATION

1. Members. The members of the Association shall consist of all persons owning a Unit of Danbury Lane, a Condominium Community, in fee simple as shown in the records of the County Recorder of Davis County, Utah. No mortgagee or a beneficiary or trustee under a deed of trust shall be a member unless and until such a party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

The interest of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to the member's Unit.

2. Place of Meetings. Meetings of the Association shall be held at such place within the State of Utah as the Management Committee may specify in the notice, except as herein otherwise specified.

3. Annual Meetings. The annual meeting of the Association shall be held at 6:30 p.m. on the second Monday in August. Thereafter, the annual meetings shall be held on such day of each succeeding year; provided, however, that whenever such date falls on a legal holiday, the meeting shall be held on the next succeeding business day, and further provided that the Management Committee may by resolution fix the date of the annual meeting on such date or at such other place as the Management Committee may deem appropriate.

4. Special Meetings. Special meetings of the Association may be called at any time by the Management Committee or by Unit Owners who collectively hold at least thirty (30) percent of the total vote. Such meeting shall be held at such place as the Management Committee may specify and the notice thereof shall state the date, time and matters to be considered.

5. Notices. Written or printed notice stating the place, day and hour of all meetings of the Association and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days before the date of the meeting, either personally or by mail to each Unit Owner. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Association, with postage thereon prepaid.

6. Quorum. At the meeting of the Association, the Owners of more than fifty (50) percent in the aggregate of interest in the undivided ownership of the Common Areas and Facilities shall constitute a quorum for any and all purposes, except where express provisions of these Bylaws or the Declaration of Condominium require a vote of more than fifty percent of the Association, in which event a quorum shall be the percentage of interest required for such vote. In the absence of a quorum, the chairman of the meeting may adjourn the meeting and reschedule the meeting for a time no earlier than forty-eight (48) hours and no later than thirty (30) days after the time set for the original meeting. No notice of the rescheduled meeting other than by announcement at the original meeting shall be required. A quorum for the transaction of business at the rescheduled meeting shall be thirty percent (30%) of the percentage interest. At any such adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted at the meeting as originally notified.

7. Voting. When a quorum is present at any meeting, the vote of the Unit Owners representing more than fifty (50) percent of the undivided interest present at the meeting either in person or represented by proxy, shall decide any question of business brought before such meeting, including the election of the Management Committee, unless the question is one upon which, by express provision of the Declaration or these Bylaws, a greater vote is required, in which case such express provision shall govern and control the decision of such question. All votes may be cast either in person or by proxy. All proxies shall be in writing, and in the case of proxies for the annual meeting, they shall be delivered to the Secretary at least five (5) days prior to said annual meeting. Proxies for special Unit Owners' meetings must be of record with the secretary at least two days prior to said special meeting.

An Owner shall be deemed to be in good standing and entitled to vote at any annual meeting or at any special meeting of the Association if, and only if, he shall have fully paid all due installments of assessments made or levied against him and his Unit by the Committee as hereinafter provided, together with all interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and against his Unit, at least three (3) days prior to the date fixed for such annual or special meeting.

8. Proxies. The votes appertaining to any Unit may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Unit Owner, or, in cases where the Unit Owner is more than one person, by or on behalf of all such persons. No such proxy shall be revocable except by actual notice to the person presiding over the meeting, by the Unit Owner or by any of such persons, that it be revoked. Any proxy shall be void if it is not dated, or if it purports to be revocable without notice as aforesaid. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy, and must be filed with the Secretary not less than three (3) days before the meeting.

9. Waivers of Notice. Any Unit Owner may at any time waive any notice required to be given under these Bylaws, or by statute or otherwise. The presence of a Unit Owner in person at any meeting of the Unit Owners shall be deemed such waiver.

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

V. MANAGEMENT COMMITTEE

1. Purposes and Powers. The business, property and affairs of the Condominium Community shall, be managed and governed by the Management Committee consisting, of the number of members as shall be determined by the Bylaws and Declaration, but not less than five (5) members. The Committee shall have all of the powers and duties necessary for the administration of the affairs of the Association in accordance with the provisions of the Declaration and may do all such acts and things as are not by the Act or by these Bylaws directed to be exercised and done by the Association. The Committee shall have the power from time to time to adopt any rules and regulations deemed necessary for the enjoyment of the Condominium Community provided such rules and regulations shall not be in conflict with the Act, the Declaration or these Bylaws. The President shall have the authority to act on behalf of the Committee on all matters relating to the duties of the Manager, if any, which might arise between meetings of the Committee. Subject to any limitations or provisions contained in the Declaration, the Committee shall be responsible for the following:

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

(b) Making assessments against Owners to defray the costs and expenses of the Condominium, establishing the means and methods of collecting such assessments from the Owners, and establishing the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Committee, the annual assessment against each Owner for his proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month.

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

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

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

(f) Making and amending rules and regulations respecting the use of the Property.

(g) Opening of bank accounts on behalf of the Association and designating a minimum of two co-signatories on such accounts.

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

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

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

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

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

(m) To do such other things and acts not inconsistent with the Act, the Declaration or the Bylaws or by a resolution of the Association.

2. Composition of Committee. Committee members of the Association shall be elected and removed, and vacancies shall be filled in the manner provided by the Declaration and Bylaws. The names and addresses of persons who are currently serving as Committee Members until their successors are elected and qualify, are:

President

Vice President

Member

Member

Secretary

3. Election. The Management Committee shall be elected as provided in the Declaration.

4. Vacancies. Vacancies on the Management Committee shall be filled as provided in the Declaration.

5. Regular Meetings. A regular annual meeting of the Management Committee shall be held immediately after the adjournment of each annual meeting of the Unit Owners. Regular meetings, other than the annual meeting, shall be held monthly, at least eleven (11) months out of the year at the date, time, and place as either the President or the Management Committee may from time to time designate.

6. Special Meetings. Special meetings of the Management Committee shall be held whenever called by the President, Vice President, or by two or more members. By unanimous consent of the Management Committee, special meetings may be held without call or notice at any time or place.

7. Quorum. A quorum for the transaction of business at any meeting of the Management Committee shall consist of a majority of the members of the Management Committee then in office..

8. Compensation. No compensation shall be paid to the members of the Management Committee for their services as members of the Committee, provided that nothing herein contained shall be construed to preclude any member of the Management Committee from serving the Condominium Community in any other capacity and receiving compensation therefor.

9. Waiver of Notice. Before or at any meeting of the Management Committee, any member thereof, may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Management Committee at any meeting thereof shall be a waiver of notice by him of the time and place thereof.

10. Action Without Meeting. Any action which may be taken at a meeting of the Committee may be taken without a meeting if authorized by a writing signed by a majority of the persons who would be entitled to vote upon such action at a meeting, and filed with the Secretary.

11. Adjournments. The Management Committee may adjourn any meeting from day to day or for such other time as may be prudent or necessary, provided that no meeting may be adjourned for longer than thirty days.

12. Indemnification. Every Committee Member and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel 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 Committee Member or officer of the Association, or any settlement thereof, whether or not he is a Committee Member or officer at the time such expenses are incurred, except in such cases wherein the Committee Member or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification herein shall apply only when the Management Committee approves such settlement and reimbursement as being for the interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Committee Member or officer may be entitled.

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

VI. OFFICERS

1. Designation and Election. The principal officers of the Management Committee shall be a President, a Vice President, two (2) Members, and a Secretary, all of whom shall be elected by The Unit Owners. The Management Committee may appoint an Assistant Secretary and such other officers as in their judgment may be necessary or desirable. Officers shall be elected at the annual meeting of Unit Owners. Other officers shall be appointed at the first meeting of the Management Committee immediately following the annual meeting of the Unit Owners; provided, however, that appointment of officers may be held at any other meeting of the Management Committee.

2. Other Officers. The Management Committee may appoint such other officers, in addition to the officers hereinabove expressly named, as they shall deem necessary, who shall have authority to perform such duties as may be prescribed from time to time by the Management Committee.

3. Removal of Officers and Agents. All officers and agents shall be subject to removal, with or without cause, at any time by two-thirds vote of the then members of the Management Committee.

4. President. The President shall be the chief executive of the Management Committee, and shall exercise general supervision over its property and affairs. He shall sign on behalf of the Condominium all conveyances, mortgages and contracts of material importance to its business, and shall do and perform all acts and things which the Management Committee may require of him. He shall preside at all meetings of the Unit Owners and the Management Committee. He shall have all of the general powers and duties which are normally vested in the office of the president of a corporation, including, but not limited to, the power to appoint committees from among the members (or otherwise) from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium Community.

5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the Vice President is able to act, the Management Committee shall appoint some other member thereof to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be prescribed by the Management Committee.

6. Members. The two members of the board shall participate and vote in all Management Meetings and shall perform other duties as shall from time to time be prescribed by the President or Management Committee.

7. Secretary. The Secretary shall keep the minutes of all meetings of the Management Committee and of the Unit Owners; he shall have charge of the books and papers as the Management Committee may direct; and he shall in general, perform all the duties incident to the office of Secretary.

8. Compensation. No compensation shall be paid to the officers for their services as officers. No remuneration shall be paid to an officer for services performed by him for the Management Committee in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by affirmative vote of seventy percent (70%) of the Owners Association before the services are undertaken.

9. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, checks and other instruments of the Condominium Community for expenditures or obligations shall be executed by any two officers of the Committee or by such other person or persons as may be designated by the Committee except that the President shall be one of the signatories on all conveyances, mortgages and contracts of material importance.

VII. ACCOUNTING

1. Books and Accounts. The books and accounts of the Management Committee shall be kept under the direction of the secretary and in accordance with the reasonable standards of accounting procedures.

2. Report. At the close of each accounting year, the books and records of the Management Committee shall be reviewed by a person or firm approved by the Unit Owners. Report of such review shall be prepared and submitted to the Unit Owners at or before the annual meeting of the Unit Owners. Provided, however, that a certified audit by a certified public accountant approved by the Unit Owners shall be made if Owners representing at least seventy-five (75) percent of the undivided interest in the Common Areas and Facilities determine to require the same.

3. Inspection of Books. All books and records of the Association shall be available at the principal office of the Management Committee and may be inspected by any Unit Owner, or his agent or attorney, for any proper purpose during reasonable business hours.

4. Fiscal Year. The fiscal year of the Association shall consist of the twelve month period commencing on January 1 of each year and terminating on December 31 of the same year, except that the first fiscal year shall begin at the date of organization and terminate on December 31. The

fiscal year herein established shall be subject to change by the Committee should it be deemed advisable or in the best interests of the Association.

VIII. BUILDING RULES

The Management Committee shall have the power to adopt and establish, by resolution, such building, management and operational rules and regulations as it may deem necessary for the maintenance, operation, management and control of the Condominium and the Management Committee may from time to time, by resolution, alter, amend, and repeal such rules and regulations. Unit Owners shall at all times obey such rules and regulations and use their best efforts to see that they are faithfully observed by the persons over whom they have or may exercise control or supervision, it being clearly understood that such rules and regulations shall apply and be binding upon all Unit Owners of the Condominium Community. Provisions of the Act pertaining to rules and regulations are incorporated herein by reference and shall be deemed a part hereof.

IX. AMENDMENT OF THE BYLAWS

These Bylaws may be altered or amended in the same manner and subject to the same conditions as apply with respect to amendment of the Declaration.

X. OPERATION AND MAINTENANCE OF CONDOMINIUM PROJECT

The Management Committee shall be responsible for the maintenance, control, operation and management of the Condominium in accordance with the provisions of the Act, the Declaration under which the Condominium was established and submitted to the provisions of the Act, these Bylaws and such rules and regulations as the Association of Unit Owners may adopt from time to time as herein provided, and all agreements and determinations lawfully made and entered into by the Association of Unit Owners.

XI. NOTICE

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

of the Manager or at such other address as shall be designated by notice in writing to the Owners pursuant to this section.

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

XII. COMPLIANCE, CONFLICT, AND MISCELLANEOUS PROVISIONS

1. Compliance. These Bylaws are set forth in compliance with the requirements of the Act.

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

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


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

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

6. Miscellaneous. Whenever in these Bylaws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

Adopted and executed as of this 15 day of August, 2012.

DANBURY LANE HOME OWNERS'
ASSOCIATION



PRESIDENT

ATTESTED TO:



SECRETARY

STATE OF UTAH)

:ss.

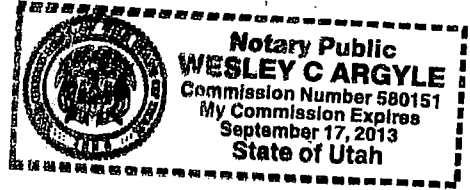
COUNTY OF DAVIS)

On the 15 day of August, 2012 personally appeared before me R. Lowell Hadley the signer of the above instrument, who being by me first duly sworn did say: That he is the President of Danbury Lane home Owners' Association, that this instrument was signed in behalf of said

Associations by authority of its Covenants, Conditions and Restrictions and By-laws, and that said Association executed the same.

Wesley C Argyle

Notary Public



STATE OF UTAH)

:SS.

COUNTY OF SALT LAKE)

On the 15 day of August, 2012 personally appeared before me Cheryl Jensen the signer of the above instrument, who being by me first duly sworn did say: That she is the Secretary of Danbury Lane Home Owner's Association,

Wesley C Argyle

Notary Public

