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MAIL TO - PRUDENTIAL FEDERAL
3261 SOUTH STATE STREET

OCT 10 1973
Recorded at 12:05 P
Request of SECURITY TITLE COMPANY
Fee Paid, JERADEAN MARTIN
Recorder, Salt Lake County, Utah
\$2.770 By [Signature] Deputy

ENABLING DECLARATION
OF
VICTORIA HOUSE SQUARE CONDOMINIUM PROJECT
(PHASE NO. 2)

SECURITY TITLE COMPANY
152995

THIS DECLARATION is made and executed this 10th day of October, 1973, by VHS CORPORATION, a Utah corporation, as Trustee (hereinafter referred to as "Declarant"), pursuant to the provisions of the Utah Condominium Ownership Act (Sections 57-8-1 through 57-8-35, Utah Code Annotated (1953).

RECITALS:

A. Declarant is the owner of that certain Parcel of real property hereinafter more particularly described.

B. Declarant has constructed, or is in the process of constructing, upon said Parcel a Condominium Project, including certain Units and other improvements. All of such construction has been, or is to be, performed in accordance with the plans and specifications contained in the Record of Survey Map.

C. Declarant desires, by filing this Declaration and the Survey Map, to submit said Parcel and all improvements now or hereafter constructed thereon to the provisions of the Act as a Condominium Project to be known as "Victoria House Square Condominium Project (Phase No. 2)."

D. Declarant intends to sell to various purchasers the fee title to the individual Units contained in the Project, together with the undivided ownership interests in the Common Areas and Facilities appurtenant to such Units, subject to the covenants, restrictions, and limitations herein set forth.

E. On November 29, 1971 Declarant created Phase No. 1 of the Project by filing for record in the office of the County Recorder of Salt Lake County, Utah an instrument entitled "Enabling Declaration of Victoria House Square Condominium Project (Phase No. 1)" and an instrument styled "Record of Survey Map of Phase 1 of Victoria House Square Condominium Project." Said Enabling Declaration was recorded as Entry No. 2423531 in Book 3020, Pages 306-341. Said Map was recorded as Entry No. 2423530 in Book KK, Page 34. Concurrently with the recordation of this instrument, Declarant has amended said Enabling Declaration and said Map by filing for record an instrument entitled "Amendment to Enabling Declaration of Victoria House Square Condominium Project (Phase No. 1)" and an instrument styled "Amended Record of Survey Map of Phase 1 of Victoria House Square Condominium Project."

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F. The Enabling Declaration relating to Phase No. 1 anticipated that the Condominium Project created thereby would be but the first Phase of a larger Project which ultimately might come into existence. Accordingly, in said Enabling Declaration Declarant reserved the right to include each additional Phase as a part of one Project consisting of all Phases which may be completed at any given time.

G. The Condominium Project created by this Declaration and the Survey Map recorded herewith constitutes the second and final Phase of the Victoria House Square Condominium Project. Consistent with the expectations it had in connection with the creation of Phase No. 1 of the Project, Declarant anticipates that upon fulfillment of the necessary conditions it will desire that Phase No. 2 be added to and merged with Phase No. 1. Accordingly, Declarant wishes to reaffirm and reserve the right to include Phase No. 2 as a part of a single Project consisting of Phase No. 1 and Phase No. 2.

NOW, THEREFORE, for the foregoing purposes, Declarant hereby makes the following Declaration:

I. DEFINITIONS

When used in this Declaration (including in that portion hereof headed "Recitals") the following terms shall have the meaning indicated. Any term used herein which is defined by the Act shall, to the extent permitted by the context hereof, have the meaning ascribed by the Act.

1. Act shall mean and refer to the Utah Condominium Ownership Act (Sections 57-8-1 through 57-8-35, Utah Code Annotated (1953)).

2. Declaration shall mean and refer to this Enabling Declaration.

3. Record of Survey Map and Survey Map shall mean and refer to the Record of Survey Map filed herewith, dated the _____ day of _____, 1973, consisting of five (5) sheets, and prepared and certified to by Robert B. Jones, a duly registered Utah Land Surveyor holding Certificate No. 1525.

4. Management Committee and Committee shall mean and refer to the Management Committee of the Project.

5. Common Areas and Facilities shall mean, refer to, and include:

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(a) The real property and interests in real property which this Declaration submits to the terms of the Act.

(b) All Common Areas and Facilities designated as such in the Survey Map.

(c) All Limited Common Areas and Facilities.

(d) All foundations, columns, girders, beams, supports, perimeter walls, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, entrances, and exits constituting a portion of or included in the improvements which comprise a part of the Project.

(e) All installations for and all equipment connected with the furnishing of central services such as electricity, gas, water, and heat.

(f) All elevators, tanks, pumps, motors, fans, compressors, ducts, and in general all apparatus and installations included within the Project existing for common use.

(g) All portions of the Project not specifically included within the individual Units.

(h) All other parts of the Project normally in common use or necessary or convenient to its use, existence, maintenance, safety, or management.

6. Limited Common Areas and Facilities shall mean and refer to those Common Areas and Facilities designated herein or in the Survey Map as reserved for the use of a certain Unit to the exclusion of the other Units, including the patio or balcony associated with certain of the Units contained in Building E.

7. Unit shall mean and refer to one of the Units contained or to be contained within the Project which is designated as a Unit on the Record of Survey Map and on Exhibit "A" attached hereto and by reference made a part hereof, and which is intended to be independently owned, encumbered, and conveyed, including any walls, partitions, floors, or ceilings which are wholly contained within a designated Unit and the inner decorated and/or finished surfaces of the perimeter walls, floors, and ceilings.

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Unless a wall on the perimeter of a Unit separates and is common to two or more Units, such perimeter wall shall, except for the finished surface thereof which is on the interior of a Unit, constitute a part of the Common Areas and Facilities. Such finished surface shall be a part of the Unit to which it relates. A wall on the perimeter of a Unit which separates such Unit from, and is common to, another Unit shall, from and including the surface of such wall to its center, constitute a part of the Unit to which it relates. A Unit shall include any walls, partitions, floors, or ceilings which are wholly contained within its perimeters and the surfaces of any floors and ceilings which bound it. A Unit shall not include pipes, wires, conduits, or other utility lines running through it which are utilized for or which serve more than one Unit.

8. Unit Number shall mean and refer to the number, letter, or combination thereof which designates a Unit in Exhibit "A" attached hereto and in the Record of Survey Map.

9. Unit Owner or Owner shall mean and refer to the owner of the fee in a Unit and the percentage of undivided interest in the Common Areas and Facilities which is appurtenant thereto. The Declarant shall be deemed the owner of all unconstructed or unsold Units. In the event a Unit is the subject of an executory contract of sale, the contract purchaser shall, unless the seller and the purchaser have otherwise agreed and have informed the Committee in writing of such agreement, be considered the Unit Owner for purposes of voting and Committee membership.

10. Common Expenses shall mean and refer to all sums which are expended on behalf of all the Unit Owners and all sums which are required by the Management Committee or the Manager to perform or exercise its functions, duties, or rights under the Act, this Declaration, the Management Agreement for operation of the Project, and such rules and regulations as the Management Committee may from time to time make and adopt.

11. Entire Tract shall mean and refer to all of the following-described land situated in the City and County of Salt Lake, State of Utah, together with all appurtenances thereto:

The tract lying within the boundaries of the block which lies between Seventh and Eighth South and Third and Fourth East Streets.

The Parcel which this Declaration submits to the terms of the Act is owned by Declarant and comprises a part of the Entire Tract. Declarant is not, however, the owner of all of the remainder of the Entire Tract, and claims an interest in said

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remainder only to the extent revealed by recorded instruments or Declarant's possession. A description of the Entire Tract is set forth in this Declaration solely for purposes of identification. This Declaration is not intended as and should not be deemed to constitute any lien, encumbrance, restriction, or limitation upon any real property or interests in real property other than the Parcel which this Declaration expressly submits to the provisions of the Act.

12. Parcel shall mean and refer to each portion of the Entire Tract which is or was separately submitted to the terms of the Act with the intention that it would thereby comprise, or in the future might become, a part of the Project. The real property which this Declaration submits to the terms of the Act constitutes a Parcel.

13. Phase shall mean and refer to each separate step in development of the Entire Tract which is or was initiated through the submission of a Parcel 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 Parcel. The submission which is effected by this Declaration, the rights and obligations which are created by this Declaration, and the improvements described in the Survey Map which have been or will be constructed, together constitute a Phase -- Phase No. 2 -- of the Condominium Project.

14. Phase No. 1 shall mean and refer to that portion of the Project which was created by: (i) an instrument entitled "Enabling Declaration of Victoria House Square Condominium Project (Phase No. 1)," recorded November 29, 1971 as Entry No. 2423531 in Book 3020, Pages 306-341, as amended by that certain Amendment thereto filed for record concurrently with the filing of this Enabling Declaration concerning Phase No. 2 of the Project; and (ii) an instrument styled "Record of Survey Map of Phase 1 of Victoria House Square Condominium Project," recorded November 29, 1971 as Entry No. 2423530 in Book KK, Page 34, as amended by that certain Amendment thereto filed for record concurrently with the filing of this Enabling Declaration concerning Phase No. 2 of the Project.

15. Unless the context hereof requires that a different meaning be ascribed thereto: (i) Until such time as the Notice of Completion referred to in Paragraph 25 of Article III hereof is recorded, the term Condominium Project or Project whenever used in this Declaration shall mean and refer to Phase No. 2 of the Victoria House Square Condominium Project; and (ii) After the recordation of said Notice of Completion, the term Condominium Project or Project whenever used in this Declaration shall mean and refer to Phase No. 1 and Phase No. 2 taken together.

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II. SUBMISSION

Declarant hereby submits to the provisions of the Act, as the Parcel associated with Phase No. 2 of the Project, the following-described real property situated in the City and County of Salt Lake, State of Utah:

BEGINNING at a point South 0° 02' 16" East 212.50 feet from the Northeast Corner of Block 8, Plat B, Salt Lake City Survey, and running thence South 0° 02' 16" East along the East line of said Block 8 81.25 feet; thence South 89° 57' 50" West 279.50 feet; thence North 0° 02' 16" West 128.50 feet; thence South 89° 57' 50" West 237.90 feet; thence North 0° 02' 16" West 87.50 feet; thence South 89° 57' 50" West 16.10 feet; thence North 0° 02' 16" West 77.75 feet to the North line of said Block 8; thence North 89° 57' 50" East along said North line 145.75 feet; thence South 0° 02' 16" East 81.00 feet; thence North 89° 57' 50" East 57.25 feet; thence North 0° 02' 16" West 81.00 feet to the North line of said Block 8; thence North 89° 57' 50" East along said North line 137.75 feet; thence South 0° 02' 16" East 165.00 feet; thence North 89° 57' 50" East 102.00 feet; thence South 0° 02' 16" East 47.50 feet; thence North 89° 57' 50" East 90.75 feet to the point of BEGINNING.

ALSO, BEGINNING at a point South 89° 57' 50" West 82.50 feet from the Southeast Corner of Block 8, Plat B, Salt Lake City Survey, and running thence South 89° 57' 50" West along the South line of said Block 8 303.00 feet; thence North 0° 02' 16" West 82.50 feet; thence South 89° 57' 50" West 274.50 feet to the West line of said Block 8; thence North 0° 02' 16" West along said West line 63.25 feet; thence North 89° 57' 50" East 214.70 feet; thence North 0° 02' 16" West 43.00 feet; thence North 89° 57' 50" East 445.30 feet to the East line of said Block 8; thence South 0° 02' 16" East along said East line 65.00 feet; thence South 89° 57' 50" West 131.50 feet; thence South 0° 02' 16" East 41.25 feet; thence North 89° 57' 50" East 49.00 feet; thence South 0° 02' 16" East 82.50 feet to the point of BEGINNING.

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TOGETHER WITH a right-of-way over and across the following-described tract: BEGINNING at a point South 0° 02' 16" East 212.50 feet from the Northeast Corner of Block 8, Plat B, Salt Lake City Survey, and running thence South 89° 57' 50" West 90.75 feet; thence North 0° 02' 16" West 16.50 feet; thence North 89° 57' 50" East 90.75 feet; thence South 0° 02' 16" East 16.50 feet to the point of BEGINNING.

THE FOREGOING SUBMISSION IS SUBJECT TO: all Patent reservations and exclusions; all instruments of record which affect the above-described Parcel or any portion thereof; all visible easements and rights-of-way; all easements and rights-of-way of record; an easement for each and every pipe, line, cable, wire, utility line, or similar facility which traverses or partially occupies the above-described Parcel at such time as construction of all Project improvements is complete; and all easements necessary for ingress to, egress from, maintenance of, and replacement of all such pipes, lines, cables, wires, utility lines, and similar facilities.

III. COVENANTS, CONDITIONS, AND RESTRICTIONS

The foregoing submission is made upon and under the following covenants, conditions, and restrictions:

1. Description of Improvements. The improvements included in Phase No. 2 of the Project are now or will be located upon the Parcel described above, and all of such improvements are described in the Survey Map. The Survey Map shows the base-ments (if any), the number of stories, and the number of Units which are to be contained in the buildings which comprise a part of such improvements. The buildings will be primarily three story structures principally composed of wood frames with slump block veneer exterior and bar title mansard roofs.

2. Description and Legal Status of Units. The Record of Survey Map shows, with respect to Phase No. 2 of the Project, the Unit Number of each Unit, its location, and the Common Areas and Facilities to which it has immediate access. Units in Phase No. 2 are all residential home Units. All Units shall be capable of being independently owned, encumbered, and conveyed.

3. Contents of Exhibit "A". Exhibit "A" to this Declaration furnishes the following information with respect to each

Unit in Phase No. 2: (a) The Unit Number; (b) Its appurtenant percentage of undivided interest in the Common Areas and Facilities.

4. Common and Limited Common Areas and Facilities.

The Common and Limited Common Areas and Facilities contained in Phase No. 2 of the Project are described and identified in Article I of this Declaration. The exclusive use of each patio and balcony is reserved to the Unit in Building E with which it is contiguous. Neither the percentage of undivided interest in the Common Areas and Facilities nor the right of exclusive use of a Limited Common Area and Facility shall be separated from the Unit to which it appertains; and, even though not specifically mentioned in the instrument of transfer, such percentage of undivided interest and such right of exclusive use shall automatically accompany the transfer of the Unit to which they relate.

5. Computation of Undivided Interests. The percentage of undivided interest in the Common Areas and Facilities which is appurtenant to each Unit has been and will be computed by taking as a basis the value of such Unit in relation to the value of the Project. Thus, the percentage of undivided ownership interest appurtenant to each Unit is and will be the ratio between the value of such Unit and the total value of all Units included within the Project at any given time.

6. Permissible Use of Units and Common Areas. Units in Phase No. 2 are all residential Units intended to be used for residential housing and shall be restricted to such use. No Unit shall be used or occupied in violation of law, so as to create a nuisance or interfere with the rights of any Unit Owner, or in a way which would result in an increase in the cost of any insurance covering the Project as a whole. The Common Areas and Facilities shall be used only in a manner consistent with their community nature.

7. Minimum Age for Occupancy. No Unit shall be occupied by any child between the ages of 2 and 14 years of age unless such occupancy occurs in conjunction with a visit lasting less than two weeks; provided, however, that this limitation may be waived by unanimous written agreement of the full Committee on a case-by-case basis.

8. Condition and Maintenance of Units. Each Unit shall be maintained so as not to detract from the appearance of the Project and so as not to adversely affect the value or use of any other Unit.

9. Transfer or Lease of Home Units. Any Owner of any interest in a home Unit who plans to transfer all or any portion

of such interest or to enter into an agreement for another party's occupancy of such Unit shall, at least 10 days before the transaction is to be consummated, give the Committee written notice of his intentions. The notice shall furnish the name and address of the proposed transferee or occupant and the terms of the proposed transaction. If the sole consideration involved in the transaction is money, at any time within seven days after its receipt of the notice the Committee shall have the right to enter into the transaction upon the same terms as those offered to the proposed transferee or occupant. If consideration other than money is involved in the proposed transaction or if such transaction is in the nature of a gift, the Committee shall have the right to acquire the interest concerned by following the procedure which is applicable when it believes the proposed price of purchase or occupancy is unreasonable. Notwithstanding any provision of the proposed transaction, in the event the Committee exercises its right under this Paragraph 9 it may transfer the interest concerned to any party reasonably acceptable to it and the Unit Owner.

If the Committee desires itself to enter into the transaction proposed by the Unit Owner, but believes that the proposed price of purchase or occupancy is unreasonable, it shall give the Unit Owner written notice of such facts within seven days after its receipt of the Owner's notice. Upon the giving of such notice the Committee shall be obligated to enter into the proposed transaction at a price of purchase or occupancy determined as follows: The Committee shall select one MAI appraiser, the Unit Owner shall select another, and the two appraisers so selected shall designate a third; each appraiser shall independently arrive at a price for the interest concerned; the price to be paid by the Committee shall be the average of the two closest appraisal figures. The Committee and the Unit Owner shall take all possible steps to expedite such determination.

10. Acceptability of Tenants. In the event a Unit Owner plans to allow someone other than a member of his immediate family to occupy his Unit, such Owner shall, at least 10 days prior to the proposed date of occupancy, give the Committee written notice of the name of the intended occupant. At any time within three days after its receipt of the notice the Committee may disapprove of the proposed occupant. If the Committee does so, the Owner concerned shall not permit the planned occupancy unless the Committee's decision is reversed by the vote of at least 51% of the Project's undivided ownership interests. In the event the Unit Owner wishes to seek such a vote, he shall so notify the Committee and it shall call a special meeting of all Unit Owners. The meeting shall be held as soon as reasonably possible after the Unit Owner requests it.

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11. Status and General Authority of Committee. The Condominium 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 delineated in subparagraphs (a) through (i) below, constitute a legal entity capable of dealing in its committee name. The Management Committee shall have, and is hereby granted, the following authority and powers:

(a) 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.

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

(c) The power to sue and be sued.

(d) 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.

(e) 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.

(f) 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.

(g) The power and authority to add any interest in real property obtained pursuant to subparagraph (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

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may be necessary or desirable to aid the 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.

(i) 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.

12. Manager. At all times the Committee shall carry out through a Project Manager all of its functions which are capable of delegation. The Committee must employ a Manager for such purposes, and any Manager retained must be an individual or entity experienced and qualified in the field of property management. The Manager so engaged by the Committee shall be an independent contractor and not an agent or employee of the Committee and 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, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself.

13. Composition of Management Committee. The Committee shall be composed of such number of from three to five members as the Committee may itself from time to time determine. The number of members constituting the initial Committee shall be four. At the first regular Owners meeting two Committee members shall be elected for two-year terms and two members for a one-year term. At each annual Owners meeting thereafter any vacant seat on the Committee shall be filled with a member elected for a two-year term. Members shall serve on the Committee until their successors are duly elected and qualified. Only Unit Owners and their agents, and officers and agents of corporate owners, shall be eligible for Committee membership. There shall be no limitation concerning the number of any such agents or officers

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per Owner, but the agency under which any such agent is authorized to act shall be evidenced in writing and shall be furnished to the Committee. At each annual meeting each Unit Owner may vote his percentage of undivided ownership interest in favor of as many candidates for Committee membership as there are seats on the Committee to be filled; provided, however, that until the annual Owners meeting held in March of 1974 the Declarant alone shall be entitled to select four Committee members. Until the first annual meeting of the Owners, the members of the Committee shall be the following persons and each shall hold the office indicated opposite his name:

Boyd J. Brown	President
Jerome H. Mooney	Vice-President
John Burton Anderson	Secretary
A. Z. McClanahan	Treasurer

In the event a Committee seat which was filled by Declarant becomes vacant, Declarant shall select a replacement member to sit on the Committee for the balance of the term associated with the vacated 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. Committee members shall be reimbursed for all expenses reasonably incurred in connection with Committee business. The Committee may fix such compensation for any member as may be reasonable in light of the Committee duties which that member is required to perform.

14. Committee Officers and Agents. The Committee shall perform its functions through those members who are elected as officers by the Committee and through such agents or employees as the Committee may appoint. Any Committee officer, agent, or employee may at any time be removed with or without cause by the vote of a majority of the Committee members. The officers of the Committee, and their respective powers and functions, shall be as follows:

(a) President. The President shall be the chief executive of the Committee and shall exercise general supervision over the property and affairs of the Project. He shall preside over all meetings of the Committee and of the

Unit Owners. He shall execute all instruments on behalf of the Committee.

(b) Vice-President. The Vice President shall have all the powers of the President in the event of the latter's absence or inability to act.

(c) Secretary. The Secretary shall keep minutes of meetings of the Committee and of the Unit Owners and shall keep all records which are required or made necessary by the Act, this Declaration, or the Committee.

(d) Treasurer. The Treasurer shall have custody and control of the funds available to the Committee. He shall furnish the Committee with a bond, in the amount specified by the Committee, conditioned upon the faithful performance of his duties. The offices of Secretary and Treasurer may be held by the same Committee member.

15. Committee Meetings. A regular meeting of the Committee shall be held immediately after the adjournment of each annual Owners meeting. Other regular meetings shall be held at regular intervals at such time and place as the Committee may provide. No notice need be given of regular Committee meetings.

Special Committee meetings shall be held whenever called by the President or a majority of the Committee. Either oral or written notice of special meetings shall, unless a waiver of such notice is signed by all members, be given to each Committee member at least 24 hours before the time fixed for the meeting. Any meeting attended by all Committee members shall be valid for all purposes.

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

16. Owners Meeting. The regular meeting of the Unit Owners shall be held at 7:00 p.m. on the second Tuesday in March, 1974, and on the second Tuesday in March of each succeeding year. Whenever such day is a legal holiday, the meeting shall occur on the first business day thereafter. The place of meeting shall be either the Project's office or as specified in the notice of meeting. At least 10 days before the date of the regular meeting a written notice thereof shall be personally delivered or mailed

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postage prepaid to each Unit Owner at his last known address. Such notice shall state the time, place, and general purpose of the meeting.

Special meetings of the Owners may be called by the President, by a majority of the Committee members, or by Unit Owners cumulatively holding at least one-fourth of the undivided ownership interest in the Project. At least four days before the date set for a special meeting written notice such as that described in the immediately preceding Paragraph shall be personally delivered or mailed postage prepaid to each Unit Owner at his last known address.

No notice of any Owners meeting shall be required if a waiver of such notice is signed by all of the Owners. Whenever all the Owners meet in person or by proxy such meeting shall be valid for all purposes. A quorum for the transaction of business at an Owners meeting shall consist of a majority of all the undivided ownership interest in the Project. In the event a quorum is not present at an Owners meeting, whether regular or special, the meeting may be adjourned and rescheduled for a time no earlier than 48 hours, and no later than 30 days, after the time set for the original meeting. No notice of such rescheduled meeting shall be required. A quorum for the transaction of business at the rescheduled meeting shall be 25% of all the undivided ownership interest in the Project.

17. Capital Improvements. Additions or capital improvements to the Project which cost no more than \$10,000.00 may be authorized by the Management Committee alone. Additions or capital improvements the cost of which will exceed such amount must, prior to being constructed, be authorized by at least a majority of the undivided ownership interest in the Project. Any addition or capital improvement which would materially alter the nature of the Project must, regardless of its cost and prior to being constructed, be authorized by at least 75% of the Project's undivided ownership interest.

18. Operation and Maintenance. The Management Committee shall make such arrangements as may be necessary to provide each Unit with all the utility services, except electricity and telephones within the Unit, required by it. The Committee shall provide for such maintenance of the Common and Limited Common Areas and Facilities as may be reasonably necessary to keep them clean, functional, attractive, and generally in good condition and repair.

19. Payment of Expenses. Before the end of each calendar year the Committee shall make such arrangements as may be necessary to prepare a budget which sets forth an itemization of

the Common Expenses which are anticipated for the coming year. Such budget shall take into account any deficit or surplus realized during the preceding year or years. The total of such Expenses shall be apportioned among all the Units on the basis of their appurtenant percentages of undivided ownership interest. Prior to the first day of each month during the year covered by the budget each Unit Owner shall pay to the Committee, or to the Manager if so agreed by the Committee, as his share of the Common Expenses a sum equal to one-twelfth of the amount so apportioned to his Unit. If such monthly payments are too large or too small as a result of unanticipated income or expenses or as a result of the merger of Phase No. 2 with Phase No. 1, the Committee, or the Manager if so agreed by the Committee, may effect an equitable change in the amount of said payments. The dates and manner of payment shall be determined by the Committee or by the Manager if so agreed by the Committee. The foregoing method of assessing the Common Expenses to the Unit Owners may be altered so long as the method adopted is consistent with good accounting practices and requires that the portion of Common Expenses borne by each Owner during a 12-month period be determined on the basis of his undivided ownership interest.

20. Remedies for Nonpayment. Should any Unit Owner fail to pay when due his share of the Common Expenses, the Committee, or the Manager if so agreed by the Committee, may enforce any remedy provided in the Act or otherwise available for collection of delinquent Common Expense assessments. Regardless of the terms of any agreement to which the Committee or Manager is not a party, liability for the payment of Common Expense assessments shall be joint and several, and any remedy for the collection of such assessments may be enforced against any person holding an ownership interest in the Unit concerned, against the interest which is held by him, against either or both the seller or purchaser under an executory contract of sale covering the Unit concerned, against the interests in the Unit which are held by any such seller or purchaser, and against any combination or all of such persons and interests. Any relief obtained, whether or not through foreclosure proceedings, shall include the Committee's and/or Manager's costs and expenses and reasonable attorneys' fees. In the event of foreclosure, after the institution of the action the Unit Owner shall pay a reasonable rental for his use of the Unit and the Committee or the Manager, as the case may be, shall, without regard to the value of the Unit, be entitled to the appointment of a receiver to collect any rentals due from the Owner or any other person.

21. Insurance. The Management Committee shall make such arrangements as may be necessary to secure and at all times maintain the following insurance coverages:

(i) 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 interests may appear.

(ii) A policy or policies insuring the Committee, the Manager, and the Unit Owners against any liability incident to the ownership, use, or operation of the Project or of any Unit which may arise among themselves, to the public, and to any invitees or tenants of the Project or of the Unit Owners. Limits of liability under such insurance shall be not less than \$300,000.00 for any one person injured, \$1,500,000.00 for all persons injured in any one accident, and \$100,000.00 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 insureds as between themselves are not prejudiced.

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) All policies shall be written by a company holding a rating of "AA" or better from Best's Insurance Reports.

(c) The Committee shall have the authority to adjust losses.

(d) Insurance secured and maintained by the Committee shall not be brought into contribution with insurance held by the individual Unit Owners or their mortgagees.

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(e) Each policy of insurance obtained by the Committee shall, if possible, provide: 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 cancelled, suspended, or invalidated due to the conduct of any particular Unit Owner or Owners; That it cannot be cancelled, suspended, or invalidated due to the conduct of any member, officer, or employee of the Committee or of the Manager without a 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.

(f) 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 his policy within 30 days after he acquires such insurance.

22. Damage to Project. In the event of 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 coverage which is secured and maintained on and in connection with the Project as herein provided are alone sufficient to repair or reconstruct the damaged or destroyed improvement, such repair or reconstruction shall be carried out and paid for out of such proceeds.

(b) If less than 75% of the Project's improvements are destroyed or substantailly damaged, and if proceeds of the insurance which is maintained on and in connection with the Project as herein provided are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all the Unit Owners shall be assessed for any deficiency on the basis of their respective percentages of undivided interest in the Common Areas and Facilities.

(c) If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained on and in connection with the Project as herein provided 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% elect to repair or reconstruct the affected improvements, restoration shall be accomplished in the manner directed under subparagraph (b) above.

(d) If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained on and in connection with the Project 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%, elect to repair or reconstruct the affected improvements, the Management Committee shall promptly record with the Salt Lake 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), shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units.

Any reconstruction or repair which is required to be carried out by this Paragraph 22 shall be accomplished at the instance and direction of the Management Committee. Any determination which is required to be made by this Paragraph 22 regarding the extent of damage to or destruction of Project improvements shall be made by three MAI appraisers selected by the Management Committee. The decision of any two such appraisers shall be conclusive.

23. Consent Equivalent to Vote. In those cases in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for the 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 the necessary percentage of undivided ownership interest.

24. Merger of Phases. Declarant hereby reserves the absolute right to merge Phase No. 2 into and with Phase No. 1 of the Project. Notwithstanding any provision of the Act which

might be construed to the contrary, such right may be exercised without obtaining the vote or consent of any person and shall be limited only as specifically provided in this Declaration. Phase No. 2 shall be added to and merged with Phase No. 1 at such time as all of the following conditions have been met: (a) This Declaration and the Record of Survey Map have been properly recorded in the official records of Salt Lake County, Utah; (b) All of the improvements to be constructed in connection with Phase No. 2 have been substantially completed; and (c) A Notice of Completion complying with the provisions of the following Paragraph 25 has been recorded. After all of the described conditions have occurred, Phase No. 2 and Phase No. 1 shall for all purposes constitute but constituent parts of a single Project known simply as the Victoria House Square Condominium Project. Until a Notice of Completion is recorded with respect to Phase No. 2, said Phase shall for all purposes constitute a condominium project distinct from Phase No. 1.

25. Notice of Completion and Effect. The Notice of Completion associated with Phase No. 2 shall be executed by Declarant, shall be in recordable form, and shall contain the following material:

(a) A description of the Parcel connected with Phase No. 2.

(b) A description of the Entire Tract.

(c) A statement that the Declaration and Record of Survey Map associated with Phase No. 2 have been recorded.

(d) Data sufficient to identify said Declaration and Record of Survey Map.

(e) A verification by Declarant that all the improvements connected with Phase No. 2 are substantially complete.

(f) A schedule setting forth the percentage of undivided ownership interest which shall appertain to each Unit in the Project after the merger of Phase No. 1 and Phase No. 2. Each of such percentages shall be based upon the actual construction costs of the Unit concerned and the actual construction costs relating to all Units contained in Phase No. 1 and Phase No. 2, as reasonably adjusted for inflation, and the ratio between the area of the Unit concerned

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and the total area of all Units contained in the two Phases.

Upon the recordation of such Notice of Completion: (i) The revised schedule of undivided interests contained therein shall automatically become effective for all purposes and shall completely supersede both the schedule which is contained in Exhibit "A" attached hereto and the schedule which is contained in Exhibit "A" relating to the enabling declaration concerning Phase No. 1. (ii) This Declaration and the Record of Survey Map recorded herewith shall automatically supplement the enabling declaration and record of survey map associated with Phase No. 1, and at all times thereafter said two enabling declarations and survey maps shall constitute but constituent parts of a single Declaration and Record of Survey Map affecting the Project; in the event the provisions of the separate instruments conflict irreconcilably, the terms of this Declaration and the Record of Survey Map recorded herewith shall control. (iii) The Phase No. 1 Management Committee shall automatically and immediately be dissolved and cease to have any power, authority, or function. (iv) The Phase No. 2 Management Committee shall automatically and immediately become the Management Committee for the entire Project and thereafter shall be vested with and entitled to exercise all the power and authority, and shall perform all the functions, which previously related to Phase No. 1 or Phase No. 2.

26. Required Method of Phase Development. Declarant intends to, and hereby obligates itself to, conduct any development of the Entire Tract in such a manner that the Condominium Project as it exists at any given time shall be fully capable of occupancy and enjoyment, even though the merger of Phase No. 1 and Phase No. 2 has not yet occurred and may never take place. Declarant hereby covenants, in favor of each Unit Owner, that each and every Phase which may be added to the Project after such Owner purchases his Unit shall be architecturally compatible with the Project as it previously existed and shall be constructed in a good and workmanlike manner.

27. Description of and Limitations on Contemplated Development. The only portions of the Entire Tract which may be included in the Project are the Parcels associated with Phase No. 1 and Phase No. 2. The improvements which may be included in the Project consist of those improvements described in this Declaration and the Survey Map recorded herewith and in the enabling declaration and record of survey map associated with Phase No. 1. Use of all Common Areas and Facilities shall be open to all Owners and tenants of Owners, subject only to such rules, regulations, limitations, and restrictions as such Common Areas and Facilities may be subject to hereunder or under the enabling declaration

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relating to Phase No. 1. The right to enlarge the Project through the merger of Phase No. 1 and Phase No. 2 shall be limited as follows:

(i) The improvements and Parcels included in the Project as expanded shall be as set forth in the foregoing portion of this Paragraph 27.

(ii) Enlargement of the Project may occur only through a merger of Phase No. 1 and Phase No. 2 which is accomplished on or before 10 years from the date the Phase No. 1 enabling declaration was filed for record.

Notwithstanding anything to the contrary contained in this Declaration, no amendment altering this Paragraph 27, Paragraph 26, or the description of the Entire Tract may occur without the consent of the Declarant and of all persons who are Unit Owners at the time of amendment.

28. No Obligation to Develop. Except to the extent specifically indicated herein, this Declaration is not intended, and shall not be construed so as, to impose upon Declarant any obligation respecting, or to restrict Declarant in any way with regard to: (a) The submission of any portion of the Entire Tract to the provisions of the Act as a Parcel or Parcels; (b) The creation, construction, or addition to the Project of any Phase or Phases; (c) The carrying out in any particular way or within any particular time of any development which may be undertaken; or (d) The taking of any particular action with respect to the Entire Tract, the Project, any Parcel, or any Phase.

29. Alteration in Unit Sizes. Phase No. 2 of the Project may not be completed until after the date on which this Declaration is filed, and a Unit Owner may desire to obtain for inclusion in his Unit, prior to its completion, a portion of or all of a contiguous Unit. Accordingly, so long as the state of construction of both Units concerned permits, any or all of a Unit which is contiguous to another Unit may be sold or conveyed to the Owner of such other Unit for inclusion therein. Provided, however:

(a) The percentage of undivided ownership interest appurtenant to the Unit which is made smaller or eliminated by the transfer shall be proportionally divided between the floor space of the transferred portion and the floor space of the remainder. That portion of the percentage of undivided interest attributable to the transferred portion shall automatically accompany the transfer.

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(b) The Declarant shall amend this Declaration and the Record of Survey Map to reflect the changes, including a change in the undivided ownership interests which are appurtenant to the Units involved, occasioned by the transfer. Such amendments must be consented to by all persons holding interests in the Units affected. Notwithstanding any provision of the Act to the contrary, the consent of no other parties need be obtained to make such amendments valid.

(c) The Owners of the Units concerned shall bear the entire cost necessary to effect the amendments described in the foregoing subparagraph (b).

30. Amendment. Except as provided below, the vote of at least 65% 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 Paragraph for amendment has occurred. The foregoing right of amendment shall be subject to the following paramount rights:

(a) Until Units representing 70% of the undivided ownership interest in Phase No. 2 of the Project have been sold, or until recordation of the Notice of Completion referred to in Paragraph 25 above, whichever first occurs, 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.

(b) Until recordation of the Notice of Completion referred to in Paragraph 25 above, or until the right to merge Phase No. 1 and Phase No. 2 terminates, whichever event first occurs, Declarant shall have, and is hereby vested with, the right to amend this Declaration and the Record of Survey Map as may be reasonably necessary or desirable to facilitate the practical, technical, administrative, or functional integration of Phase No. 1 and Phase No. 2.

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(c) Upon the merger of Phase No. 1 and Phase No. 2, the Notice of Completion accomplishing such merger and the enabling declaration and survey map associated with Phase No. 1 shall, in the manner detailed in Paragraph 25 of this Declaration, supplement and amend this Declaration and the Record of Survey Map.

31. Effect of Invalidity. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof. In the event of the invalidity or ineffectiveness of the scheme whereby Phase No. 1 and Phase No. 2 may be added to one another and merged so as to result in but a single Project, each Phase shall constitute a separate condominium project.

32. Interpretation. To the extent the provisions of the Act are consistent with this Declaration, such provisions shall supplement the terms hereof and are incorporated herein. This Declaration shall be liberally construed to effect its purpose. The captions which precede the Paragraphs of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed.

33. Covenants to Run with Land; Compliance. This Declaration and all the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall 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 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, and the provisions of any rules, regulations, agreements, instruments, and determinations contemplated by this Declaration. By acquiring any interest in a Unit or in the Project, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

34. Agent for Service of Process. Prudential Service Corporation, a Utah corporation which has as its place of business 115 South Main Street, City and County of Salt Lake, State of Utah 84111, is the person to receive service of process in the cases authorized by the Act. The Management Committee shall, however, have the right to appoint a successor or substitute process agent. Such successor or substitute agent and its address shall be specified by an appropriate instrument filed in the office of the County Recorder of Salt Lake County, State of Utah.

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35. Acknowledgment of Project Name. Declarant hereby acknowledges that the trade name "Victoria House" is the exclusive property of Jerome H. Mooney and Boyd J. Brown and that the use of said name in this Declaration and in connection with the Project is pursuant to an agreement between Declarant and said owners of said trade name, and the use of said trade name herein and in connection with said Project shall not be deemed to extend to or otherwise constitute permission or a grant of any right to the use of said trade name in connection with any project or enterprise other than said Project by Declarant or any other party whomsoever.

36. Mortgage Protection. Notwithstanding any other provision contained in this Declaration:

(a) In the event an Owner neglects for a period of thirty (30) or more days to cure any failure on his part to perform any of his obligations under this Declaration, the Committee shall give written notice of such fact to the holder of any first mortgage (or trust deed) covering such Owner's Unit.

(b) The provisions of Paragraphs 9 and 10 of this Declaration shall not apply to any transfer, sale, lease, or agreement for occupancy which occurs as a result of a mortgagee's exercise of its rights under a first mortgage (or trust deed) affecting a Unit, whether through foreclosure, exercise of a power of sale available thereunder, deed or assignment in lieu of foreclosure, or otherwise. In the event a mortgagee becomes the owner of a Unit as a result of its exercise of such rights, the provisions of said Paragraphs 9 and 10 shall not apply to such mortgagee's subsequent transfer, sale, lease, or agreement for occupancy respecting the Unit.

(c) The lien for unpaid Common Expense assessments provided for under this Declaration and by the Act shall be subordinate to any first mortgage (or trust deed) affecting a Unit, but only to the extent of assessments which become due prior to the mortgagee's coming into possession of the Unit pursuant to the remedies provided for in such mortgage, foreclosure of the mortgage, exercise of a power of sale available thereunder, or deed or assignment in lieu of foreclosure.

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and Secretary, respectively, of VHS CORPORATION, a Utah corporation, and that the foregoing Declaration was signed on behalf of said corporation by authority of its Bylaws or a resolution of its Board of Directors, and said Boyd J. Brown and John B. Anderson acknowledged to me that said corporation executed the same.

Marie Watkins

Notary Public

Residing at: Salt Lake City, Utah



Commission Expires: _____

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EXHIBIT "A"

Each of the individual residential Units contained within Phase No. 2 of the Project shall have appurtenant thereto the percentage of undivided ownership interest in the Common Areas and Facilities included in said Phase No. 2 as indicated below:

Building E

<u>Unit No.</u>	<u>Percent</u> <u>Ownership</u>	<u>Unit No.</u>	<u>Percent</u> <u>Ownership</u>	<u>Unit No.</u>	<u>Percent</u> <u>Ownership</u>
E1A	.7731	E1B	.8118	E1C	.8504
E2A	.6765	E2B	.6958	E2C	.7151
E3A	.6765	E3B	.6958	E3C	.7151
E4A	.6765	E4B	.6958	E4C	.7151
E5A	.6765	E5B	.6958	E5C	.7151
E6A	.6765	E6B	.6958	E6C	.7151
E7A	.6765	E7B	.6958	E7C	.7151
E8A	.7731	E8B	.8118	E8C	.8504
E9A	.7344	E9B	.7924	E9C	.8118
E10A	.6378	E10B	.6571	E10C	.6765
E11A	.6378	E11B	.6571	E11C	.6765
E12A	.6378	E12B	.6571	E12C	.6765
E13A	.5025	E13B	.6571	E13C	.6765
E14A	.6378	E14B	.6571	E14C	.6765
E15A	.6378	E15B	.6571	E15C	.6765
E16A	.7344	E16B	.7924	E16C	.8118

Building J

<u>Unit No.</u>	<u>Percent</u> <u>Ownership</u>	<u>Unit No.</u>	<u>Percent</u> <u>Ownership</u>	<u>Unit No.</u>	<u>Percent</u> <u>Ownership</u>
J1A	.5798	J1B	.5991	J1C	.6185
J2A	.5025	J2B	.5218	J2C	.5412
J3A	.5025	J3B	.5218	J3C	.5412
J4A	.5025	J4B	.5218	J4C	.5412
J5A	.5025	J5B	.5218	J5C	.5412
J6A	.5798	J6B	.5991	J6C	.6185
J7A	.5798	J7B	.5991	J7C	.6185
J8A	.5025	J8B	.5218	J8C	.5412
J9A	.5025	J9B	.5218	J9C	.5412
J10A	.5025	J10B	.5218	J10C	.5412
J11A	.4832	J11B	.5218	J11C	.5412
J12A	.5798	J12B	.5991	J12C	.6185

EXHIBIT "A" (Cont.)

Building K

<u>Unit No.</u>	<u>Percent</u> <u>Ownership</u>	<u>Unit No.</u>	<u>Percent</u> <u>Ownership</u>	<u>Unit No.</u>	<u>Percent</u> <u>Ownership</u>
K1A	.7731	K1B	.7924	K1C	.8118
K2A	.5605	K2B	.5798	K2C	.5991
K3A	.5605	K3B	.5798	K3C	.5991
K4A	.5605	K4B	.5798	K4C	.5991
K5A	.7731	K5B	.7924	K5C	.8118
K6A	.6571	K6B	.6765	K6C	.6958
K7A	.6571	K7B	.6765	K7C	.6958
K8A	.7731	K8B	.7924	K8C	.8118
K9A	.7731	K9B	.7924	K9C	.8118
K10A	.5412	K10B	.5605	K10C	.5798
K11A	.6765	K11B	.6958	K11C	1.1556
K12A	.5218	K12B	.5412	K12C	1.0091
K13A	.7731	K13B	.7924	K13C	.5605
				K14C	.8118

Building L

<u>Unit No.</u>	<u>Percent</u> <u>Ownership</u>	<u>Unit No.</u>	<u>Percent</u> <u>Ownership</u>	<u>Unit No.</u>	<u>Percent</u> <u>Ownership</u>
L1A	.5991	L1B	.6185	L1C	.6378
L2A	.5991	L2B	.6185	L2C	.6378
L3A	.6378	L3B	.6571	L3C	.6765
L4A	.5218	L4B	.5412	L4C	.5605
L5A	.6378	L5B	.6571	L5C	.6765
L6A	.5991	L6B	.6185	L6C	.6378
L7A	.5991	L7B	.6185	L7C	.6378
L8A	.6378	L8B	.6571	L8C	.6765
L9A	.5025	L9B	.5412	L9C	.5605
L10A	.6378	L10B	.6571	L10C	.6765