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JEFFERY SMITH
UTAH COUNTY RECORDER
2019 Jul 17 2:52 pm FEE 40.00 BY IP
RECORDED FOR PLEASANT GROVE CITY CORPORA

AFTER RECORDING RETURN TO:
Jeffrey Q. Cardon
Jeffrey Q. Cardon, P.C.
P.O. Box 971597
Orem, UT 84097

DELIVER TAX NOTICES TO:
SGH Holdings, LLC
1364 West Pleasant Grove Blvd., Ste. 100
Pleasant Grove, UT 84062

**DECLARATION OF CONDOMINIUM
OF
PROCTOR CORNER CONDOMINIUMS**

THIS DECLARATION is made as of the date hereinafter set forth by SGH Holdings, LLC, a Utah limited liability company with its principal place of business in Pleasant Grove, Utah (the "Declarant"), pursuant to the provisions of the Utah Condominium Ownership Act (the "Act").

RECITALS

- A. WHEREAS, Declarant is the owner of that certain tract of land, more particularly described in the attached "Exhibit B" (the "Land").
- B. WHEREAS, Declarant has constructed upon the Land a Condominium Project, including certain Units and other improvements. All construction has been performed in accordance with plans and drawings contained in the Record of Survey Map filed for record simultaneously herewith, prepared and certified by Roger D. Dudley, a Professional Land Surveyor holding Utah license #147089.
- C. WHEREAS, Declarant desires, by filing this Declaration and the Record of Survey Map, to submit the Land and all improvements now or hereafter constructed hereon to the provisions of the Act as a Condominium Project to be known as the Proctor Corner Condominiums (the "Condominium Project").
- D. WHEREAS, Declarant intends to sell to various purchasers the fee title to the individual Units contained in the Project, together with an Undivided Ownership Interest in the Common Area and Facilities appurtenant to such Units, subject to the covenants, conditions, restrictions, limitations, and easements herein set forth.

DECLARATION

NOW THEREFORE, in accordance with the foregoing premises, Declarant hereby declares and certifies as follows:

Article I. DEFINITIONS

Unless the context or the Act requires otherwise, the terms in this Declaration shall be defined to mean as follows:

- (a) **"Act"** shall mean and refer to the Utah Condominium Ownership Act, UTAH CODE ANN. § 57-8-1 *et seq.*, as the same may be amended from time to time.
- (b) **"Association of Unit Owners"** or the **"Association"** shall mean and refer to the Unit Owners (a) acting as a group in accordance with this Declaration and Bylaws; or (b) organized as a legal entity in accordance with this Declaration.
- (c) **"Building"** means the building in which the Units are contained, and which comprises a part of the Property.
- (d) **"Committee"** means and refers to the Management Committee.
- (e) **"Common Areas and Facilities"** or **"Common Areas"** shall mean and refer to and include:
 - (1) The Land on which the Building and other improvements are constructed and submitted to the terms of the Act by this Declaration;
 - (2) Those Common Areas and Facilities specifically set forth and designated as such on the Map;
 - (3) That part of the Project not specifically included in the respective Units as hereinafter defined;
 - (4) All Limited Common Areas and Facilities;
 - (5) All exterior walkways, streets, yards, gardens, fences, open parking spaces, installation of central services such as power, light, gas, all apparatus and installations existing for common use and community facilities as may be provided for;
 - (6) All other parts of the Project normally in common use or necessary or convenient to its use, existence, maintenance, safety, or management; and
 - (7) All Common Areas and Facilities as defined in the Act, whether or not expressly listed herein.
- (f) **"Common Expenses"** shall mean: (a) all sums lawfully assessed against a Unit Owner; (b) expenses of administration, maintenance, repair, or replacement of the Common Areas and Facilities; (c) expenses agreed upon as Common Expenses by the Association upon approval of the Unit Owners; and (d) expenses declared common expenses by the Act, this Declaration, or the Bylaws.
- (g) **"Condominium Unit"** means and refers to one of the Units intended for independent use with its appurtenant Undivided Ownership Interest in the Common Areas and

Facilities as shown in this Declaration and on the Map, and as otherwise defined in the Act. 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 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 interior walls 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 or serving only the Unit, and any 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.

- (h) **“Condominium Project”** shall mean and refer to the Proctor Corner Condominiums.
- (i) **“Declarant”** shall mean and refer to the person or persons who execute this Declaration or on whose behalf this Declaration is executed.
- (j) **“Declaration”** shall mean and refer to this Declaration of Condominium of Proctor Corner Condominiums by which the Property and the Project is submitted to the provisions of the Act, as the Act may be amended from time to time.
- (k) **“Land”** shall mean and refer to the real property more particularly described in the attached **“Exhibit B”** and situated in Utah County, State of Utah, together with all appurtenances thereto.
- (l) **“Limited Common Areas and Facilities”** or **“Limited Common Areas”** shall mean those Common Areas and Facilities designated in this Declaration and/or shown on the Map as reserved for use of a certain Unit or Units to the exclusion of other Units. Limited Common Areas and Facilities include, but are not limited to, any dedicated electrical and plumbing facilities, HVAC and other mechanical lines and equipment, storage areas, and parking spaces specifically assigned to or discretely servicing a Unit or Unit Owner.
- (m) **“Management Committee”** shall mean and refer to the committee as provided in this Declaration, and the accompanying Bylaws, charged with and having the responsibility and authority to make and to enforce all of the reasonable rules and regulations covering the operation and maintenance of the Property.
- (n) **“Map”** shall mean and refer to the Record of Survey Map of the Property and the Project titled **“Proctor Corner Condominiums”** and recorded with this Declaration. The Map shows the Units, their locations and dimensions, the Limited Common Areas and Facilities which are reserved for a Unit’s use, and the Common Areas and Facilities of the Project as a whole.

- (o) **"Mortgage"** shall mean any mortgage, deed of trust or other security instrument by which a Unit or any part thereof may be encumbered.
- (p) **"Mortgagee"** shall mean any person named as a Mortgagee or beneficiary under or holder of a Deed of Trust.
- (q) **"Owner"** means and refers to a Unit Owner.
- (r) **"Person"** means an individual, corporation, limited liability company, partnership, association, trustee of a trust, or other legal entity.
- (s) **"Project"** means and refers to the Condominium Project.
- (t) **"Property"** shall mean and refer to the Land, the Building, all improvements and the structures thereon, all easements, rights, and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.
- (u) **"Undivided Ownership Interest"** means the percentage of the total amount of square footage of all Units in the Condominium Project (combined) that the enclosed square footage contained inside a Unit Owner's Unit or Units represents. For Unit 3, the Undivided Ownership Interest shall not include the square footage included in the outside rooftop patios included on the Map until such time as such patios are or have been enclosed. The percentage of Undivided Ownership Interest of each Unit is detailed in **Exhibit A** attached to this Declaration.
- (v) **"Unit"** means and refers to the Condominium Units.
- (w) **"Unit Number"** shall mean and refer to the number, letter, or combination of numbers and letters identifying or designating a Unit in this Declaration or in the Map.
- (x) **"Unit Owner"** shall mean and refer to the person or persons owning a Unit in fee and an undivided interest in fee of the Common Areas and Facilities that are appurtenant thereto as provided herein. The Declarant shall be deemed to be the Unit Owner of all completed but unsold Units. In the event a Unit is the subject of an executory contract of sale, the Buyer shall – unless the Seller and the Buyer have otherwise agreed and have informed the Committee in writing of such agreement – be considered the Unit Owner for all purposes.

Article II. SUBMISSION OF THE PROJECT

Section 2.1 Submission. The Property and the Project is hereby submitted to the provisions of the Act, as the Act may from be amended from time to time, as a condominium project. The Condominium Units contained within the Project, as shown on the Map, shall be held, transferred, sold, conveyed, and occupied subject to the provisions of the Act and this Declaration.

Section 2.2 Covenants to Run with Land. This Declaration and all the provisions hereof shall constitute covenants, conditions, and restrictions that run with the land; and/or comprise an equitable servitude, as the case may be, and shall be binding upon and inure to the benefit of Declarant, all parties who hereafter acquire any interest in a Unit or in the Project, and their respective grantees, transferees, heirs, devisees, personal representatives, successors and assigns. Each Unit Owner or occupant of a Unit shall comply with, and all interests in all Units shall be subject to, the terms of the Act, the terms of this Declaration, the Bylaws and the provisions of any rules, regulations, agreements instruments and determinations contemplated by this Declaration, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Committee on behalf of Unit Owners, or, in a proper case, by an aggrieved Unit Owner. By acquiring any interest in a Unit or in the Project, the party acquiring such interest consents to, and agrees to be bound by, the provisions of this Declaration.

Section 2.3 Appointment of Trustee. The Declarant hereby conveys and warrants pursuant to UTAH CODE ANN. §§ 57-1-20 and 57-8-45 to attorney Jeffrey Q. Cardon (the "Trustee"), with power of sale, the Units and all improvements to the Units for the purpose of securing payment of assessments under the terms of this Declaration.

Article III. PROPERTY DESCRIPTION

Section 3.1 Legal Description of a Unit. A deed, mortgage, or other instrument may legally describe a Unit by its Unit Number. Each description shall be construed to convey, transfer, encumber, or otherwise affect the Unit Owner's corresponding Undivided Ownership Interest in the Common Areas and Facilities though the percentage ownership is not expressly mentioned or described. The legal description shall be in substantially the following or similar form:

[Unit 1] [Unit 2] or [Unit 3] contained within the Proctor Corner Condominiums as the same is identified in the record of survey map recorded in Utah County, Utah as Entry No. 66355, Map Filing No. 16622, as said map may have been amended or supplemented, and as described in the Declaration of Condominium of Proctor Corner Condominiums recorded on July 17, 2019 in Utah County, Utah as Entry No. 66356 (the "Declaration"), as said Declaration may have been amended or supplemented. Together with an undivided interest in and to the common areas and facilities as the same is established and identified in the Declaration and Map of the Proctor Corner Condominiums.

This conveyance is subject to the provisions of the Declaration.

Such description will be construed to describe the Unit together with an undivided interest in and to the Common Areas and Facilities as the same is established and identified in this Declaration and Map referred to hereinabove, and to incorporate all the rights, responsibilities, and limitations incident to being a Unit Owner as described in this Declaration.

Section 3.2 Unit Details. The Unit Number, size of each Unit in square feet of floor space; the appurtenant Undivided Ownership Interest in the Common Areas and Facilities for each Unit, and the total number of votes afforded each Unit Owner of a Unit is detailed in Exhibit A attached hereto.

Section 3.3 Description of Improvements. The improvements included in the Project are described on the Map. The Map indicates the number of Units in the Building, the dimensions of the Units, and other significant facts relating to the Building and the Common Areas and Facilities.

The Condominium Project consists of one (1) major Building. The Building has one (1) Unit comprising the first and second floors of the Building (including the bottom or ground level), plus a common unit on each of the first and second floors, and one (1) Unit comprising the third floor of the Building. Total Units are two (2), plus the two (2) common units.

The Building is a combination of brick veneer, reflective glazing in aluminum storefront frames, exterior insulation finish system, and asphalt-shingled roof. Landscaping consists of shrubs and trees. Automatic sprinkling system with timers is installed.

Article IV. NATURE AND INCIDENT OF OWNERSHIP

Section 4.1 Status of Units. Each unit, together with its Undivided Ownership Interest in the Common Areas and Facilities, shall, for all purposes, constitute real property and may be individually conveyed, leased, and encumbered, and may be inherited or devised by will and be subject to all types of judicial acts as if it were sole and entirely independent of all other Units, and the separate Units shall have the same incidents as real property, and the corresponding individual titles and interests therein shall be recordable.

Section 4.2 Ownership and Possession Rights. Each Unit Owner shall be entitled to the exclusive ownership and possession of the Unit Owner's respective Condominium Unit.

Section 4.3 Tenancy Relationships. Any Unit may be held and owned by more than one person as joint tenants, or as tenants in common, or in any other real property tenancy relationship recognized under the laws of the State of Utah.

Section 4.4 Undivided Interest in Common Areas and Facilities. Each Unit Owner shall have, for each Unit owned, an appurtenant, undivided interest in and to the Common Areas and Facilities as such Undivided Ownership Interest is set forth and described in Exhibit A.

Section 4.5 Membership in Association. Each Unit Owner shall be a member of the Association of Unit Owners. Membership in the Association shall be mandatory, shall be appurtenant to, and shall not be separated from the Unit to which it appertains.

Section 4.6 Common Areas and Limited Common Areas.

- (a) **Use.** Subject to the limitations contained in this Declaration, any Unit Owner shall have the exclusive right to use and enjoy the Common Areas and Facilities, in

accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other unit owners, subject to such reasonable rules for usage such as times of day, safety rules, etc. as may be determined by the Committee.

- (b) **Modification to Common Areas.** The Undivided Ownership Interest of each Unit Owner in the Common Areas and Facilities as expressed in this Declaration have a permanent character and shall not be altered without the consent of two-thirds (2/3) of the Unit Owners expressed in an amended declaration duly recorded.
- (c) **No Separation.** No part of a Unit or of the legal rights included with being a Unit Owner may be separated from any other part thereof during the period the Unit is owned by a Unit Owner. Each Unit, the Undivided Ownership Interest in the Common Areas and Facilities appurtenant to such Unit, and the exclusive right to use and occupy the Limited Common Areas and Facilities appurtenant to each Unit, shall always be conveyed, devised, encumbered, released from liens, and otherwise effect only together and may never be separated or encumbered separately from one another. Every gift, devise, bequest, transfer encumbrance, release, or other disposition of a Unit or any part thereof, shall constitute a gift, devise, bequest, transfer, encumbrance, release, or conveyance, respectively, of the entire Unit, together with all appurtenant rights, responsibilities, or limitations created by law or by this Declaration, even though an appurtenant interest or right is not expressly mentioned or described in the conveyance or other instrument.
- (d) **No Partition.** The Common Areas and Facilities shall be owned in common by the Unit Owners and be appurtenant to owning a Unit in accordance with their Undivided Ownership Interest, and no Unit Owner may bring action for partition thereof, unless the Property has been removed from the provisions of the Act as provided in UTAH CODE ANN. §§ 57-8-22 and 57-8-31. Any covenants to the contrary shall be null and void.
- (e) **Building Exterior.** In addition to maintenance upon the Common Areas and Facilities, the Committee shall provide exterior maintenance upon each Unit that is subject to assessment hereunder, as follows: paint, repair, replacement and care of roofs, gutters, downspouts, exterior Building surfaces, trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include glass windows of each Unit, unless such glass surfaces are part of Common Areas and Facilities.
- (f) **Maintenance of Common Areas.** Except as provided in UTAH CODE ANN. § 57-8-43, the Association shall provide maintenance, repairs, and replacement of the Common Areas and Facilities and the making of any additions or improvements thereon including, but not limited to, the following: roads, retaining walls, fences, sewer mains, water mains, snow removal, as well as all trees, shrubs, grass, etc. as exist upon the Common Areas.
- (g) **Access to Common Areas.**

- (1) **"Reasonable notice"** means (i) written notice that is hand delivered to the Unit at least 24 hours prior to the proposed entry; or (ii) in the case of emergency repairs, notice that is reasonable under the circumstances.
 - (2) **"Emergency repairs"** means any repairs that, if not made in a timely manner, will likely result in immediate and substantial damage to the Common Areas and Facilities or to another Unit or Units.
 - (3) **Right of Access.** Some of the Common Areas and Facilities are or may be located within the Units or may be conveniently accessible only through one or more Units. The Unit Owners of the other Units shall have the irrevocable rights, to be exercised by the Committee as their agent, to have access upon reasonable notice to each Unit and to all Common Areas and Facilities from time to time during such reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the Common Areas and Facilities located therein, or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Areas and Facilities, or to another Unit or Units. The Committee shall also have such rights independent of the agency relationship.
 - (4) **Damage to Unit.** Damage to the interior of any part of a Unit resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Areas and Facilities or as a result of emergency repairs within another Unit as the instance of the Committee or of Unit Owners, shall be an expense of all the Unit Owners and assessed proportionately; provided however, that if such damage is the result of negligence of the Unit Owner, then such Unit Owner shall be solely financially responsible for all such damage.
- (h) **Parking.** The Association shall post "No Parking" signs in areas other than those designated for parking. The Association shall be responsible for the provided maintenance (including snow removal) for all roads and parking areas within the Condominium Project.

Section 4.7 Unit Owner Duties and Obligations.

- (a) **Unit Maintenance.** Each Unit Owner shall at his own cost and expense maintain, repair, paint, repaint, tile, wax, paper or otherwise refinish and decorate the interior walls and trim the interior surfaces of the walls, ceilings, floors and windows and doors forming the boundaries of his Unit and all walls, ceilings, floors, windows and doors within such boundaries. In addition to decorating and keeping the interior of his Unit in good repair and in a clean and sanitary condition, the Unit Owner shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heater, heating equipment, air conditioner, lighting fixture, refrigerator, dishwasher, disposal equipment, range, or other appliance or fixtures that may be in, connected with, or exclusively servicing his Unit.

- (b) **Maintenance of Limited Common Areas.** Each Unit Owner shall keep the Limited Common Areas and Facilities designed for exclusive use in connection with the Unit in a clean, sanitary and attractive condition at all times.
- (c) **Duty of Unit Owner to Pay Taxes on Unit.** It is understood that under the Act each Unit (and its percentage of interest in the Common Areas and Facilities) in the Project is subject to separate assessment and taxation of each taxing authority and the special district(s) for all types of taxes and assessments authorized by law and that as a result thereof no taxes will be assessed or levied against the Project as such. Accordingly, each Unit Owner will pay and discharge any and all taxes and assessments which may be assessed against him on his Unit.
- (d) **Duty to Pay Association Assessments.** Each Unit Owner is obligated to pay and discharge all assessments and charges levied by the Association as set forth herein.

Section 4.8 Willful and Negligent Acts. In the event that the need for maintenance or repair of a Unit is caused through the willful or negligent acts of its Unit Owner, or through the willful or negligent acts of the family, guests, or invitees of the Unit Owner of the Unit needing such maintenance or repair, the cost of such exterior maintenance shall be added to and become part of the assessment to which such Unit is subject.

Section 4.9 Association Maintenance of Units. In the event an Unit Owner of any Unit in the Condominium Project shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Association, the Management Committee, after approval by two-thirds (2/3) vote of the Association, shall have the right, through its agents and employees, to enter the said Unit and to repair, maintain and restore the Unit and the exterior of the Building and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Unit is subject.

Section 4.10 Division of Utility Costs. The cost of all utility or municipality services (including, without limitation, water, sewer, garbage collection, telephone, electrical, and gas) which are separately metered (if metering is applicable to the service in question) and billed by the suppliers concerned to the individual Units shall be paid by the Unit Owner of the respective Unit. The cost of all such services which are not separately metered and bill to such individual Units but which benefit all Units and the Project as a whole, shall be paid by the Association as a Common Expense. Notwithstanding anything to the contrary contained within the preceding portion of this Section 4.10, in the event that any utility or municipal service is separately metered (if metering is applicable to the service in question) and billed to one or more Units and a portion of such service benefits in whole or in part any other Unit or the Common Areas and Facilities, the Association shall reimburse or credit the Unit Owner of the Unit so billed for the cost of such portion; the determination of such portion, and the cost related thereto which shall be borne by the Association as a Common Expense, shall be made by the Association in a fair and reasonable manner on the basis of the best information reasonably available at the time, and shall be final and binding upon each Unit Owner.

Article V. EASEMENTS

Section 5.1 Easement for Encroachment. If any part of the Common Areas or Facilities encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance for the same, shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common encroachment and for maintenance shall and does exist. Such encroachment shall not be considered to be encumbrances either in the Common Areas or Facilities or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the Building on the Land, by error in the Map, by settling, raising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

Section 5.2 Right of Ingress, Egress, Lateral Support. Each Unit Owner shall have the right to ingress and egress over, upon and across the Common Areas and Facilities necessary for access to his Unit, and to the Limited Common Areas and Facilities designated for use in connection with his Unit, and each Unit Owner shall be the right to the horizontal and lateral support of a Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

Section 5.3 Easement to Management Committee. The Management Committee shall have non-exclusive easements to make such use of the Common Areas and Facilities as may be necessary or appropriate to perform the duties and functions that they are obligated or permitted to perform pursuant to this Declaration.

Section 5.4 Easement for Utility Service. There is hereby created a blanket easement upon, across, over and under the Land above described in Article II for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to, water, sewers, gas, telephone, electricity, and other utility services.

Article VI. RESTRICTIONS

Section 6.1 Office and Commercial Use. Each Unit may be rented or leased by the Unit Owner for use and occupancy as herein stated.

Section 6.2 Restriction Concerning Common Areas. There shall be no obstructions of the Common Areas and Facilities by the Unit Owners, their tenants, guests or invitees without the prior written consent of the Management Committee. The Management Committee may by rules and regulations prohibit or limit the use of the Common Areas and Facilities as may be reasonably necessary for protecting the interests of all the Unit Owners or protecting the Units or the Common Areas and Facilities. Nothing shall be kept or stored on any part of the Common Areas and Facilities without the prior written consent of the Management Committee, except as specifically provided herein. Nothing shall be altered on, constructed in, or removed for the Common Areas and Facilities, except upon consent of the Management Committee.

Section 6.3 Miscellaneous Restrictions. Nothing shall be done or kept in any Unit or in the Common Areas and Facilities or any part thereof which would result in the cancellation of the insurance of the Project or any part thereof or increase of the rate of the insurance on the Project or any part thereof over what the Management Committee, but for such activity would pay,

without the prior written consent of the Management Committee. Nothing shall be done or kept in any Unit or in the Common Areas and Facilities or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any government body. No damage to, or waste of, the Common Areas and Facilities or any part thereof shall be committed by any Unit Owner or any Invitees of any Unit Owner, and each Unit Owner shall indemnify and hold the Management Committee and the other Unit Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees, provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee of any other Unit Owner. No noxious destructive or offensive activity shall be carried on in any Unit or in the Common Areas or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Unit Owner or to any person at any time lawfully residing in the Project. No recreational vehicle or boat parking on the Project of such personal property either by the Unit Owners or their guests, invitees or assigns is expressly prohibited.

Section 6.4 Animals. No pets or animals of any kind or nature whatsoever shall be permitted in any Unit, in the Common Areas, or in any other part of the Project, except as required as reasonable public accommodations under the Americans with Disabilities Act.

Section 6.5 No violation of Rules and Regulations. No Unit Owner shall violate the rules and regulations for the use of the Units and the Common Areas and Facilities as adopted from time to time by the Management Committee.

Section 6.6 Restrictions on Alterations.

- (a) **Non-Structural Changes to Units.** Upon prior written approval of the Management Committee, which shall not be unreasonably withheld, a Unit Owner may, within the Unit Owner's Unit, or after acquiring an adjoining Unit that shares a common wall with the Unit Owner's Unit:
- (1) remove or alter a partition within the Unit Owner's Unit or between the Unit Owner's Unit and the acquired Unit, even if the partition is entirely or partly common areas and facilities; or
 - (2) create an aperture within the Unit Owner's Unit or to the adjoining Unit or portion of a Unit.
- (b) **Structural Changes to Units.** No structural alterations shall be made to any Unit by a Unit Owner without the prior written approval of the Management Committee, which may be given or withheld in the Committee's sole and absolute discretion. A Unit Owner may not take an action under Section 6.6(a) if the action would:
- (1) impair the structural integrity or mechanical systems of the Building or any Unit;
 - (2) reduce the support of any portion of the Common Areas and Facilities or a Unit; or
 - (3) constitute a violation of Utah Code Ann. §§ 10-9a-608 or 17-27a-608, as applicable, a local government land use ordinance, or a building code.

- (c) **Approval of Alterations.** The Management Committee may require a Unit Owner to submit prior to any alterations being undertaken or performed, and at the Unit Owner's expense, a registered professional engineer's or registered architect's opinion stating that a proposed change to the Unit Owner's Unit will not:
 - (1) impair the structural integrity or mechanical systems of the Building or any Unit;
 - (2) reduce the support or integrity of Common Areas and Facilities; or
 - (3) compromise structural components.
- (d) **Association Expenses.** The Management Committee may require a Unit Owner to pay all legal and other expenses of the Association of Unit Owners related to a proposed alteration to the Unit or Building under this Section 6.6.
- (e) **No Change in Voting.** An action under Section 6.6(a) does not change an assessment or voting right attributable to the Unit Owner's Unit or the acquired Unit,

Section 6.7 Restrictions on Signs. No signs, flags, graphics, decals, window film, paint, or other advertising devices of any nature, including without limitation commercial, political, informational, or directional signs or devices, shall be erected or maintained at any place on the exterior of the Building, or in any exterior window of the Building, or on any part of the Project without the prior inspection and written approval of the Management Committee, except as may be necessary to temporarily caution or warn of danger. All signage, whether original or replacement shall be professionally made and shall be of the style and theme established by the Committee for the Project as a whole.

Section 6.8 Window Coverings. Exterior windows in Units shall be covered only with coverings and in colors as approved by the Management Committee. Approved colors for window shades shall include black, dark brown, and dark grey. Unit Owners may elect the opacity of any such window shades, as appropriate. If any approved window covering is discontinued for sale, the Management Committee shall approve of an acceptable replacement product, in its sole discretion, at the request of any Unit Owner. Any and all other window treatments shall be subject to the approval of the Management Committee. The Management Committee, in its sole discretion, may approve additional colors and/or other or additional restrictions with regard to window treatments and coverings.

Section 6.9 Zoning Compliance. Notwithstanding the provisions of Section 6.7 any sign, banner, or similar devices located in the Project shall comply with applicable zoning or sign ordinances of Pleasant Grove City, Utah.

Article VII. INSURANCE

Section 7.1 Insurance Bond. The Management Committee shall secure or cause to be secured and maintained at all times the following insurance bond coverage:

- (a) A policy or policies of fire and casualty insurance with extended coverage endorsement, for the full insurable replacement value of the entire Project. Such policy

or policies shall be made payable to the committee and all persons holding an interest in the Project or any of the Units, as their interest may appear.

- (b) An appropriate fidelity bond coverage for any person or entity handling funds of the Management Committee, including but not limited to, employees of the professional managers, the amount of such coverage to be equal to the estimated maximum of funds, including Reserve Funds, in the custody of the Association or the management agent at any given time during the term of the fidelity bond, but not less than a sum equal to three months' aggregate assessment on all Units plus Reserve Funds, said bond to name the Association as an obligee.
- (c) A policy or policies insuring the Management Committee, the manager, and the Unit Owners against any liability incident to ownership, use, or operation of the Project or of any Unit which may arise among themselves to the public, to any invitees, or to any tenants of the Project or of the Unit Owners. Limits of liability under such insurance shall not be less than \$300,000.00 for any person injured, \$1,000,000.00 for all persons injured in any one accident and 1,000,000.00 for property damage resulting from one occurrence. Such policies shall be issued on a comprehensive liability basis and shall provide a cross liability endorsement pursuant to which the rights of the named insured as between themselves are not prejudiced.

Section 7.2 Additional Insurance Provisions. The following additional provisions shall apply with respect to insurance:

- (a) In addition to the insurance described above, the Committee shall secure and at all times maintain insurance against such risks as are or hereafter may be customarily insured against in connection with condominium projects similar to the Project in construction, nature and use.
- (b) The Committee shall have the authority to adjust losses.
- (c) Insurance secured and maintained by the Committee shall, if possible, provided: a waiver of the insurer's subrogation rights with respect to the Committee, the Manager, the Unit Owners, and their respective servants, agents and guests; that it cannot be canceled, suspended, or invalidated due to the conduct of any member, officer, or employee of the Committee or of the Manager without prior written demand that the defect be cured that any "No other insurance" clause therein shall not apply with respect to insurance held individually by the Unit Owners or their Mortgagees.
- (d) Any Unit Owner may obtain additional insurance at his own expense, so long as such additional insurance does not have the effect of decreasing the amount which may be realized under any policy maintained by the Committee. Any Unit Owner who individually obtains insurance covering any portion of the Project shall supply the Committee with a copy of such policy within thirty (30) days after he acquires such insurance.

Article VIII. DAMAGE, DESTRUCTION, AND RESTORATION

Section 8.1 Damage to Project. In the event the damage to or destruction of part or all of the improvements in the Condominium Project, the following procedures 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 as quickly as possible.
- (b) If less than seventy-five (75%) of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and upon approval of at least fifty percent (50%) of the affected Unit Owners, all affected Unit Owners shall be assessed for any deficiency on the basis of their respective Undivided Ownership Interests in the Common Areas and Facilities.
- (c) If seventy-five percent (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 one hundred (100) days after the destruction or damage and by a vote of a least seventy-five percent (75%), elect to repair or reconstruct the affected improvements, the Management Committee shall promptly record with the Utah County Recorder a notice setting forth such facts. Upon the recording of such notice, the provisions of subsection 1 through 4 of Section 57-8-31, Utah Code Annotated (1953) shall apply and govern the rights of all parties having an interest in the Project or any of the Units.
- (d) Any reconstruction or repair which is required to be carried out by this Article VIII shall be accomplished at the instance and direction of the Management Committee. Any determination which is required to be made by this Article VIII regarding the extent of the damage to or destruction of Project improvements shall be made by three (3) MAI appraisers selected by the Management Committee. The decision of any two (2) such appraisers shall be conclusive.

Article IX. MORTGAGES AND MORTGAGEE PROTECTION

Section 9.1 Mortgage Protection. Notwithstanding anything to the contrary in this Declaration:

Section 9.2 Notice of Mortgage. Any Unit Owner who mortgages its Unit shall furnish the Committee the name and address for such Mortgagee, and the Committee shall maintain such information in a book entitled "Mortgages of Units." The committee shall report to such Mortgagee any unpaid assessments due from the Unit Owner of such Unit at the same time as the Committee makes demand on the Unit Owner thereof for payment of other default by its Unit Owner/Mortgagor in the performance of such Unit Owner's obligations under the term and provisions of this Declaration which shall not have been cured within thirty (30) days after written notice to such Unit Owner/Mortgagor by the Committee specifying such default.

Section 9.3 Right to Examine. A Mortgagee shall have the right to examine the books and records of the Association and the Committee upon request and to require annual reports of the financial status of the Association.

Section 9.4 Working Capital Fund. There shall be established a working capital fund for the initial months of operation of the Project equal to a minimum amount of two (2) months estimated Common Area charge for each Unit.

Section 9.5 Effect of Foreclosure on Liens. Any Mortgage holder which comes into possession of the Unit pursuant to the remedies provided in the Mortgage, foreclosure of the Mortgage, or deed or assignment in lieu of foreclosure, shall take the Unit free of any unpaid claims or assessments and charges against the Unit which accrued prior to the time such holder comes into possession of the Unit, except for claims for a pro rata share of such assessments or charges resulting from a pro rate reallocation of such assessments or charges to all Units in the Project, including the mortgaged Unit.

Section 9.6 Notice of Damage. In the event of substantial damage to or destruction of any Unit or any part of the Common Areas or Facilities, the institutional holder of any first mortgage on a Unit shall be entitled to timely written notice of any such damage or destruction. No Unit Owner or other party shall be entitled to priority over such institutional holder with respect to the distribution to such Unit of any insurance proceeds.

Section 9.7 Notice of Default. Any holder of the mortgage is entitled to written notification from the Management Committee of any default by the mortgagor of such Unit in the performance of such mortgagor's obligation under this Declaration which is not cured within thirty (30) days.

Section 9.8 Subordination. Any lien which created hereunder that the Management Committee may have on any Unit in the Project for the payment of Common Expenses assessments attributable to such Unit, or for any other purpose, will be subordinate to the lien or equivalent security interest of any first mortgage, made in good faith and for value received, on the Unit recorded prior to the date any such Common Expenses assessments become due.

Section 9.9 General Mortgagee Protection. Unless at least seventy-five percent (75%) of the first mortgagees (based on one vote for each mortgage owned) of Units have given their prior written approval, neither the Management Committee nor the Association of Unit Owners shall:

- (a) By act or omission, seek to abandon or terminate the Project, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of taking condemnation or eminent domain;
- (b) Change the pro-rata interest on obligations of any Unit for (i) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or for (ii) determining the pro-rata share of ownership of each Unit in the appurtenant Common Areas and Facilities;

- (c) Make any material amendment to this Declaration or to the Bylaws of the Association, including but not limited to, any amendment that would change the percentage interest of the Unit Owners in the Common Areas and Facilities except as provided in Section 13.2;
- (d) By act or omission, seek to amend, partition, subdivide, encumber, sell, or transfer the Common Areas or Facilities. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas and Facilities of the Project shall not be deemed a transfer within the meaning of this subsection.); or
- (e) Use hazard insurance proceeds for losses to any Project property (whether to Units or to the Common Areas and Facilities) for other than the repair, replacement or reconstruction of such improvements, except as provided herein and by statute in cases of substantial loss to the Units and/or the Common Areas and Facilities of the Project.

Section 9.10 Eminent Domain. If any Unit or portion thereof of the Common Areas and Facilities or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the institutional holder of any first mortgage or a Unit shall be entitled to timely written notice of any such proceeding or proposed acquisition and no Unit Owner or other party shall have priority over such institutional holder with respect to the distribution to such Unit of the proceeds of any award or settlement.

Section 9.11 Leasing Restriction. There shall be no prohibition or restriction on a Condominium Unit Owner's right to lease the Unit, except a requirement that leases have a minimum initial term of up to six (6) months. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration and Bylaws and that any failure by the lessee to comply with the terms of such documents shall be default under the lease. All leases shall be in writing.

Section 9.12 Compliance with Laws. This Declaration has been drafted to comply with the requirements of the Act. Any ambiguities, omissions, and/or conflicts shall be construed to comply with the provisions of the Act.

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BYLAWS

Article X. THE ASSOCIATION

Section 10.1 Voting. Each Unit Owner shall be afforded one (1) vote for each square foot of internal floor space contained in the Unit(s) owned by the Unit Owner. The square footage of the Units and the associated number of votes appurtenant to each Unit is set forth in the attached Exhibit A. Absent an express provision to the contrary, or as otherwise may be required by the Act, action by the Association shall be taken upon the approval of the Unit Owners. The phrase “**approval of the Unit Owners,**” or words of similar import describing the consent or vote of Unit Owners shall be deemed to have been obtained upon approval of a majority of the total votes eligible to be voted by the Unit Owners.

Section 10.2 Multiple Ownership. In the event there is more than one person owning a particular Unit, the vote relating to such Unit shall be exercised as such Unit Owners may determine between or among themselves, but in no event shall more than the number of appurtenant votes, as reflected on Exhibit A, be cast for such Unit with respect to any issue. Votes cast at any Association meeting or by written consent by any of such Unit Owners, whether in person or by proxy, shall be conclusively presumed to be the entire vote attributable to the Unit concerned unless an objection is made at the meeting or in writing by another Unit Owner of the same Unit, in which event not vote will be counted with respect to such Unit except to determine the presence or absence of a quorum.

Section 10.3 Place of Meeting. Meetings of the Association shall be held at such suitable place as is convenient to the Unit Owners as may be designated by the Management Committee in its notice.

Section 10.4 Annual Meetings. Annual meetings of the Association shall be held each year beginning in the year 2020 on such day and as may be set forth in the notice therefor; provided, that after the first such annual meeting, a month other than that in which the first annual meeting is held may be chosen upon the approval of the Unit Owners of the Association. At such annual meetings there shall be elected members of the Management Committee, as needed, pursuant to the provisions of this Declaration. Financial and budget reports shall also be presented at such meetings as well as other business of the Association properly placed before each meeting.

Section 10.5 Special Meetings. The President shall call a special meeting of the Unit Owners as directed by a resolution of the Management Committee or upon the request of Unit Owners holding at least thirty percent (30%) of the total votes of the Association having been presented to the Committee. No business shall be transacted at a special meeting except as stated in the notice therefor unless consented to by the Unit Owners, either in person or by proxy.

Section 10.6 Notice of Meetings. The Secretary shall mail a notice of each annual or special meeting stating the purpose thereof as well as the time and place of the meeting to each Unit Owner of record at least ten (10), but not more than twenty (20) days prior to such meeting. The mailing of notice by prepaid U.S. Mail or by delivery in person shall be considered notice served.

Section 10.7 Quorum. Unit Owners present at any meeting of the Association duly called pursuant to notice shall constitute a quorum at all meetings, both annual and special; provided, however, that such Unit Owners collectively shall be entitled to cast in person or by proxy at least a majority of the total Association votes eligible to be voted.

Section 10.8 Adjourned Meetings. If any meeting of the Association cannot be organized because a quorum is not present, the Unit Owners who are present either in person or by proxy may adjourn the meeting to a time not less than 48 hours from the time the original (or a previously adjourned) meeting was called, at which time the requirements for a quorum shall be reduced by one-half that required for the previously called (or adjourned) meeting.

Section 10.9 Officers. The Association shall have a President, a Vice President, and a Secretary/Treasurer each of whom shall be elected by and from the Management Committee. Only the offices of Secretary and Treasurer may be filled by the same person.

- (a) **President.** The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Management Committee. He shall have all of the general powers and duties that are usually vested in the office of president of a similarly situated association.
- (b) **Vice President.** The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. The Vice President shall also perform such other duties as shall from time to time be imposed on him by the Committee.
- (c) **Secretary/Treasurer.** The Secretary/Treasurer shall keep the minutes of all meetings of the Management Committee and the minutes of all meetings of the Association. He shall have charge of such books and records as the Management Committee may direct and he shall, in general, perform all duties incident to the office of Secretary or Treasurer of a similarly situated association. He shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all money and any other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Management Committee.

Section 10.10 The Association of Unit Owners. The Association was established for the benefit of the Unit Owners. The conveyance of each Unit and its undivided interest in the Common Areas and Facilities shall be subject to the covenants, conditions, restrictions, easements, charges, and liens contained in this Declaration and any supplements or amendments thereto recorded in the office of the Utah County Recorder prior to the conveyance of any Unit. All Unit Owners of Units in the Project shall, upon becoming Unit Owners, automatically become members of the Association, in the place of the prior Unit Owner. The Association shall elect a Management Committee to:

- (a) Maintain and administer certain facilities;

- (b) Maintain the Common Areas and Facilities in the Project;
- (c) Enforce the covenants, conditions, and restrictions imposed in this Declaration; and
- (d) Collect and disburse the assessments and charges created herein.

Article XI. THE MANAGEMENT COMMITTEE

Section 11.1 Status and General Authority of Committee. Except as hereinafter provided, the Project shall be managed, operated and maintained by the Management Committee as agent for the Unit Owners. The Committee shall, in connection with its exercise of any of the powers hereinafter provided, constitute a legal entity capable of dealing in the Committee's name. The Management Committee shall have, and is hereby granted, the following authority and powers:

- (a) With the approval of the Unit Owners, the authority to grant or create on such terms as it deems advisable, utility and similar easements over, under, across, and through the Common Areas or Facilities.
- (b) The authority to execute and record, on behalf of all Unit Owners, any amendments to this Declaration or the Map approved by the vote or consent necessary to authorize such amendment.
- (c) The power to sue and be sued.
- (d) With the approval of the Unit Owners, the authority to enter into contracts relating to the Common Areas and Facilities and other matters over which it has jurisdiction.
- (e) The power and authority to convey or transfer any interest in real property, so long as the vote or consent necessary under the circumstances have been obtained.
- (f) The power and authority to purchase, or otherwise acquire, an 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.
- (g) The power and authority to add any interest in real property obtained pursuant to Section 11.1(f) above to the Project, so long as such action has been authorized by the necessary vote or consent.
- (h) The authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Committee in carrying out its function or to ensure that the Project is maintained and used in a manner consistent with the interests of the Unit Owners.
- (i) The power and authority to perform any other acts and to enter into any other transactions, subject to the rights of the Association of Unit Owners, 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

relating to the Common Areas or Facilities of the Project that recites facts which, if true, would establish the Committee's power and authority to accomplish thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.

Section 11.2 Management Committee Meetings. The Committee may meet and take binding action at any gathering of the Management Committee, whether in person or by means of electronic communication.

Section 11.3 Indemnification of Management Committee. Each member of the Management Committee shall be indemnified and held harmless, to the fullest extent of the law, by the Unit Owners against all costs, expenses, and liabilities whatsoever including without limitation, reasonable attorney's fees incurred in connection with any proceeding to which such member may become involved by reason of his being or have been a member of the Committee.

Section 11.4 Composition of Committee, Election, Vacancy (Declarant Control). Until the happening of the first of the following two (2) events, the Management Committee shall be composed of one (1) or more persons, who need not be Unit Owners, selected solely by the Declarant:

- (a) The expiration of one hundred twenty (120) days following the conveyance of title to Units representing one-hundred percent (100%) of the total outstanding Association votes; or
- (b) The expiration of five (5) years after the first conveyance of title to any Unit purchaser.

Provided, however, that Declarant may waive such right, in whole or in part at any time prior to the occurrence of either or both of the aforesaid events by (1) giving notice to Unit Owners of such waiver, in written recordable form, and (2) filing for record in the Office of the Utah County Recorder a written notice of waiver of such right, whereupon Unit Owners shall promptly hold a meeting to elect a new Management Committee, it being established hereby that the control of the Unit Owners in the Management Committee shall automatically vest thirty (30) days following the date such waiver is recorded. In the event a Committee seat which was filled by an appointee of or by Declarant becomes vacant, Declarant has the right to select a replacement member to sit on the Committee for the balance of the term associated with the vacated seat. In all other vacancy cases 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.

Section 11.5 Composition of Committee, Election, Vacancy (Owner Control). Subject to the provisions in Section 11.4, the Management Committee shall be composed of one (1) or more individuals. A President, Vice President, and a Secretary/Treasurer, may be elected by approval of the Unit Owners. Initially, the President shall be elected to a three (3) year term, the Vice President shall be elected to a two (2) year term; and the Secretary/Treasurer shall be elected to a one (1) year term. As Committee members' terms expire, new members shall be elected for three (3) year terms. Members shall serve on the Committee until their successors are elected. Committee members must be a Unit Owner, spouse of Unit Owner, or an officer, director, agent,

or employee of non-individual Unit Owners. Vacancies in the Committee may be filled by appointment by the remaining members or member of the Committee and said appointees shall serve until the next annual meeting when their successors shall be elected for the unexpired term of the member they were appointed to replace. The Association, upon approval by the Unit Owners, may increase the number of members on the Committee, if deemed to be desirable. Any Committee member who fails to attend at least 25% of all committee meetings (whether regular or special) held during any twelve (12) month period shall automatically forfeit his seat.

Section 11.6 Rights and Duties. The Management committee, on behalf of the Association, and subject to the rights and duties of the Association, this Declaration, and Bylaws regarding Project maintenance as provided herein, shall be responsible for the general management of the Project. It is understood that the Committee has the obligation to maintain the Common Areas and Facilities of the Project.

Section 11.7 Right of Delegation to Manager. The Management Committee may carry out any of its functions which are capable of delegation through a manager. The Manager so engaged shall be responsible for managing the Common Areas and Facilities and shall, to the extent permitted by law and the terms of the agreement with the Management Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself.

- (a) **Payment of Services, Etc.** The Management Committee may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Management Committee shall determine to be necessary or desirable for the proper operation of its function in the Project, whether such Committee or by any person or entity with whom it contracts. The Management Committee may obtain and pay for the operation of the Project or the enforcement of this Declaration. It is recognized that the Committee may arrange with other persons to furnish snow removal, ground maintenance and other common services to the Project whether such personnel are furnished or employed directly by the Management Committee.
- (b) **Management Agreements.** Any management agreement for the Project shall be terminable by the Management Committee for cause upon thirty (30) days written notice thereof, and the term of any such agreement shall not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods.

Section 11.8 Personal Property Ownership and Use. The Management Committee may acquire and hold for the use and benefit of the Unit Owners tangible and intangible personal property and may dispose of the same by sale or otherwise. The beneficial interest in any such property shall be deemed to be owned by the Unit Owners in the same proportion as their respective Undivided Ownership Interests in the Common Areas and Facilities. Any such interest shall not be transferable except with the transfer of a Unit. A transfer of a Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto, and such beneficial interest may in no event be reserved, but by the transferor of a Unit. Each Unit Owner may use such property in accordance with the purpose

for which it is intended without hindering or encroaching upon the lawful rights of other Unit Owners. The transfer of title to a Unit under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosure.

Section 11.9 Rules and Regulations. The Management Committee may make reasonable rules and regulations governing the operation and use of the Common Areas and Facilities and of other matters over which it has jurisdiction, which rules and regulations shall be consistent with the rights and duties established in this Declaration and Bylaws. The Management Committee may suspend any Unit Owner's voting rights at the meeting of Unit Owners during any period or such periods during which such Unit Owner fails to comply with such rules and regulations, or with any other obligations of such Unit Owners under this Declaration. The Management Committee may also take judicial action against any Unit Owner to enforce compliance with such rules and regulations or other obligation to obtain damages for noncompliance, all to the extent provided by law.

Section 11.10 Capital Improvements of Common Areas. There shall be no structural alterations, capital additions to, or capital improvements of the Common Areas or Facilities requiring expenditure in excess of \$3,000.00 without the prior approval of the Unit Owners holding a majority of the votes eligible to be voted.

Section 11.11 Other Rights and Privileges. The Management Committee may exercise any other right or privilege given to it expressly by this Declaration or by law and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Article XII. ASSESSMENTS.

Section 12.1 Agreement to Pay Assessments. Each Unit Owner of a Unit by the acceptance of deed or contract therefore, whether or not it be so expressed in the deed or contract, shall be deemed to covenant and agree with each other and with the Management Committee to pay annual assessments made by and for the purposes provided in this Declaration, and special assessments for capital improvements and other matters as provided in this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided hereunder.

Section 12.2 Basis of Assessments. The total annual assessments against all Units shall be based upon advance estimates of cash requirements by the Management Committee to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Areas and Facilities and/or the Common Properties, which estimates may include among other things, expenses of management, taxes and special assessments levied by government authorities until the Units are separately assessed as provided herein; premiums for all insurance which the Management Committee is required or permitted to maintain pursuant hereto; common lighting, water, repair, and maintenance of the Common Areas and Facilities, wages for employees of the Committee, legal and accounting fees, any deficit remaining from a previous period, creation of a reasonable contingency reserve, surplus and/or

sinking fund, any other expenses and liabilities which may be incurred by the Committee for the benefit of the Unit Owners or by reason of this Declaration.

Section 12.3 Apportionment of Expense. Expenses attributable to the Common Areas and Facilities and to the Project as a whole shall be apportioned among all Units in proportion to their respective Undivided Ownership Interest in the Common Areas and Facilities assessable by the Management Committee provided, however, that for the purpose Declarant shall be deemed to own only the Undivided Ownership Interest in the Common Areas and Facilities based upon Units which have been completed but not conveyed by Declarant.

Section 12.4 Method, Payment of Assessments, Etc. Annual assessments shall be made on a calendar year basis. The Committee shall give written notice to each Unit Owner as to the amount of the annual assessment with respect to this Unit not less than thirty (30) days nor more than sixty (60) days prior to the beginning of the next calendar year, provided, however, that the first annual assessment shall be for the balance of the calendar year remaining after the day fixed by the Committee as the date of commencement of the assessment. Each annual assessment shall be due and payable in monthly installments. Each monthly assessment shall earn interest at the rate of eighteen percent (18%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date. Such monthly assessment becomes payable upon the date the Unit Owner purchases his Unit, whether by conveyance of title or entering into a contract of sale and purchase, and thereafter each monthly payment shall be due and payable on the first day of each and every month in advance. The amount of increase by the Committee in the Annual Assessment fee over the initial assessment of the previous year is limited to a maximum annual increase of fifteen percent (15%).

Section 12.5 Special Assessments. In addition to the annual assessments authorized hereunder, the Management Committee may levy in any assessment year special assessments, subject to the provisions of Section 11.10 above, payable over such period as the Management Committee may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Common Areas or Facilities of the Project or any other part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration. This Section shall not be construed as an independent source of authority for the Management Committee to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections and subsections hereof. Any amount assessed pursuant thereto shall be assessed to Unit Owners in proportion to their respective Undivided Ownership Interest in the Common Areas and Facilities. Declarant's interest in the Common Areas and Facilities shall be determined on the same basis set forth in Section 12.3 above. Notice in writing of the amount of such special assessment and the time for payment thereof shall be given promptly to the Unit Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. A special assessment shall bear interest at the rate of eighteen percent (18%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such dates.

Section 12.6 Reserve Fund. An adequate reserve fund for replacement of the Common Areas and Facilities must be established and, to the extent possible, shall be funded by regular monthly payments rather than by special assessments.

- (a) **Definitions.**
- (1) **“Reserve Analysis”** means an analysis to determine (i) the need for a Reserve Fund to accumulate Reserve Funds; and (ii) the appropriate amount of any Reserve Fund.
 - (2) **“Reserve Fund Line Item”** means the line item in the Association of Unit Owners’ annual budget that identifies the amount to be placed into a Reserve Fund.
 - (3) **“Reserve Funds”** means money to cover the cost of repairing, replacing, or restoring Common Areas and Facilities that have a useful life of three (3) years or more and a remaining useful life of less than thirty (30) years, if the cost cannot reasonably be funded from the general budget or other funds of the Association.
- (b) **Reserve Analysis.** The Management Committee shall cause a Reserve Analysis to be conducted no less frequently than every six (6) years.
- (c) **Hiring Professionals.** 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.
- (d) **Reserve Analysis Contents.** A Reserve Analysis shall include:
- (1) a list of the components identified in the Reserve Analysis that will reasonably require Reserve Funds;
 - (2) a statement of the probable remaining useful life, as of the date of the Reserve Analysis, of each component identified in the Reserve Analysis;
 - (3) an estimate of the cost to repair, replace, or restore each component identified in the Reserve Analysis;
 - (4) an estimate of the total annual contribution to a reserve fund necessary to meet the cost to repair, replace, or restore each component identified in the Reserve Analysis during the component's useful life and at the end of the component's useful life; and
 - (5) a reserve funding plan that recommends how the association of unit owners may fund the annual contribution described in Subsection (4)(d).
- (e) **Owner Updates.** The Association shall provide a copy of the complete Reserve Analysis or update to a Unit Owner who requests a copy.
- (f) **Budget.** In formulating the Association’s budget each year, the Association shall include a Reserve Fund Line Item in an amount the Management Committee determines, based on the Reserve Analysis, to be prudent.
- (1) Within forty-five (45) days after the day on which an Association adopts the Association’s annual budget, the Unit Owners may veto the Reserve Fund Line

Item by approval of the Unit Owners at a special meeting called by the Unit Owners for the purpose of voting whether to veto a Reserve Fund Line Item.

- (2) If the Unit Owners veto a Reserve Fund Line Item under Section 12.6(f)(1) and a Reserve Fund Line Item exists in a previously approved annual budget of the Association that was not vetoed, the Association shall fund the Reserve Account in accordance with that prior Reserve Fund Line Item.

(g) Enforcement.

- (1) Subject to Section 12.6(g)(2), if the Association does not comply with the requirements of Section 12.6(e) and Section 12.6(f) and fails to remedy the noncompliance within the time specified in Section 12.6(g)(3), a Unit Owner may file an action in state court for:
- (i) injunctive relief requiring the Association to comply with the requirements of Section 12.6(e) and Section 12.6(f);
 - (ii) \$500 or actual damages, whichever is greater;
 - (iii) any other remedy provided by law; and
 - (iv) reasonable costs and attorney fees.
- (2) No fewer than ninety (90) days before the day on which a Unit Owner files a complaint under of Section 12.6(g)(1), the Unit Owner shall deliver written notice described in Section 12.6(g)(3) to the association of unit owners.
- (3) A notice under Section 12.6(g)(2) shall state:
- (i) the requirement in Section 12.6(e) or Section 12.6(f) with which the Association has failed to comply;
 - (ii) a demand that the Association come into compliance with the requirements; and
 - (iii) a date, no fewer than ninety (90) days after the day on which the Unit Owner delivers the notice, by which the Association shall remedy its noncompliance.
 - (iv) In a case filed under Section 12.6(g)(1), a court may order an Association to produce the summary of the Reserve Analysis or the complete Reserve Analysis on an expedited basis and at the Association's expense.

(h) Use of Reserve Funds.

- (1) Except upon the approval of the Unit Owners, the Management Committee may not out use money in a Reserve Fund:
- (i) for daily maintenance expenses; or
 - (ii) for any purpose other than the purpose for which the Reserve Fund was established under this Section 12.6.

- (2) The Management Committee shall maintain Reserve Funds separate from other funds of the Association.
- (3) This Section 12.6(h) shall not be construed to limit the Management Committee from prudently investing money in a Reserve Fund.

Section 12.7 Liens for Unpaid Assessments.

- (a) **Association Liens.** Except as provided in UTAH CODE ANN. § 57-8-13.1, the Association of Unit Owners has and shall be secured by a lien on a Unit for:
 - (1) an assessment;
 - (2) fees, charges, and costs associated with collecting an unpaid assessment, including:
 - (i) court costs and reasonable attorney fees;
 - (ii) late charges;
 - (iii) interest; and
 - (iv) any other amount that the Association is entitled to recover under this Declaration, the Act, or any administrative or judicial decision; and
 - (3) a fine that the Association imposes against a Unit Owner in accordance with UTAH CODE ANN. § 57-8-37, if:
 - (i) the time for appeal described in UTAH CODE ANN. § 57-8-37(5) has expired and the Unit Owner did not file an appeal; or
 - (ii) the Unit Owner timely filed an appeal under UTAH CODE ANN. § 57-8-37(5) and the district court issued a final order upholding a fine imposed under UTAH CODE ANN. § 57-8-37(1).
- (b) **Installment Assessments.** If an assessment is payable in installments, a lien described in Section 12.7(a)(1) is for the full amount of the assessment from the time the first installment is due, unless the Association otherwise provides in a notice of assessment.
- (c) **Perfection.** The recording of this Declaration constitutes record notice and perfection of the Association's lien described in Section 12.7(a) against the respective Units.
- (d) **Interest Rate.** Any unpaid assessment, fine, or other obligation owed by a Unit Owner to the Association shall accrue interest at the rate of ten percent (10%) per annum.
- (e) **Subrogation.** A lien under this section has priority over each other lien and encumbrance on a unit except:
 - (1) a lien or encumbrance recorded before this Declaration was recorded;
 - (2) a first or second security interest on the Unit secured by a mortgage or deed of trust that is recorded before a recorded notice of lien by or on behalf of the Association; or

- (3) a lien for real estate taxes or other governmental assessments or charges against the Unit.

All other lienors that encumber or otherwise acquire liens against any Unit after this Declaration has been recorded shall be deemed to consent that such liens shall be inferior to any and all future liens for assessments, as provided herein, whether or not such consent be specially set forth in the instrument creating such liens.

- (f) **Notice of Lien.** To evidence a lien for sums assessed by the Association, the Management Committee may prepare a written notice of lien setting forth the amount of the assessment, the due date, the amount remaining unpaid, the name of the Unit Owner, and the legal description of the Unit. Such notice shall be signed by the Management Committee and may be recorded in the Office of the County Recorder of Utah County, Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by foreclosure by the Management Committee in the same manner in which mortgage or trust deed on real property may be foreclosed in Utah. The lien shall also secure, and the Unit Owner shall also be required to pay, any assessments against the Unit which shall become due during the period of foreclosure. The Management Committee shall have the right and the power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale to acquire, hold, convey, lease, rent, encumber, use and other otherwise deal with the same as the Unit Owner thereof.
- (g) **Release of Notice.** A release of notice of lien shall be executed by the Management Committee and recorded in the Office of the County Recorder of Utah County, Utah, upon payment of all sums.

Section 12.8 Personal Obligation Assessments. The amount of any annual or special assessment against any Unit shall be the personal obligation of the Unit Owner thereof to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Management Committee without foreclosing or waiving the lien securing the same. No Unit Owner may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the Common Areas or Facilities or by abandonment of his Unit.

Section 12.9 Information Concerning Unpaid Assessments. Upon payment of a reasonable fee not to exceed fifty dollars (\$50.00) and upon written request of any Unit Owner or mortgagee, prospective mortgagee or prospective purchaser of a Unit, the Management Committee shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Unit the amount of the current yearly assessment and the portion thereof which has theretofore been paid; credit or advance payments of a prepaid items including but not limited to, a Unit Owner's share of prepaid insurance premiums, and such statement shall be conclusive upon such Management Committee in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within five (5) business days, all unpaid assessments which become due prior to the lien of the mortgagee which become due prior to the date of making such request shall be subordinated to the lien of the mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligation of the

purchaser shall be released automatically if the statement is not furnished within the five (5) day period provided herein and thereafter an additional written request is made by such purchaser and is not complied with within five (5) days and the purchaser subsequently acquires the Unit.

Section 12.10 Purchaser's Obligation. Subject to the provisions of Section 12.9, a purchaser of a unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

Section 12.11 Collection by the Committee. It is recognized that the Committee under this Declaration will maintain the Common Areas and Facilities of the Project except as otherwise contained therein. It is further recognized that the Management Committee of the Project is authorized to levy assessments for the purposes of performing functions it is authorized to perform with the Project. With respect to the Units in the Project, the Management Committee shall be authorized to collect from the Unit Owners and enforce liability for the payment of assessments levied pursuant to this Declaration.

Article XIII. GENERAL & ADMINISTRATIVE PROVISIONS

Section 13.1 Party Walls. Each wall which is built as a part of the original construction of the Units upon the Project and placed on the dividing line between Units shall constitute a party wall, and the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 13.2 Amendments. Except as provided below, the vote of at least sixty percent (60%) of the Undivided Ownership Interest in the Common Areas and Facilities shall be required to amend this Declaration or the Record of Survey Map. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Management Committee. In such instrument the Committee shall certify that the vote required by this Section for amendment has occurred. Until Units representing seventy-five percent (75%) of the Undivided Ownership Interest in the Project have been sold or the expiration of five (5) years after the first conveyance of title to any Unit purchased, whichever occurs first, Declarant shall have and is hereby vested with the right to amend this Declaration or the Record of Survey Map. Such right shall obtain without regard to the subject matter of amendment, so long as the amendment involved is consistent with law.

Section 13.3 Consent Equivalent to Vote. In those cases in which the Act or this Declaration required the vote of a stated percentage of the Project's Undivided Ownership Interest for the authorization of approval of a transaction, such requirements 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 the necessary percentage of Undivided Ownership Interest.

Section 13.4 Service of Process. Service of Process shall be received by Jeffrey Q. Cardon at 367 East 1500 North, Pleasant Grove, UT 84062. He shall serve as agent for service of process in cases authorized by the Act. The Management Committee shall, however, have right to appoint a successor or substitute process agent. Such successor or substitute agent and his address shall be

specified by the appropriate instrument filed in the Office of the Utah County Recorder in the State of Utah.

Section 13.5 Enforcement. Each Unit Owner shall comply strictly with the provisions of this Declaration and with the administrative rules and regulations drafted pursuant thereto as the same may be lawfully amended from time to time and with the decision adopted pursuant to this Declaration and the administrative rules and regulations, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by Management Committee or Manager on behalf of the Unit Owners, or in a proper case, by an aggrieved Unit Owner.

Section 13.6 Action on Behalf of Association. Notwithstanding any provision of this Declaration to the contrary, any proceeding, suit, or action as may be deemed necessary to recover a money judgment respecting any assessments levied or fixed by Management Committee shall be maintained on behalf of the Association at the instance and suit of the Management Committee.

Section 13.7 Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur. No waiver of any breach or violation shall be construed to constitute a waiver of a subsequent breach or violation of this Declaration.

Section 13.8 Attachments. Any exhibits, schedules, annexes, addenda, recitals, or other attachments referenced or described in this Declaration are incorporated into and shall be considered part of this Declaration for all purposes, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Declaration, the provisions of this Declaration shall prevail.

Section 13.9 Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural; the plural, in the singular; and the use of any gender shall include all genders.

Section 13.10 Severability. If any of the provisions of this Declaration or any paragraph, section, sentence, clause, phrase, or word or the application thereof in any circumstances be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any such provision, paragraph, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

Section 13.11 Topical Headings. The headings appearing at the beginning of the articles, sections, and paragraphs of this Declaration are for convenience only and reference and are not intended to describe, interpret, define or otherwise affect the content, meaning or intent of this Declaration or any article, section, paragraph or provision hereof.

Section 13.12 All Amenities. (i.e., parking, recreation and service areas) are a part of the Project and are covered by the mortgage at least to the same extent as are the Common Elements.

Section 13.13 Withdrawal. No land shall be subject to withdrawal, therefore, no legal description is attached.

Section 13.14 Effective Date. This Declaration, any amendment or supplement hereto, and any amendment or supplement to the Survey Map shall take effect upon its being filed for record in the office of the Utah County Recorder in the State of Utah.

[Signature Page Follows]

SIGNATURE PAGE

IN WITNESS WHEREOF, the undersigned Declarant has caused this instrument to be executed on this July 9, 2019.

DECLARANT:

SGH HOLDINGS, LLC

[Handwritten signature of Jason Plant]

By: Jason Plant
As Its: Manager

STATE OF UTAH
COUNTY OF UTAH | §.

On July 9, 2019 before me personally appeared Jason Plant, as Manager of SGH Holdings, LLC, a Utah limited liability company, known to me or proven on satisfactory evidence, and acknowledged that he executed the foregoing instrument.

Scott N. Thomas
Notary Public

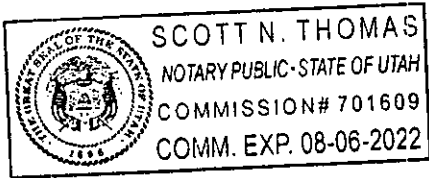


EXHIBIT A
Unit Sizes, Undivided Percentages
Ownership Interests, and Votes

Unit No.	Size (S.F.) ¹	Internal (Enclosed) Size (S.F.)	Undivided Percentage ²	Votes ³
1	7,800	7,800	45.0%	7,800
2	7,600	7,600	44.0%	7,600
3	4,347	1,925	11.0%	1,925

¹ Size is based on the approximate number of square feet of floor space within each respective Unit as shown on the Map and rounded off, including under interior and exterior walls, as determined by Dudley and Associates, Orem, Utah.

² Percentages is the percentage of Undivided Ownership Interest held by each Unit Owner, respectively, and may be rounded up or down (as appropriate) by one one-thousandth of a percentage point in order to provide for a total of one hundred percent (100%).

³ Pursuant to Section 10.1, the votes entitled to each Unit Owner have been and shall be calculated based on the Internal (Enclosed) Size (S.F.) of the Unit. In the event that additional square footage allocated to Unit 3 on the Map is enclosed – in the sole and absolute discretion of the Committee – the Committee shall amend this Exhibit A and the enclosed square footage shall be added to the Internal (Enclosed) Size of the Unit and the Owner of Unit 3 shall be entitled to vote the additional enclosed square footage.

EXHIBIT B
Legal Description

Commencing at a point located North 89°44'08" East along the Section Line 637.83 feet and South 714.98 feet from the North quarter corner, Section 30, Township 5 South, Range 2 East, Salt Lake Base and Meridian; thence along the arc of a 500.00 foot radius curve to the right 160.56 feet (chord bears North 80°25'22" East 159.87 feet); thence North 89°37'20" East 132.17 feet; thence South 00°00'04" West 89.56 feet; thence South 40°07'46" West 52.09 feet; thence South 80°14'56" West 107.42 feet; thence along the arc of a 1040.26 foot radius curve to the left 89.18 feet (chord bears South 77°47'35" West 89.15 feet); thence North 24°28'07" West 152.67 feet to the point of beginning.

Contains: 36,485 sq. ft. or 0.84 Acres