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DECLARATION OF CONDOMINIUM
OF THE
CAPITOL CREST CONDOMINIUMS II

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**DECLARATION OF CONDOMINIUM
OF THE
CAPITOL CREST CONDOMINIUMS II**

This Declaration of Condominium of the CAPITOL CREST Condominiums II (as it may be amended from time to time, this "Declaration") is made and executed as of the 12 day of June, 2007, by TRES HERMANOS, LLC, a Utah limited liability company, (the "Declarant").

RECITALS

A. Description of Land. The Declarant is the owner of certain real property located in Salt Lake County, State of Utah, and more particularly described on Exhibit A, attached hereto and incorporated herein by this reference (the "Land").

B. Buildings and Improvements. A certain building (the "Building") and other improvements exist on the Land, as shown on the Map referred to below.

C. Record of Survey Map. The Declarant intends to execute, acknowledge and record in the office of the County Recorder of Salt Lake County, State of Utah, a certain instrument pertaining to the Project and entitled "Record of Survey Map for CAPITOL CREST Condominiums II" (the "Map").

D. Intent and Purpose. The Declarant intends by recording this Declaration and the Map to submit the Land, the Building and all other improvements situated in or upon the Land (collectively, the "Project") to the provisions of the Utah Condominium Ownership Act, as amended, Utah Code Annotated, Section 57-8-1, et seq. (hereinafter referred to as the "Condominium Act") as a fee simple condominium project and to impose upon the Project mutually beneficial restrictions for the benefit of the Condominiums within the Project and the Owners thereof.

E. Master Declaration. The Land and the Building and all other improvements on the Land are subject to the Master Declaration (as hereinafter defined).

NOW, THEREFORE, the Declarant does hereby make the following declaration:

1. DEFINITIONS

Unless the context clearly indicates otherwise, certain terms as used in this Declaration shall have the meanings set forth in this Article 1.

"Association" shall mean the owners association comprising the Owners of the Units. The initial bylaws of the Association are attached hereto as Exhibit C and incorporated herein by this reference.

“Board of Trustees” or “Board” shall mean the governing board of the Master Association, which shall be appointed in accordance with the Master Declaration and the Articles of Incorporation and Bylaws of the Master Association.

“Building” shall mean the Building on the Land, as such Building is shown on the Map.

“Common Areas” shall mean all physical portions of the Project except the Units.

“Common Expenses” shall mean all estimated expenses arising out of or connected with the maintenance and operation of the Common Areas and furnishing common utility services and other common items to the Condominiums in accordance with the Master Declaration, including, without limitation, premiums for all insurance that the Association is required or permitted to maintain hereunder (which insurance shall be obtained and maintained by the Master Association pursuant to the Master Declaration), and any other expenses and liabilities which may be incurred by the Association or the Master Association for the benefit of the Owners under or by reason of this Declaration.

“Common Expense Fund” shall mean the fund created or to be created pursuant to the provisions of Article 9 of the Master Declaration and into which all monies of the Association and the Master Association shall be deposited.

“Condominium” shall mean a Unit and the undivided fifty percent (50%) interest in the Common Areas appurtenant to such Unit, as set forth in Exhibit B attached hereto and incorporated herein by this reference.

“Condominium Act” shall mean the Utah Condominium Ownership Act, Utah Code Annotated (1953), as amended, Section 57-8-1, et seq.

“Declarant Control Period” shall mean the period commencing on the date on which this Declaration is recorded in the records of Salt Lake County, and ending on the date which is the earlier of (a) three years thereafter, or (b) the date on which Declarant no longer owns more than one Unit.

“Eligible Mortgage Holder” shall mean any First Mortgagee or any insurer or guarantor of a First Mortgage which has notified the Association in writing of its name and address and status as a holder, insurer, or guarantor of a First Mortgage and who has requested notice of those certain matters referred to in Section 13.1.

“First Mortgage” shall mean a first Mortgage by which any Condominium is encumbered.

“First Mortgagee” shall mean a Mortgagee under any First Mortgage.

“Limited Common Areas” shall mean any Common Areas designated as reserved for use of one Unit to the exclusion of the other Unit. Structural separations between Units or the space which would be occupied by such structural separations may become Limited Common Areas for the exclusive use of the Owner or Owners of the Units on either side thereof as provided in

Section 4.3 hereof. Each Unit has an attached patio or balcony, which is a Limited Common Area for the exclusive use of the Owner of the Unit to which it is attached.

“Map” shall mean the Record of Survey Map for CAPITOL CREST Condominiums II, recorded concurrently with this Declaration in the office of the County Recorder of Salt Lake County, State of Utah, as it may be supplemented or amended from time to time.

“Master Association” shall mean CAPITOL CREST Condominiums Owners Association, Inc., a Utah nonprofit corporation.

“Master Declaration” shall mean that certain Master Declaration for CAPITOL CREST Condominiums, of even date herewith, recorded against certain real property located in Salt Lake County, which real property includes the Land.

“Mortgage” shall mean any mortgage or deed of trust by which a Condominium or any part thereof is encumbered.

“Mortgagee” shall mean (i) any persons or entities named as the mortgagee or beneficiary under any Mortgage, (ii) any successor to the interest of such person or entity under such Mortgage or (iii) any insurer or guarantor of such person or entity under such Mortgage.

“Owner” shall mean, collectively, the person or persons or entity, including the Declarant, owning in fee simple a Condominium in the Project, as such ownership is shown by the records of the County Recorder of Salt Lake County, State of Utah. The term “Owner” shall not refer to any Mortgagee (unless such Mortgagee has obtained title in fee simple to a Condominium pursuant to a judicial or nonjudicial action, including, without limitation, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure) or to any person or persons purchasing a Condominium under contract (until such contract is fully performed and legal title conveyed of record). In the event a Condominium shall be owned in fee simple by more than one person or entity, such persons or entities shall nonetheless be collectively entitled to only one vote in connection with their ownership of the Condominium.

“Unit” shall mean an individual air space unit, consisting of enclosed rooms occupying part of a Building and bounded by the unfinished interior surfaces of the walls, floors, ceilings, windows and doors along the perimeter boundaries of the air space, as said boundaries are shown on the Map, together with all the fixtures and improvements therein contained. Paint and other wall, ceiling or floor coverings on interior surfaces shall be deemed to be part of the Unit. Notwithstanding the fact that they may be within the boundaries of such air space, the following are not part of a Unit insofar as they are necessary for the support or for the use and enjoyment of another Unit: bearing walls, floors, ceilings and roofs (except the interior surfaces thereof), foundations, ceiling equipment, tanks, pumps, pipes, vents, ducts, shafts, flues, chutes, conduits, wires and other utility installations, except the outlets thereof when located within the Unit. The interior surfaces of a window or door mean the points at which such surfaces are located when the window or door is closed.

2. SUBMISSION AND DIVISION OF PROJECT

2.1 Submission to Condominium Act. The Declarant hereby submits the Land, the Building and all other improvements now or hereafter made in or upon the Land to the provisions of the Condominium Act, all to be held, conveyed, hypothecated, encumbered, leased, rented, used and improved as a fee simple condominium project to be known as CAPITOL CREST Condominiums II. All of such property is and shall be subject to the covenants, conditions, restrictions, uses, limitations and obligations set forth herein, each and all of which are declared and agreed to be for the benefit of the Project; further, each and all of the provisions hereof shall be deemed to run with the Land and shall be binding upon any person acquiring, leasing or owning an interest in the real property and improvements comprising the Project and to their respective personal representatives, heirs, successors and assigns.

2.2 Division into Condominiums. The Project is hereby divided into two (2) Condominiums, each such Condominium consisting of a Unit and an appurtenant fifty percent (50%) undivided interest in the Common Areas, as set forth in Exhibit B.

3. BUILDINGS AND IMPROVEMENTS

3.1 Building and Improvements. The Building and other improvements constructed on the Land are described on the Map. The Building has three levels, comprising a basement, a ground floor, and a second floor, and contains two Units.

3.2 Description of Units. The Map contains the Unit number, location and dimensions of each Unit and all other information necessary to identify each such Unit.

3.3 Description of Common Areas. The Map contains a description of the Common Areas of the Project.

3.4 Description of Limited Common Areas. The Map contains a description of the Limited Common Areas of the Project consisting of certain balconies and patios. The Map designates the Unit to which each of the Limited Common Areas is reserved.

3.5 Principal Construction Materials. The Buildings are of wood frame construction, with wood being the principal construction material.

4. NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP

4.1 Interior of Units. Each Owner shall have the exclusive right to paint, repaint, tile, paper, carpet or otherwise decorate the interior surfaces of the walls, ceilings, floors and doors forming the boundaries of such Owner's Unit and the surfaces of all walls, ceilings, floors and doors within such boundaries, and to construct and remove partition walls, fixtures and other improvements within the boundaries of such Owner's Unit; provided, however, that such improvements (i) shall not impair the structural soundness or integrity of the Building; (ii) shall not interfere with facilities necessary for the support, use or enjoyment of the other Unit; (iii) shall be built to construction standards comparable or better than the original construction of the Building; and (iv) shall not encroach upon the Common Areas or any part thereof, unless the other Owner shall consent in writing to such encroachment.

4.2 Maintenance of Units. Each Owner shall keep the interior of such Owner's Unit, including, without limitation, interior walls, windows, ceilings, floors and permanent fixtures and appurtenances thereto, in a clean and sanitary condition and in a state of good repair.

4.3 Title. Title to a Condominium within the Project may be held or owned by any person or entity, or any combination thereof, and in any manner in which title to any other real property may be held or owned in the State of Utah, including, without limitation, joint tenancy or tenancy in common.

4.4 Ownership and Maintenance of Common and Limited Common Areas. The undivided interest in the Common Areas appurtenant to each Unit shall be fifty percent (50%). Except as otherwise provided in this Declaration, any Owner shall be entitled to nonexclusive use of the Common Areas (other than Limited Common Areas) in any manner that does not hinder or encroach upon the rights of other Owners and is not contrary to any rules and regulations promulgated by the Association. Except as otherwise provided in this Declaration, any Owner shall have the exclusive right to use and enjoy any Limited Common Areas that may be designated for exclusive use by such Owner. The Association (acting through the Master Association) shall have the right and obligation to maintain and repair all Common Areas and Limited Common Areas. Each Owner shall also be responsible for keeping the Limited Common Area appurtenant to such Owner's Unit clean and free of debris.

4.5 Inseparability. Title to a part of a Condominium may not be separated from any other part thereof, and each Unit and the undivided interest in the Common Areas appurtenant to each Unit shall always be conveyed, devised, encumbered and otherwise affected only as a complete Condominium.

4.6 No Partition. The Common Areas shall be owned in common by the Owners, and no Owner may bring any action for partition thereof.

4.7 Separate Mortgage by Owners. Each Owner shall have the right separately to mortgage or otherwise encumber such Owner's Condominium. No Owner shall attempt to or shall have the right to mortgage or otherwise encumber the Common Areas or any part thereof, except the undivided interest therein appurtenant to such Owner's Condominium. Any Mortgage or other encumbrance of any Condominium within the Project shall be subordinate to all of the provisions of this Declaration, and in the event of foreclosure the provisions of this Declaration shall be binding upon any owner whose title is derived through foreclosure by private power of sale, judicial foreclosure or otherwise.

4.8 Separate Taxation. Each Condominium, including each Unit and appurtenant undivided interest in the Common Areas, shall be deemed to be a parcel and shall be assessed separately for all taxes, assessments and other charges of the State of Utah or of any political subdivision or of any special improvement district or of any other taxing or assessing authority. For purposes of such assessment, the valuation of the Common Areas shall be apportioned among the Units in accordance with the Condominium Act. All such taxes, assessments and other charges on each respective Condominium shall be separately levied against the Owner

thereof. No forfeiture or sale of any Condominium for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Condominium.

4.9 Mechanics Lien. No labor performed or material furnished for use in connection with any Unit with the consent or at the request of an Owner or such Owner's agent or subcontractor shall create any right to file a statement of mechanic's lien against the Unit of any other Owner not expressly consenting to or requesting the same or against any interest in the Common Areas, except the undivided interest therein appurtenant to the Unit of the Owner for whom such labor shall have been performed and such materials shall have been furnished.

4.10 Description of Condominium. Every contract for the sale of a Condominium and every other instrument affecting title to a Condominium may describe a Unit by its identifying number or symbol as indicated in this Declaration or as shown on the Map. Such description will be construed to describe the Unit, together with its appurtenant undivided interest in the Common Areas, and to incorporate all of the rights incident to ownership of a Condominium within the Project and all of the limitations on such ownership.

5. RESTRICTIONS ON USE

5.1 Single-Family Residential Use; No Leases. All Units are intended to be used for single-family residential housing purposes and are restricted to such use. There shall be no "timesharing" of a Unit, as such term is defined by the Utah Timeshare and Camp Resort Act, Utah Code Ann. § (1953 as amended). Each Unit shall be occupied only by its Owner, subject only to the following exceptions:

(a) A Unit may be occupied by a member of the Owner's family; or

(b) A Unit may be leased to a person or persons other than the Owner from time to time if (i) the Owner is temporarily living outside of the Salt Lake City area and intends to return to live in the Unit within a definite time not to exceed three (3) years collectively (for example, if the Unit is leased to someone for one year, the Unit may then be leased to another person for only two more years). Any lease pursuant to this exception shall be subject in all respects to the provisions of this Declaration, the Articles and Bylaws, and any failure by the lessee to comply with the terms of such documents shall be a default under such lease. Each such lease shall be in writing. The Owner shall be responsible and liable for any damage to the Project caused by such Owner's tenant.

5.2 No Breach of Master Declaration. The Condominiums shall be used in accordance with the use restrictions contained in the Master Declaration, which are incorporated into this Declaration as if fully set forth herein, and any use or activity which would constitute a breach of the provisions of the Master Declaration shall be prohibited.

5.3 No Alterations. No Owner shall, without the prior written consent of the Board of Trustees in each specific instance, make or cause to be made any alteration, addition, removal or improvement (including but not limited to placement of window screens or bars) in or to the Common Areas, or any part thereof, or do any act that would impair the structural soundness or

integrity of the Building or other improvements or jeopardize the safety of persons or property or impair any easement or hereditament appurtenant to the Project.

5.4 No Overloading. No Owner shall bring anything into, or permit anything to be done in, such Owner's Unit that will cause damage to the Building containing such Unit. No Owner shall overload the floor of such Owner's Unit. No Owner shall permit the use or operation in such Owner's Unit of any equipment, machinery or other apparatus that will in any manner injure, vibrate or shake the Building or any portion thereof.

5.5 Prohibition of Damage and Certain Activities. Except with the prior written consent of the Board of Trustees, nothing shall be done or kept in any Unit, in the Common Areas or in any other part of the Project that would result in cancellation of the insurance on the Project or any part thereof nor shall anything be done or kept in any Unit that would increase the rate of insurance on the Project or any part thereof over that which the Association or the Master Association, but for such activity, would pay

6. THE ASSOCIATION

6.1 Ownership. Each Owner shall be entitled and required to be a member of the Association. If title to a Condominium is held by more than one person, the membership appurtenant to that Condominium shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which title to the Condominium is held. An Owner shall be entitled to one membership for each Condominium owned by such Owner. Each membership shall be appurtenant to the Condominium to which it relates and shall be transferred automatically by conveyance of that Condominium. No person or entity other than an Owner may be a member of the Association, and membership in the Association may not be transferred except in connection with the transfer of a Condominium.

6.2 Management Committee. The management committee of the Association shall consist of one committee member appointed by each Owner. Each member of the management committee shall serve as a Trustee on the Board of Trustees pursuant to the Master Declaration.

6.3 Votes. Each Condominium shall have one vote in the Association.

6.4 Incorporation. With the unanimous consent of the Owners, the Association may be incorporated as a Utah non-profit corporation.

7. CERTAIN RIGHTS AND OBLIGATIONS OF THE ASSOCIATION AND BOARD

7.1 The Common Areas. The management committee shall be responsible for the maintenance and repair of the exterior of the Building, other improvements and grounds, including, without limitation, painting thereof, repair and replacement of exterior trim, roofs and fences and maintenance of parking areas, landscaping, walkways and driveways, and for maintenance, repair and replacement of Common Areas within the Building. The management committee, subject to the rights and duties of the Owners as set forth in this Declaration, shall delegate the performance of all such repair, replacement, and maintenance and the management

and control of the Common Areas and all improvements thereon to the Master Association. Unless otherwise stated herein, each Owner shall keep the Limited Common Areas designated for use in connection with such Owner's Unit, if any, in a clean, sanitary and attractive condition. All goods and services procured by the management committee or the Master Association in performing its responsibilities under this section shall be paid for with funds from the Common Expense Fund.

7.2 Statutory Duties and Powers. All duties, responsibilities, rights and powers imposed upon or granted to the "management committee" under the Condominium Act shall be duties, responsibilities, rights and powers of the management committee hereunder; provided, however, that the management committee shall delegate the performance of such duties and responsibilities to the Master Association pursuant to the Master Declaration.

8. ASSESSMENTS

8.1 Agreement to Pay Assessments. The Declarant for each Condominium owned by it within the Project and each Owner of any Condominium by the acceptance of instruments of conveyance and transfer therefor, whether or not it be so expressed in such instruments, shall be deemed to covenant and agree with each other and with the Association and the Master Association to pay to the Master Association all assessments made by the Association and/or the Master Association for the purposes provided in this Declaration. Such assessments shall be fixed, established and collected from time to time as provided in this Article 8. All Assessments shall be computed and assessed against the Condominiums in accordance with the Master Declaration. Common Expenses for the Project shall be equally apportioned among and assessed to the Condominiums and their Owners.

8.2 Annual Budget. An annual budget shall be prepared, and annual assessments shall be determined and paid, in accordance with the Master Declaration.

8.3 Personal Obligation of Owner. The amount of any annual or special assessment against any Condominium shall be the personal obligation of the Owner of such Condominium to the Master Association, and in the event of nonpayment of such an assessment by an Owner, the Master Association shall have all the rights provided to it under the Master Declaration and all the rights provided to a condominium owners association under the Condominium Act. No Owner may avoid or diminish any such personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of such Owner's Condominium or by waiving any services or amenities provided for in this Declaration or the Master Declaration.

8.4 Personal Liability of Purchaser. The personal obligation of an Owner to pay unpaid assessments against such Owner's Condominium shall not pass to successors in title unless assumed by them; provided, however, a lien to secure unpaid assessments shall not be affected by the sale or transfer of the Condominium unless foreclosure by a First Mortgagee is involved, in which case the foreclosure will extinguish the lien for any assessments that were payable before the foreclosure sale, but shall not relieve any subsequent Owner from paying further assessments.

9. INSURANCE

9.1 Insurance. The Association shall at all times maintain in force the insurance required under the Master Declaration; provided that the duty to maintain insurance under the Condominium Act and this Declaration shall be delegated to the Master Association pursuant to the Master Declaration.

9.2 Additional Coverage. The provisions of this Declaration shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage in addition to any insurance coverage required by the Master Declaration, in such amounts and in such forms as the Association may deem appropriate from time to time.

9.3 Owner's Own Insurance. Each Owner, at such Owner's own expense, shall procure and maintain at all times personal liability insurance and fire and extended coverage insurance covering personal property of such Owner and additional fixtures and improvements added by such Owner against loss by fire and other casualties, including, without limitation, vandalism and malicious mischief. All policies providing such casualty insurance shall provide that they do not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this article. If obtainable under industry practice without an unreasonable additional charge for such waiver, all such insurance shall contain a waiver of the insurance company's right of subrogation against the Association, the Declarant, the Master Association, other Owners and their respective servants, agents and guests.

10. DAMAGE OR DESTRUCTION

10.1 Definition of Repair and Reconstruction. Repair and reconstruction of the improvements as used herein means restoring the Project to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas having substantially the same vertical and horizontal boundaries as before.

10.2 Procedures. In the event all or any part of the Project is damaged or destroyed, and subject to the provisions of Article 14 below, the Association shall proceed as follows:

(a) Notice to First Mortgagees. The Association shall give timely written notice to any holder of any First Mortgage on a Unit in the event of substantial damage to or destruction of any Unit or any part of the Common Areas.

(b) Estimate of Costs. As soon as practicable after an event causing damage to or destruction of any part of the Project, the Association shall obtain complete and reliable estimates of the costs to repair and reconstruct the part of the Project damaged or destroyed.

(c) Sufficient Insurance. If the proceeds of the insurance maintained by the Association exceed the estimated costs to repair and reconstruct the damaged or destroyed part of the Project, such repair and reconstruction shall be carried out.

(d) Insufficient Insurance--Less, than Seventy-Five Percent (75%) Destruction. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project

and if less than seventy-five percent (75%) of the Building is damaged or destroyed, such repair and reconstruction shall nevertheless be carried out. The Association shall levy a special assessment sufficient to provide funds to pay the actual costs of such repair and reconstruction to the extent that such insurance proceeds are insufficient to pay such costs. Such special assessment shall be allocated and collected as provided in Section 9.3 hereof, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected (together with the proceeds of insurance) are insufficient to pay all actual costs of such repair and reconstruction.

(e) Insufficient Insurance--Seventy-Five Percent (75%) or More Destruction.

If the proceeds of the insurance maintained by the Association (through the Master Association pursuant to the Master Declaration) are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project and if seventy-five percent (75%) or more of the Building is damaged or destroyed, such damage or destruction shall be repaired and reconstructed, but only if, within one hundred (100) days following the damage or destruction, the Owners shall elect by unanimous consent to carry out such repair and reconstruction. If, however, the Owners do not, within one hundred (100) days after such damage or destruction, elect by unanimous consent to carry out such repair and reconstruction, but rather elect to terminate the Project, the Association shall record in the office of the County Recorder of Salt Lake County, State of Utah, a notice setting forth such facts. Upon the recording of such notice, the following shall occur:

(i) The Project shall be deemed to be owned in common by the Owners;

(ii) The undivided interest in the Project owned in common which shall appertain to each Owner shall be the percentage of the undivided interest previously owned by such Owner in the Common Areas;

(iii) Any liens affecting any of the Condominiums shall be deemed to be transferred, in accordance with the existing priorities, to the undivided interest of the respective Owner in the Project; and

(iv) The Project shall be subject to an action for partition at the suit of any Owner, in which event the net proceeds of any sale resulting from such suit for partition, together with the net proceeds of the insurance of the Project, if any, shall be considered as one fund and shall be divided among all Owners in a percentage equal to the percentage of undivided interest owned by each respective Owner in the Common Areas, as set forth in Exhibit B hereto, after first paying out of the respective share of each Owner, to the extent sufficient for the purposes, all liens on the undivided interest in the Project owned by such Owner (including without limitation liens in favor of First Mortgagees).

In no event shall an Owner of a Unit or any other party have priority over the holder of any First Mortgage on such Unit with respect to the distribution to such Unit of any insurance or sales proceeds.

10.3 Repair or Reconstruction. If the damage or destruction is to be repaired and reconstructed as provided above, the Association shall, as soon as practicable after receiving the said estimate of costs, commence and diligently pursue to completion the repair and reconstruction of that part of the Project damaged or destroyed. The Association may take all necessary or appropriate action to effect repair and reconstruction, as attorney in fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith, (except as otherwise expressly provided herein). The Project shall be restored or repaired to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas having the same vertical and horizontal boundaries as before. Any restoration or repair of the Project, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Declaration and the original architectural plans and specifications.

10.4 Disbursement of Funds for Repair and Reconstruction. If repair or reconstruction is to occur, the insurance proceeds shall be held by the Master Association for the benefit of the Owners, and any amounts received from assessments made pursuant to Section 10.2(d) hereof shall constitute a fund for the payment of costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for costs of repair and reconstruction shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to their respective percentages of ownership of the Common Areas.

11. CONDEMNATION

11.1 Condemnation. If at any time or times all or any part of the Project shall be taken or condemned by any public authority under power of eminent domain, the provisions of this article shall apply. A voluntary sale or conveyance of all or any part of the Project in lieu of condemnation, but under threat of condemnation, shall be deemed to be a taking by power of eminent domain. If any Unit or portion thereof or the Common Areas 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 Association shall give prompt written notice of any such proceeding or proposed acquisition to each Owner in the Project and to any First Mortgagee.

11.2 Proceeds. All compensation, damages and other proceeds from any such taking by power of eminent domain (hereinafter the "condemnation award") shall be made payable to the Master Association for the benefit of the Owners and shall be distributed by the Board of Trustees, on behalf of the Association, as herein provided.

11.3 Complete Taking. In the event that the entire Project is taken by power of eminent domain, condominium ownership pursuant thereto shall terminate and the condemnation award shall be allocated among and distributed to the Owners in proportion to their respective undivided interests in the Common Areas. Provided, however, to the extent that there are differences in the fair market values of the Condominiums immediately prior to the condemnation, the Owners shall divide the condemnation award based upon the relative values of the Condominiums immediately prior to the condemnation. Such distribution shall be made

by check payable jointly to the respective Owners and their respective Mortgagees, as appropriate.

11.4 Partial Taking. In the event that less than the entire Project is taken by power of eminent domain, the following shall occur:

(a) Allocation of Award. The award shall be allocated and paid to the Owners as follows:

(i) The total amount apportioned to taking of or injury to the Common Areas shall be divided equally between the Owners;

(ii) The respective amounts apportioned to the taking of or injury to a particular Unit shall be allocated and distributed to the Owner of such Unit;

(iii) The total amount apportioned to severance damages, consequential damages and any other takings or injuries shall be allocated and distributed as the Master Association determines to be equitable under the circumstances;

(iv) If apportionment or allocation is already established by negotiation, judicial decree, statute or otherwise, such apportionment and allocation shall control to the extent it is relevant and applicable;

(v) Distribution of allocated proceeds shall be made by check payable jointly to individual Owners and their respective Mortgagees, as their interests may appear; and

(vi) No provision of this Article or any other document shall entitle the Owner of a Unit or other party to priority over any First Mortgagee holding such Unit with respect to the distribution to such Unit of the proceeds of any award, settlement or proceeds from any eminent domain or condemnation proceeding.

(b) Dissolution. If one Unit is taken and one Unit remains, the remaining Unit shall no longer be subject to this Declaration or to the Act.

(c) Repair and Reconstruction. Any repair and reconstruction necessitated by condemnation shall be governed by the provisions specified in Article 11 hereof for cases of Damage or Destruction; provided, however, that the provisions of said article dealing with sufficiency or insufficiency of insurance proceeds shall not be applicable.

12. TERMINATION AND SALE

12.1 Required Vote. Except as otherwise provided in Article 10 and Article 11, the Project may be terminated only by unanimous consent of the Owners, the Master Association, and the Eligible Mortgage Holders.

12.2 Termination Agreement. An agreement to terminate shall be evidenced by the execution or ratification of a termination agreement, in the same manner as a deed, by the Owners. Such an agreement to terminate shall not be effective unless consented to by the Master Association and all the Eligible Mortgage Holders. Such approval of an Eligible Mortgage Holder (and any other approval related to an amendment to this Declaration) shall be deemed given when an Eligible Mortgage Holder fails to submit a response within thirty days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested. The termination agreement shall specify a date after which the agreement will be void unless it is recorded before that date. A termination agreement, including all ratifications of such termination agreement, shall be recorded in Salt Lake County, Utah and is effective only on recordation. Upon termination, the Owners shall become tenants in common of all real property included in the Project.

12.3 Sale of Project. If a termination agreement provides that the Project shall be sold following termination, the termination agreement shall set forth the minimum terms of the sale.

12.4 Proceeds of Sale. Following termination of the Project, the proceeds of any sale of real estate shall be divided equally between the Owners, subject to the rights of Mortgagees with respect to such proceeds.

13. MORTGAGEE PROTECTION

13.1 Notice of Action. Upon written request made to the Association by a First Mortgagee, or an insurer or governmental guarantor of a First Mortgage, which written request shall identify the name and address of such First Mortgagee, insurer or governmental guarantor and the number and address of the Condominium, any such First Mortgagee, insurer or governmental guarantor shall be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Project or any Condominium on which there is a First Mortgage held, insured or guaranteed by such First Mortgagee, insurer or governmental guarantor;

(b) Any delinquency in the payment of assessments or charges owed by an Owner, whose Condominium is subject to a First Mortgage held, insured or guaranteed by such First Mortgagee, insurer or governmental guarantor, which default remains uncured for a period of sixty (60) days;

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

(d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders as specified in Section 14.2 below or elsewhere herein.

13.2 Matters Requiring Prior Eligible Mortgage Holder Approval. Except as provided elsewhere in this Declaration, the prior written unanimous consent of Owners and Eligible Mortgage Holders shall be required to:

(a) Abandon or terminate the legal status of the Project after substantial destruction or condemnation occurs.

(b) Add or amend any material provision of this Declaration or the Map which establishes, provides for, governs or regulates any of the following (an addition or amendment to such documents shall not be considered material if it is for the purpose of correcting technical errors or for clarification only):

- (i) voting rights;
- (ii) responsibility for maintenance and repairs;
- (iii) reallocation of interests in the Common Areas, or rights to their use;
- (iv) redefinition of any Condominium boundaries;
- (v) convertibility of Units into Common Areas or vice versa;
- (vi) hazard or fidelity insurance requirements;
- (vii) imposition of any additional restrictions on the leasing of Condominiums;
- (viii) imposition of any restrictions on Owner's right to sell or transfer his or her Condominium;
- (ix) restoration or repair of the Project (after damage or partial condemnation) in a manner other than that specified in the Declaration; or
- (x) any provisions that expressly benefit Mortgagees, insurers, or guarantors.

Any Mortgagee, insurer or governmental guarantor who receives a written request from the Association to approve additions or amendments to the constituent documents and who fails to deliver or post to the Association a negative response within thirty (30) days shall be deemed to have approved such request, provided the written request was delivered by certified or registered mail or a national delivery service (such as Federal Express or UPS), with a "return receipt" requested.

13.3 Availability of Project Documents and Financial Statements. The Association shall maintain and have current copies of this Declaration, as well as its own books, records, and financial statements available for inspection by Owners or by holders, insurers, and guarantors of First Mortgages that are secured by Condominiums in the Project. Generally, these documents shall be available during normal business hours. Any First Mortgagee shall have the right to have an audited financial statement prepared at its own expense.

13.4 Subordination of Lien. To the extent permitted by the Condominium Act, the lien or claim against a Condominium for unpaid assessments or charges levied by the Association or the Master Association pursuant to this Declaration shall be subordinate to the First Mortgage affecting such Condominium if the First Mortgage was recorded before the delinquent assessment was due, and the First Mortgagee thereunder which comes into possession of or which obtains title to the Condominium shall take the same free of such lien or claim for unpaid assessment or charges, but only to the extent of assessments or charges which accrue prior to foreclosure of the First Mortgage, exercise of a power of sale available thereunder, or taking of a deed or assignment in lieu of foreclosure. No assessment, charge, lien, or claim which is described in the preceding sentence as being subordinate to a First Mortgage or as not to burden a First Mortgagee which comes into possession or which obtains title shall be collected or enforced by the Association from or against a First Mortgagee, a successor in title to a First Mortgagee, or the Condominium affected or previously affected by the First Mortgage concerned.

13.5 Priority. No provision of this Declaration any other document gives or may give an Owner or any other party priority over any rights of Mortgagees pursuant to their respective Mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for loss to or taking of all or any part of the Condominiums or the Common Areas.

13.6 No Right of First Refusal. No "right of first refusal" shall be included or added by amendment to this Declaration or any other document.

14. COMPLIANCE WITH DECLARATION AND BYLAWS; DISPUTE RESOLUTION

14.1 Compliance. Each Owner shall comply strictly with the provisions of this Declaration, the Master Declaration, the bylaws of the Association and the Bylaws of the Master Association, rules and regulations promulgated by the Master Association and the decisions and resolutions of the Master Association adopted pursuant thereto, as the same may lawfully be modified and amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due for damages or for injunctive relief or for both, maintainable by the Master Association or, in a proper case, by an aggrieved Owner.

14.2 Dispute Resolution. Any disputes arising out of or related to this Declaration, the Association, or the Project shall be subject to the section of the Master Declaration entitled "Dispute Resolution" as if such section had been fully set forth herein; provided that any claim or dispute which would not constitute a "Claim" pursuant to such section shall not be subject to the dispute resolution procedures set forth therein unless all parties to the matter otherwise agree.

15. GENERAL PROVISIONS

15.1 Forbearance Not a Waiver. Failure to enforce any provision, restriction, covenant or condition contained in this Declaration shall not operate as a waiver of any such provision, restriction, covenant or condition or of any other provisions, restrictions, covenants or conditions.

15.2 Construction. The provisions of this Declaration shall be in addition and supplemental to the provisions of the Condominium Act and all other provisions of law. Whenever used herein, unless the context shall otherwise require, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof and any gender shall include both genders. The article and section headings set forth herein are for convenience and reference only and are not intended to expand, limit or otherwise affect the meaning or interpretation of this Declaration or any provision hereof. The provisions hereof shall be deemed independent and several, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provisions hereof.

15.3 Amendment. Except as provided elsewhere in this Declaration, any amendment to this Declaration shall require the unanimous consent of the Owners, and shall be accomplished through the recordation in the office of the Salt Lake County Recorder of an instrument executed by the Owners. Anything in this Article or Declaration to the contrary notwithstanding, Declarant reserves the unilateral right to amend all or any part of this Declaration to such extent and with such language as may be requested by any national mortgage insurer, guarantor, or servicer and to further amend to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of the Declaration, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Condominium(s) or any portions thereof. Any such amendment shall be effected by the recordation by Declarant of an amendment duly signed by or on behalf of the authorized officers of Declarant with their signatures acknowledged, specifying the federal, state or local governmental agency or the federally chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. Recordation of such an amendment shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such amendment, when recorded, shall be binding upon all of the Project and all persons having an interest therein. During the Declarant Control Period this Declaration may be amended or terminated only with the written approval of the Declarant. The Declarant alone may amend or terminate this Declaration prior to the closing of a sale of any Condominium.

15.4 Agent for Service. The name and address of the person to receive service of process in all cases provided by the Condominium Act shall be the registered agent and address of the Master Association as shown on the official corporate records maintained in the office of the Division of Corporations and Commercial Code of the State of Utah. On the date of this Declaration, the registered agent of the Master Association is Steven Brush, 2545 East Parley's Way, Salt Lake City, Utah 84109.

15.5 Owner's Obligations. All obligations of an Owner, under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that such Owner may be leasing, renting or selling under contract such Owner's Condominium. The Owner of a Condominium shall have no obligation for expenses or other obligations accruing after such Owner conveys such Condominium.

15.6 General Obligations. Each Owner shall enjoy and be subject to all rights and duties assigned to Owners pursuant to this Declaration. With respect to unsold Condominiums, the Declarant shall enjoy the same rights and assumes the same duties with respect to each unsold Condominium.

15.7 Acknowledgment of Authority of Master Association. Each Owner acknowledges that the Association, having only two Owners and only two members on its management committee, may experience situations in which the Association and the management committee are precluded from acting because the Owners and/or the members of the management committee do not agree as to the proposed action, and one of the purposes of the Master Declaration and the Master Association is to prevent such an inability to act. Each Owner, by accepting title to a Condominium, shall be deemed to agree to the delegation to the Master Association of responsibilities of the Association as set forth in this Declaration, and to the authority of the Master Association to enforce any provision set forth in this Declaration.

[Signature Page to Follow]

SALT LAKE CITY MUNICIPAL CORPORATION, a body corporate and politic, in which CAPITOL CREST Condominiums II, a Utah condominium project, is located, by and through its duly authorized representative does hereby give final approval to such condominium project, to the foregoing Declaration, to the Record of Survey Map recorded concurrently herewith, and to the attributes of such condominium project which are mentioned in Section 57-8-35(3) of the Utah Condominium Ownership Act, as amended and expanded by the laws of Utah, 1975, Chapter 173, Section 18.

DATED: _____

SALT LAKE CITY MUNICIPAL CORPORATION:

By: _____
Name:
Title:

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

The foregoing approval was acknowledged before me this ___ day of _____, 2007, by _____, _____ of Salt Lake City Municipal Corporation, a Utah municipal corporation.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

EXHIBIT A
Legal Description

That certain real property located in Salt Lake City, Salt Lake County, Utah, and more particularly described as follows:

PARCEL 1:

Lot 2 of CAPITOL CREST Plat "G", Salt Lake City, Salt Lake County, Utah, according to the recorded plat thereof on file in the office of the Salt Lake County Recorder

PARCEL 2:

Lot A of CAPITOL CREST Plat "M", Salt Lake City, Salt Lake County, Utah, according to the recorded plat thereof on file in the office of the Salt Lake County Recorder

EXHIBIT B
UNITS, UNDIVIDED OWNERSHIP INTERESTS AND VOTES

UNIT NUMBER	SQUARE FOOTAGE	UNDIVIDED OWNERSHIP INTERESTS	VOTES
715 N.	2,544 sq.ft.	.50	1
719 N.	2,544 sq.ft.	.50	1

EXHIBIT C

BYLAWS

**BYLAWS OF
CAPITOL CREST CONDOMINIUMS II ASSOCIATION**

The following shall be the Bylaws of the CAPITOL CREST Condominiums II Association (the "Association"). All capitalized terms used but not defined herein shall have the meaning given them in the Declaration of Condominium of CAPITOL CREST Condominiums II, dated as of _____, 2007, pertaining to the Project (the "Declaration"), as it may be modified or amended from time to time.

ARTICLE ONE: APPLICATION OF BYLAWS

All present and future Owners, Mortgagees, lessees and occupants of any Unit and any other persons who may use the Project or any portion thereof in any manner are subject to the Declaration and these Bylaws and all rules made pursuant hereto and any amendments hereof. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that the provisions of the Declaration and these Bylaws and any rules and regulations made pursuant hereto, as they may be amended from time to time, are accepted, ratified and will be complied with.

ARTICLE TWO: MEETINGS OF OWNERS

Section 1. Annual Meetings. Regular annual meeting of the Owners shall be held on the first Saturday of February each year thereafter, at the hour of 6:00 p.m. at the Project or some reasonable location in Salt Lake County, Utah or on such other annual date and time fixed by the management committee.

Section 3. Notice of Meetings. Written notice of each meeting of the Owners shall be given by hand-delivery, or mailing postage prepaid, at least fifteen (15) days before the meeting to each Owner, addressed to the Owner's address last appearing on the books of the Association, or supplied by such Owner to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of both Owners shall constitute a quorum for any action.

Section 5. Action Taken Without a Meeting. Any action that may be taken at any regular or special meeting of the Association may be taken without a meeting with the unanimous written consent of the Owners.

Section 6. Proxies. At each meeting of the Owners, each Owner shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall exist only where

the instrument authorizing such proxy to act shall have been executed by the Owner or by the Owner's attorney thereunto duly authorized in writing.

ARTICLE THREE: MANAGEMENT COMMITTEE, APPOINTMENT, TERM OF OFFICE, MEETINGS; ACTION WITHOUT MEETING

Section 1. Number. The affairs of this Association shall be managed by a management committee, which shall have three (3) members during the Declarant Control Period, and two (2) members thereafter.

Section 2. Appointment, Term of Office. Each Owner shall be entitled, and shall appoint, one member of the management committee for each Unit owned in fee by such Owner, and such appointed member shall serve in such capacity until such time as such Owner shall appoint a successor member.

Section 3. Regular Meetings. The management committee shall hold a regular meeting at least quarterly, or at such other intervals as they may deem appropriate, without notice, at such place and hour as may be fixed from time to time by resolution of the management committee.

Section 4. Quorum. The presence of both members of the management committee shall constitute a quorum for the transaction of business.

Section 5. Action Taken Without a Meeting. The management committee shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of both the members of the management committee.

ARTICLE FOUR: POWERS AND DUTIES OF THE MANAGEMENT COMMITTEE

Section 1. Powers. The management committee shall have power to delegate to the Master Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Owners by other provisions of these Bylaws or the Declaration.

Section 2. Duties. It shall be the duty of the management committee (which duty shall be or may be delegated to the Master Association in accordance with the Declaration) to:

- 2.1 Cause to be kept a complete record of all its acts and affairs;
- 2.2 Serve as trustees on the Board of Trustees of the Master Association;
- 2.3 Procure and maintain adequate liability and hazard insurance on the Building, the Common Areas, and all property owned by the Association;
- 2.4 Cause the Common Areas to be appropriately landscaped and maintained;
- 2.5 Fix and levy assessments in accordance with the Declaration; and
- 2.6 Permit First Mortgagees of Units in the Project to pay overdue premiums on hazard insurance policies covering the Building, or secure new hazard insurance coverage on

the lapse of a policy for the Building, and such First Mortgagees, upon making such payments, shall be owed immediate reimbursement therefor from the Association.

ARTICLE FIVE: BOOKS AND RECORDS

Section 1. Accounting. The books and accounts of the Association shall be kept in accordance with generally accepted accounting procedures.

Section 2. Inspection of Records. Every Owner shall have the absolute right at any reasonable time to inspect and make copies of all books, records and documents of the Association.

ARTICLE SIX: ASSESSMENTS

All assessments shall be made in accordance with the applicable provisions of the Declaration and the Master Declaration.

ARTICLE SEVEN: AMENDMENTS

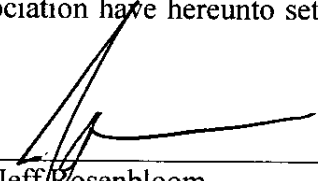
Section 1. Amendment Procedure. These Bylaws may be amended by the unanimous written consent of the Owners.

Section 2. Conflict. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

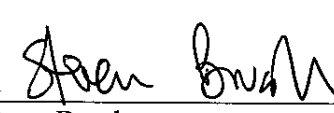
ARTICLE EIGHT: FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

IN WITNESS WHEREOF, we, being all of the members of the Management Committee of CAPITOL CREST Condominium II Association have hereunto set our hands as of the 12 day of June, 2007.



Jeff Rosenbloom



Steve Brush



Scott Dwire