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MASTER DECLARATION
FOR
CAPITOL CREST CONDOMINIUMS

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**MASTER DECLARATION
FOR
CAPITOL CREST CONDOMINIUMS**

This Master Declaration for CAPITOL CREST Condominiums (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 Property. 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 "Property"). The Property comprises two two-unit condominium projects.

B. Intent and Purpose. The Declarant intends by recording this Declaration to provide for the operation of the Property as a unified development and to impose upon the Property mutually beneficial restrictions for the benefit of all the owners of condominiums in the Property.

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 CAPITOL CREST Condominium Owners Association, Inc., a Utah nonprofit corporation, organized to be the Association referred to herein.

"Board of Trustees" or "Board" shall mean the governing board of the Association which shall be appointed in accordance with this Declaration and in accordance with the Articles of Incorporation and Bylaws of CAPITOL CREST Condominium Owners' Association, Inc., attached hereto as Exhibits B and C, respectively, and incorporated herein by this reference.

"Buildings" shall mean the residential buildings constructed on the Property, comprising two Buildings, each of which contains two condominium units.

"Common Areas" shall mean the Common Areas as defined in the Condominium Declarations.

"Common Expenses" shall mean the Common Expenses as defined in the Condominium Declarations, together with all expenses incurred by the Association in performing its duties and responsibilities under this Declaration.

“Common Expense Fund” shall mean the fund created or to be created pursuant to the provisions of Article 5 of this Declaration and into which all monies of the Association shall be deposited.

“Condominium” shall mean a Condominium in the Property as defined in the Condominium Declarations.

“Condominium Declarations” shall mean, collectively, (i) that certain Declaration of Condominium of CAPITOL CREST Condominiums I, of even date herewith, recorded in the records of the County Recorder for Salt Lake County as Entry No. _____; and (ii) that certain Declaration of Condominium for CAPITOL CREST Condominiums II, of even date herewith, recorded in the records of the County Recorder for Salt Lake County as Entry No. _____.

“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 14.1.

“First Mortgage” shall mean a first Mortgage.

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

“Majority Vote” shall mean more than fifty percent (50%) of the votes of the Owners.

“Mortgage” shall mean any mortgage or deed of trust by which a condominium unit in the Property 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 an Owner as defined in the Condominium Declarations.

“Sub-Associations” shall mean the condominium owners associations established under the Condominium Declarations.

“Unit” shall mean a Unit on the Property as defined in the Condominium Declarations.

2. RESTRICTIONS ON USE. The following restrictions shall apply to all the Property and shall be in addition to the restrictions imposed on the Property by the Condominium Declarations:

2.1 No Noxious or Offensive Activity. No noxious, destructive or offensive activity shall be carried on in or upon any Condominium or any portion of the Property which would interfere with the legal rights of other Owners nor shall anything be done therein which is or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Property. No activities shall be conducted, nor improvements constructed, in or upon any part of the Property which are or may become unsafe or hazardous to any person or property. Without limiting the breadth of the foregoing, (a) aluminum foil, newspapers, or any other similar materials may not be used to cover the windows in any Unit, (b) to the extent allowed by applicable law, no radio or television antenna or any wiring for any purpose may be installed on the exterior of a Building without the prior written approval of the Board of Trustees; (c) no garments, rugs, or other household items, or washlines of any kind may be hung, erected, or maintained outside of an Owner's Unit; and (d) no Owner shall throw or drop any items or permit any items to fall from the windows of such Owner's Unit.

2.2 Restrictions on Signs. No signs, flags or advertising devices of any nature, including, without limitation, commercial, informational or directional signs or devices, shall be erected or maintained on any part of the Property, without the prior inspection and written approval of the Board of Trustees, except as may be necessary temporarily to caution or warn of danger. If the Board consents to the erection of any such signs or devices, the same shall be removed promptly at the request of the Board. Notwithstanding the foregoing, a "For Sale" sign may be temporarily posted in the window of a Unit in a bona fide attempt to sell such Condominium, and political signs may be posted in the windows of a Unit during the campaign to which such sign pertains.

2.3 Pets and Animals. Without the express consent of the Board of Trustees, no animals of any kind may be raised, bred or kept in any Unit or anywhere else in the Property, except for household dogs and cats, so long as such animals do not constitute a nuisance or other impairment to the enjoyment of the Property by other Owners, their tenants or guests, as determined by the Board of Trustees. Owners shall clean up after their pets and shall comply with all leash laws and other ordinances affecting the ownership of pets in Salt Lake City.

2.4 Parking. Each Owner shall park motor vehicles only on the parking area for its Unit. Only an Owner who occupies a Unit as his or her primary residence shall park in the parking areas for such Unit, and no Owner shall at any time park more than 2 automobile(s) on its parking area. No automobile or other vehicle shall be parked at any location within the Property which impairs or tends to impair vehicular or pedestrian access within the Property or to and from its various parts.

2.5 No Obstructions. No Owner shall obstruct the Common Areas or any part thereof. No Owner shall store or cause to be stored in the Common Areas any property whatsoever, unless the Board of Trustees shall consent thereto in writing.

2.6 Rules and Regulations. Each Owner shall strictly comply with all rules and regulations adopted by the Association for the governance of the Units, the Common Areas and the Property, as such rules and regulations may be modified, amended and construed by the Association in the sole discretion of its Board of Trustees.

3. THE ASSOCIATION.

3.1 Membership. Each Owner shall be entitled and required to be a member of the Association. Membership will begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Unit is held by more than one person, the membership appurtenant to that Unit shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which title to the Unit is held. An Owner shall be entitled to one membership for each Unit owned by such Owner. Each membership shall be appurtenant to the Unit to which it relates and shall be transferred automatically by conveyance of that Unit. Ownership of a Unit cannot be separated from membership in the Association appurtenant thereto, and any devise, encumbrance, conveyance or other disposition, respectively, of the Owner's membership in the Association and rights appurtenant thereto. 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.

3.2 Board of Trustees. During the Declarant Control Period, the Declarant shall have the exclusive right to appoint and to remove all Trustees.

3.3 Votes. Each Condominium shall have one (1) vote which is appurtenant to such Condominium. Voting rights shall have a permanent character and shall not be altered without the unanimous written consent of all Owners expressed in a duly recorded amendment to this Declaration. The Declarant shall have full voting rights with respect to each Condominium which Declarant owns.

3.4 Professional Management. The Association may, at the option of the Board of Trustees, carry out through a manager retained by the Association those of its functions which are properly the subject of delegation. The manager so engaged shall be an independent contractor and not an agent or employee of the Association shall be responsible for managing the Property for the benefit of the Association and the Owners, and shall, to the extent permitted by law and by the terms of the agreement with the Association, be authorized to perform any of the functions or acts required or permitted to be performed by the Association itself.

3.5 Amplification. The provisions of this Article 3 may be amplified by the Articles and the Bylaws; provided, however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners set forth in this Declaration. The initial Bylaws of the Association shall be in the form of Exhibit C, attached hereto and incorporated herein.

4. CERTAIN RIGHTS AND OBLIGATIONS OF THE ASSOCIATION AND BOARD.

4.1 The Common Areas. The Board of Trustees, acting on behalf of the Association and each of the Sub-Associations, subject to the rights and duties of the Owners as set forth in the Condominium Declarations, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon and shall keep the same in a good, clean, attractive, safe and sanitary condition, order and repair. The Association shall be responsible for the maintenance and repair of the exterior of the Buildings, 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. The Association shall also be responsible for maintenance, repair and replacement of Common Areas within the Buildings. All goods and services procured by the Association in performing its responsibilities under this section shall be paid for with funds from the Common Expense Fund.

4.2 Miscellaneous Goods and Services. The Board of Trustees may, on behalf of the Association and each of the Sub-Associations, obtain and pay for the services of such personnel as the Board of Trustees shall determine to be necessary or desirable for the proper operation of the Property, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Board of Trustees may, on behalf of the Association, obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Property or the enforcement of this Declaration. In addition to the foregoing, the Board of Trustees may, on behalf of the Association, acquire and pay for out of the Common Expense Fund water, sewer, garbage collection, electrical, gas and other necessary or desirable utility services for the Common Areas, insurance, bonds and other goods and services common to all the Condominiums.

4.3 Real and Personal Property. The Board of Trustees may acquire and hold on behalf of the Association real, personal and mixed property of all types for the use or benefit of all of the Owners and may dispose of such property by sale or otherwise. All such property shall be paid for out of the Common Expense Fund and all proceeds from the disposition thereof shall be part of such fund.

4.4 Rules and Regulations. The Board of Trustees may make reasonable rules and regulations governing the use of the Units, the Common Areas and all parts of the Property, which rules and regulations shall be consistent with the rights and duties established by this Declaration. The Board of Trustees on behalf of the Association may take judicial action against any Owner to enforce compliance with such rules and regulations or other obligations of such Owner arising hereunder, or to obtain damages for noncompliance therewith, as permitted by law. In the event of such judicial action, the Association shall be entitled to recover its costs, including reasonable attorneys' fees, from the offending Owner.

4.5 Statutory Duties and Powers. To the fullest extent allowable under applicable law, all duties, responsibilities, rights and powers imposed upon or granted to the "management committee" under the Condominium Act and delegated to the Association under the Condominium Declarations shall be duties, responsibilities, rights and powers of the Board of Trustees hereunder with respect to the Property and each of the condominium projects included therein.

4.6 Enforcement Rights. The Association shall have the right and authority to enforce any provision of the Condominium Declarations against an Owner or a Sub-Association.

4.7 Implied Rights. The Association may exercise any right, power or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonably

implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

4.8 Power of Attorney and Amendments. Each Owner makes, constitutes and appoints the Association such Owner's true and lawful attorney in such Owner's name, place and stead to make, execute, sign, acknowledge and file with respect to the Property such amendments to this Declaration as may be required by law or by vote taken pursuant to the provisions of this Declaration.

5. ASSESSMENTS.

5.1 Agreement to Pay Assessments. Each Owner of any Condominium by the acceptance of instruments of conveyance and transfer therefor, whether or not it be so expressed in said instruments, shall be deemed to covenant and agree with each other and with the Association to pay to the Association all assessments made by the 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 5.

5.2 Annual Assessments. Annual assessments shall be computed and assessed against all Condominiums as follows:

(a) Common Expense. Annual assessments shall be based upon advance estimates of the Association's cash requirements to provide for payment of Common Expenses. All funds received from assessments under this Section 5.2(a) shall be part of the Common Expense Fund. Two separate and distinct funds shall be created and maintained hereunder, one for operating expenses and one for capital expenses which together shall constitute the Common Expense Fund.

(b) Apportionment. Common Expenses shall be apportioned among and assessed to all Condominiums and their Owners equally. The Declarant shall be liable for the amount of any assessments against Condominiums owned by it.

(c) Annual Budget. Annual assessments shall be determined on the basis of a fiscal year beginning January 1 and ending December 31 next following, provided the first fiscal year shall begin on the date of this Declaration, and, on or before December 1 of each year thereafter, the Board of Trustees shall prepare and furnish to each Owner, or cause to be prepared and furnished to each Owner, an operating budget for the upcoming fiscal year. The budget shall itemize the estimated Common Expenses for such fiscal year, anticipated receipts (if any) and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the annual assessment for the upcoming fiscal year and as the major guideline under which the Property shall be operated during such annual period.

(d) Payment. Except as otherwise provided by the Board, each annual assessment shall be payable in twelve equal monthly installments, one such installment due on the first day of each calendar month during the fiscal year to which the assessment relates; provided, however, the annual assessment for the first fiscal year shall be based

upon such portion of the first fiscal year. The Association shall have the right to charge a late fee equal to five percent (5%) of any assessment not paid within fifteen (15) days of the due date thereof. In addition, all unpaid installments of any annual assessment shall bear interest at the rate established by the Board not to exceed eighteen percent (18%) per annum from fifteen (15) days after the date each such installment became due until paid. In the event that any installment of the annual assessment is not paid within fifteen (15) days of the date such installment becomes due, the Association may, at its option, and upon fifteen (15) days prior written notice to the Owner, accelerate the due date for all remaining unpaid installments of the annual assessment for the remainder of the fiscal year and all accrued but unpaid interest thereon. Payment of the annual assessment installments so accelerated shall be due at the expiration of said fifteen (15) day notice period and interest shall accrue on the entire sum at the rate established by the Board not to exceed eighteen percent (18%) per annum from such date until paid in full.

(e) Inadequate Funds. In the event that the Common Expense Fund proves inadequate at any time for whatever reason, including nonpayment of any Owner's assessment, the Board of Trustees may, on behalf of the Association, levy additional assessments in accordance with the procedure set forth in Section 9.3 below, except that the vote therein specified shall be unnecessary.

5.3 Special Assessments. In addition to the annual assessments authorized by this Article 5, the Board of Trustees may, on behalf of the Association, levy, at any time and from time to time, upon the affirmative vote of a majority of the Trustees, special assessments, payable over such periods as the Board of Trustees may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Buildings or any part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration (including, without limitation, Common Expenses). This section shall not be construed as an independent source of authority for the Association to incur expenses but shall be construed to prescribe the manner of assessing for expenses authorized by other sections or articles hereof. Any amounts assessed pursuant hereto shall be assessed to all the Owners equally. Notice in writing of the amount of each such special assessment and the time for payment thereof shall be given promptly to the Owners; no payment shall be due less than fifteen (15) days after such notice shall have been given. All unpaid portions of any special assessment shall bear interest at the rate established by the Board not to exceed eighteen percent (18%) per annum from the date such portions become due until paid. All funds received from assessments under this section shall be part of the Common Expense Fund. The provisions of this Section are not intended to preclude or limit the assessment, collection or use of annual assessments for the aforesaid purposes.

5.4 Uniform Rate of Assessment. The amount of any annual or special assessment against each Condominium shall be fixed at a uniform rate. Annual assessments may be collected on a monthly basis and special assessments may be collected as specified by the Board unless otherwise determined by the resolution of the Owners approving the special assessment.

5.5 Lien for Assessments. All sums assessed to Owners of any Condominium pursuant to the provisions of this Article 9, together with penalties and interest thereon as

provided herein, shall be secured by a lien on such Condominium in favor of the Association. To evidence a lien for sums assessed pursuant to this Article 9, the Board of Trustees may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Condominium and a description of the Condominium. Such a notice shall be signed and acknowledged by a duly authorized officer of the Association and may be recorded in the office of the County Recorder of Salt Lake County, State of Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by sale or foreclosure conducted in accordance with the provisions of law applicable to the exercise of powers of sale or judicial foreclosure of deeds of trust or mortgages or in any other manner permitted by law. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees), and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessments against the Condominium which shall become due during the period of foreclosure, and all such assessments shall be secured by the lien being foreclosed. The Board of Trustees shall have the right and power on behalf of the Association to bid in at any foreclosure sale and to hold, lease, mortgage or convey the subject Condominium in the name of the Association.

5.6 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 Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. 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. In the event of any suit to recover a money judgment of unpaid assessments hereunder, the involved Owner shall pay the costs and expenses incurred by the Association in connection therewith, including reasonable attorneys' fees.

5.7 Personal Liability of Purchaser. The personal obligation of an Owner to pay unpaid assessments against such Owner's Condominium as described in Section 5.6 shall not pass to successors in title unless expressly 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.

5.8 Reserves and Working Capital. The Association shall establish the following funds:

(a) Reserve Fund. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Areas the Association may be obligated to maintain, repair or replace. The reserve fund shall be maintained out of regular assessments for Common Expenses.

(b) Working Capital Fund. The Association shall establish and maintain for the Property a working capital fund. The working capital fund shall be maintained in a segregated account for the use and benefit of the Association. The purpose of the working capital fund is to ensure that the Association will have cash available to meet unforeseen expenditures or to acquire additional equipment or services deemed necessary or desirable by the Association. Amounts paid into the working capital fund are not to be considered advance payments of any regular assessment. The Declarant shall not use the working capital fund to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits while it is in control of the Association.

5.9 Evidence of Payment of Annual and Special Assessments. Upon receipt of a written request by an Owner or any other person, the Association within a reasonable period of time thereafter shall issue to such Owner or other person a written certificate stating (a) that all annual and special assessments (including interest, costs and attorneys' fees, if any, as provided in Section 5.2 above) have been paid with respect to any specified Condominium as of the date of such certificate, or (b) if all annual and special assessments have not been paid, the amount of such annual and special assessments (including interest, costs and attorneys' fees, if any) due and payable as of such date.

5.10 Amendment of Article. This Article 5 shall not be amended unless at least seventy-five percent (75%) of the Owners consent and agree to such amendment and the Association reflects such consent and agreement in an instrument executed and recorded in accordance with the terms of this Declaration.

6. INSURANCE.

6.1 Insurance. The Association shall at all times maintain in force insurance meeting the following requirements:

(a) Hazard Insurance. Property damage insurance covering the Buildings and all other insurable improvements in the Property, together with the fixtures and personal property installed in the Units and replacements therefor up to the value of those installed in the Units as of the date hereof, but excluding land, foundations, excavations, and other items normally not covered by such policies. Such insurance shall provide protection against loss or damage caused by fire and other hazards covered by the standard extended coverage endorsement with the standard "all-risk" endorsement including but not limited to sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage, and such other risks as are customarily covered with respect to projects similar to the Buildings in construction, location and use. Such policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all elements of the Property covered by such policy, exclusive of land, foundations, excavation, and other items normally excluded from coverage, either of the following endorsements: (1) a guaranteed replacement cost endorsement (under which the insurer agrees to replace the insurable property regardless of the cost) and, if the policy includes a co-insurance clause, an agreed amount endorsement (which waives the requirement for co-insurance); or (2) a replacement cost endorsement (under which the

insurer agrees to pay up to one-hundred percent of the property's insurable replacement cost but no more) and, if the policy includes a co-insurance clause, an agreed amount endorsement (which waives the requirement for co-insurance). The maximum deductible amount for such policy shall be the lesser of Five Thousand Dollars (\$5,000) or one percent (1%) of the policy face amount. All premiums shall be paid as a Common Expense.

(b) Flood Insurance. If any part of the Property is or comes to be situated in a Special Flood Hazard Area as designated on a Flood Insurance Rate Map, a policy of flood insurance shall be maintained covering the Buildings, any machinery, equipment and other common property that are not part of the Buildings and all Common Areas (hereinafter "Insurable Property") in an amount deemed appropriate, but not less than the lesser of: (1) the maximum limit of coverage available under the National Flood Insurance Administration Program for all the Insurable Property within any portion of the Property located within a designated flood hazard area; or (2) one hundred percent (100%) of the insurable value of all the insurable property. The maximum deductible amount for any such policy shall be the lesser of Five Thousand Dollars (\$5,000.00) or one percent (1%) of the policy face amount.

(c) General Requirements for Hazard and Flood Insurance. The name of the insured under each policy required to be maintained by the foregoing items (a) and (b) shall be the Sub-Association responsible to maintain such insurance, for the use and benefit of the individual Owners. Notwithstanding the foregoing, each such policy may be issued in the name of an authorized representative of a Sub-Association, including any insurance trustee with whom the Sub-Association has entered into an insurance trust agreement for the use and benefit of the individual Owners. Loss payable shall be in favor of the Association (or insurance trustee), as a trustee for each Owner and each such Owner's Mortgagee. Each Owner and each such Owner's Mortgagee, if any, shall be beneficiaries of such policy. Evidence of insurance shall be issued to each Owner and Mortgagee upon request. Each policy required to be maintained by the foregoing items (a) and (b) shall (i) contain the standard mortgage clause or equivalent endorsement (without contribution), commonly accepted by private institutional mortgage investors in the area in which the Property is located, (ii) provide that the policy may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association and to each Eligible Mortgage Holder, and (iii) provide, if available, for recognition of any insurance trust agreement; a waiver of the right of subrogation against Owners individually; that the insurance is not prejudiced by any act or neglect of individual Owners which is not in the control of such Owners collectively; and that the policy is primary in the event the Owner has other insurance covering the same loss. Each policy required to be maintained by the foregoing item (a) shall also contain or provide an "Inflation Guard Endorsement", if available; and a "Building Ordinance or Law Endorsement", providing for contingent liability from the operation of building laws, demolition costs, and increased costs of reconstruction.

(d) Fidelity Bonds. The Association may maintain in force and pay the premiums for "blanket" fidelity bonds for all officers, members, and employees of the

Association and for all other persons handling or responsible for funds of or administered by the Association whether or not that individual receives compensation for services, including any manager retained to manage the Property.

(e) Liability Insurance. The Association shall maintain in force, and pay the premium for a policy providing commercial general liability insurance coverage covering all of the Common Areas, and all other areas of the Property that are under the Association's supervision. The coverage limits under such policy shall be in amounts generally required by private institutional mortgage investors for projects similar to the Property in construction, location, and use. Nevertheless, such coverage shall be for at least Two Million Dollars (\$2,000,000) for bodily injury, including deaths of persons, and property damage arising out of a single occurrence. Coverage under such policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance, or use of the Common Areas and legal liability arising out of lawsuits related to employment contracts of the Association. Additional coverages under such policy shall include protection against such other risks as are customarily covered with respect to projects similar to the Property in construction, location, and use. If such policy does not include "severability of interest" in its terms, the policy shall include a special endorsement to preclude an insurer's denial of any Owner's claim because of negligent acts of the Association or any other Owner. Such policy shall provide that it may not be cancelled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association and to each Eligible Mortgage Holder.

(f) General Requirements Concerning Insurance. Each insurance policy maintained pursuant to the foregoing Sections (a), (b), (c) and (d) shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a B general policyholder's rating or a financial performance index of 6 or better in the Best's Key Rating Guide. The provisions of this Section (f) and of the foregoing Sections (a), (b), (c), (d) and (e) 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 hereunder, in such amounts and in such forms as the Association may deem appropriate from time to time.

(g) Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the Property which may have been damaged or destroyed.

6.2 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 this Declaration, in such amounts and in such forms as the Association may deem appropriate from time to time.

7. EASEMENTS.

7.1 Easements for Maintenance, Cleaning and Repair. Some of the Common Areas are or may be located within the Units or may be conveniently accessible only through the Units. The Association shall have the irrevocable right to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, cleaning, repair (emergency or otherwise) or replacement of any Common Areas or for making emergency repairs at any time therein necessary to prevent damage to the Common Areas or to any Unit. In addition, agents of the Association may enter any Unit when necessary in connection with any cleaning, maintenance, repair, replacement, landscaping, construction or reconstruction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Association with funds from the Common Expense Fund.

7.2 Easements Deemed Created. All conveyances of Condominiums hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve such easements as are provided herein, even though no specific reference to such easements appears in any such conveyance.

8. DAMAGE, DESTRUCTION, OR CONDEMNATION.

If any portion of the Property is damaged, destroyed, or condemned or taken under the power of eminent domain or conveyed in lieu of condemnation, and the applicable Sub-Association fails to act in accordance with the provisions of the Condominium Declarations applicable to such damage, destruction, or condemnation, the Association shall act in the stead of such Sub-Association to perform the duties of the Sub-Association under the Condominium Declaration. Each Owner hereby agrees that the Association shall have the power to act in the stead of each of the Sub-Associations pursuant to this Article 8.

9. MORTGAGEE PROTECTION

9.1 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 Property 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; and

(d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders as specified in Section 9.2 below or elsewhere herein.

9.2 Matters Requiring Prior Eligible Mortgage Holder Approval. Except as provided elsewhere in this Declaration, the prior written consent of Owners entitled to vote at least seventy-five percent (75%) of the total votes of the Association, and at least a majority of Eligible Mortgage Holders shall be required to:

(a) Terminate this Declaration;

(b) Add or amend any material provision of this Declaration, Articles, Bylaws or 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) increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens, or the priority of assessment liens;

(iii) reductions in reserves for maintenance, repair, and replacement of Common Areas;

(iv) responsibility for maintenance and repairs;

(v) hazard or fidelity insurance requirements;

(vi) imposition of any restrictions on the leasing of Condominiums;

(vii) imposition of any restrictions on an Owner's right to sell or transfer fee title to such Owner's Condominium;

(viii) restoration or repair of the Property (after damage or partial condemnation) in a manner other than that specified in the Declaration; or

(ix) 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, with a "return receipt" requested.

9.3 Availability of Documents and Financial Statements. The Association shall maintain and have current copies of this Declaration, Articles, Bylaws, and other rules concerning the Property 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 Property. 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.

9.4 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 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.

9.5 Payment of Insurance Premiums. In the event the required hazard insurance described in Section 10.1(a) lapses, is not maintained, or the premiums therefore are not paid when due, any Mortgagee or any combination of Mortgagees may jointly or singly, pay such premiums or secure such insurance. Any Mortgagee which expends funds for any of such purposes shall be entitled to immediate reimbursement therefor from the Association.

9.6 Priority. No provision of this Declaration or the Articles 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 Elements.

9.7 Additional Information Made Available to Holders, Insurers and Guarantors of First Mortgages. In addition to the rights granted in Section 9.3, any holder, insurer or guarantor of any First Mortgage shall, upon request, be entitled to written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

10. COMPLIANCE WITH DECLARATION AND BYLAWS; DISPUTE RESOLUTION

10.1 Compliance. Each Owner shall comply strictly with the provisions of this Declaration, the Articles and Bylaws of the Association, rules and regulations promulgated by the Association and the decisions and resolutions of the 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 Association or, in a proper case, by an aggrieved Owner.

10.2 Dispute Resolution.

(a) Agreement to Encourage Resolution of Disputes without Litigation. Declarant, the Association, and all Owners and occupants of a Unit (each, a "Bound Party") agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving the Property without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim (as defined below), unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in this Section 10.2 in a good faith effort to resolve such Claim. As used in this Section, "Claim" shall mean any claim, grievance, or dispute arising out of or relating to:

(i) the interpretation, application, or enforcement of a Condominium Declaration, this Declaration, the Articles, the Bylaws, or any rules promulgated thereunder (collectively, the "Governing Documents");

(ii) the rights, obligation, and duties of any Bound Party under the Governing Documents;

except that the following shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in subsection (b) below:

(1) any suit by the Association to collect Assessments or other amounts due from any Owner;

(2) any suit by the Association against one or more Owners to obtain injunctive relief;

(3) any suit between Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;

(4) any suit in which any indispensable party is not a Bound Party; and

(5) any suit as to which any applicable statute of limitations would expire within 180 days after the giving of Notice required by Section 10.2 below.

(b) Dispute Resolution Procedures.

(i) Notice. The Bound Party asserting a Claim (the "Claimant") against another Bound Party (the "Respondent") shall give written notice to each Respondent and to the Board stating plainly and concisely:

(1) the nature of the Claim, including the persons involved and the Respondent's role in the Claim;

(2) the legal basis of the Claim (*i.e.*, the specific authority out of which the Claim arises;

- (3) the Claimant's proposed resolution or remedy; and
- (4) the Claimant's desire to meet with the Respondent to discuss in good faith ways to resolve the Claim.

(ii) Negotiation. The Claimant and the Respondent shall make good faith efforts to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the parties in negotiating a resolution of the Claim.

(iii) Mediation. If the parties have not resolved the Claim through negotiation within thirty (30) days after the date of the Notice (or within such other period as the parties may agree), the Claimant shall have thirty (30) additional days to submit the Claim to mediation with an entity designated by the Association (if the Association is not a party to the Claim) or to an independent agency providing dispute resolution services in the Salt Lake County area. If the Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not to third parties) on account of such Claim. If the parties do not settle the Claim within thirty (30) days after submission of the Claim to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date the mediation was terminated. The Claimant shall thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate. Each party shall bear its own costs of the mediation, including attorneys' fees, and each party shall share equally all fees charged by the mediator.

(iv) Settlement. Any settlement of a Claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Section. In such event, the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportion) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys' fees and court costs.

(v) Initiation of Litigation by the Association. In addition to compliance with the foregoing alternative dispute resolution procedures, if applicable, the Association shall not initiate any judicial or administrative proceedings unless first approved by a vote of not less than seventy-five percent

(75%) of the Owners cast at an annual or special meeting of the Association; except that no such approval shall be required for actions or proceedings:

- (1) initiated during the Declarant Control Period;
- (2) initiated to enforce the provisions of this Declaration, including collection of Assessments and foreclosure of liens;
- (3) initiated to challenge property tax or condemnation proceedings;
- (4) initiated against any contractor, vendor, or supplier of goods or services arising out of a contract for services or supplies; or
- (5) to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it.

10.3 Enforcement and Remedies. Subject to the provisions of Section 10.2 above, the obligations, provisions, covenants, restrictions and conditions contained in this Declaration with respect to the Association or Condominiums shall be enforceable by any Owner of a Condominium by a proceeding for a prohibitive or mandatory injunction or by a suit or action to recover damages or to recover any amount due or unpaid. The obligations, provisions, covenants, restrictions and conditions contained in this Declaration with respect to a person or entity or property of a person or entity other than the Association shall be enforceable by the Declarant during the Declarant Control Period, by the Association or, in a proper case, by an aggrieved Owner by a proceeding for a prohibitive or mandatory injunction or by a suit or action to recover damages or to recover any amount due or unpaid.

10.4 Enforcement of Condominium Declarations. The Association shall have the right and authority to enforce any provision of the Condominium Declarations against an Owner, a Sub-Association, or any other person or entity bound thereby, and, in connection with such right and authority, shall be entitled to all the remedies afforded an Owner or a Sub-Association under the Condominium Declarations, at law, or in equity.

11. GENERAL PROVISIONS

11.1 Intent and Purpose. The provisions of this Declaration shall be liberally construed to effectuate the purpose of creating a uniform plan for the operation of the Condominiums. 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.

11.2 Construction. 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.

11.3 Lists of Owners and Eligible Mortgage Holders. The Board shall maintain up-to-date records showing: (i) the name of each person who is an Owner, the address of such person, and the Condominium which is owned by such person; (ii) the name of each person or entity who is an Eligible Mortgage Holder, the address of such person or entity and the Condominium which is encumbered by the Mortgage held by such person or entity; and (iii) the name of each person or entity who is an insurer or governmental guarantor, the address of such person or entity, and the Condominium which is encumbered by the Mortgage insured or guaranteed by such person or entity. In the event of any transfer of a fee or undivided fee interest in a Condominium, either the transferor or transferee shall furnish the Board with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of record in the office of the County Recorder of Salt Lake County, Utah. The Board may for all purposes act and rely on the information concerning Owners and Condominium ownership which is thus acquired by it or, at its option, the Board may act and rely on current ownership information respecting any Condominium or Condominiums which is obtained from the office of the County Recorder of Salt Lake County, Utah. The address of an Owner shall be deemed to be the address of the Condominium owned by such person unless the Board is otherwise advised.

11.4 Amendment. Except as provided elsewhere in this Declaration, any amendment to this Declaration shall require the affirmative vote of at least seventy-five percent (75%) of the Owners present in person or represented by proxy entitled to be cast at a meeting duly called for such purpose or otherwise approved in writing by such Owners. Any amendment authorized pursuant to this Section shall be accomplished through the recordation in the office of the Salt Lake County Recorder of an instrument executed by the Association. In such instrument an officer or Trustee of the Association shall certify that the vote required by this Section for amendment has occurred. 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 Property 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.

11.5 Effective Date. This Declaration shall take effect upon recording.

11.6 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 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 Association is Steven Brush, 2545 East Parley's Way, Salt Lake City, Utah 84109.

11.7 Limitation on Association's Liability. The Association shall not be liable for any failure of water service or other utility service (if any) to be obtained and paid for by the Association hereunder, or for injury or damage to any person in or upon the Property, or resulting from electricity, water, rain, snow or ice which may leak or flow from outside or from any parts of the Buildings or their drains, pipes, conduits, appliances or equipment, or from any other place, unless caused by the grossly negligent or willful misconduct of the Association. No diminution or abatement of any assessments under this Declaration shall be claimed or allowed for inconvenience or discomfort arising from the making of any repairs or improvements to or maintaining the Property or any part thereof, or from any action taken to comply with the provisions of this Declaration or with the laws, ordinances, regulations, rules or order of any governmental authority.

11.8 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.

11.9 Rights of Action. The Association and any aggrieved Owner shall have a right of action against Owners who fail to comply with the provisions of the Declaration or the decisions of the Association. Owners shall have a similar right of action against the Association.

11.10 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.

[Signature Page to Follow]

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

PARCEL 3:

Lot 1 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

EXHIBIT B
ARTICLES OF INCORPORATION

ARTICLES OF INCORPORATION
OF
CAPITOL CREST CONDOMINIUMS OWNERS ASSOCIATION, INC.

(A Nonprofit Corporation)

The undersigned natural person over the age of twenty-one years, acting as incorporator of a nonprofit corporation pursuant to the Utah Revised Nonprofit Corporation Act), hereby adopts the following Articles of Incorporation for such nonprofit corporation.

ARTICLE 1
NAME

The name of the nonprofit corporation is CAPITOL CREST CONDOMINIUMS OWNERS ASSOCIATION, INC., hereinafter referred to as the "Association".

ARTICLE 2
DURATION

The Association shall exist perpetually or until dissolved pursuant to law.

ARTICLE 3
PURPOSES AND POWERS

The Association is organized as a nonprofit corporation and shall be operated exclusively for the purpose of maintaining, operating, and governing CAPITOL CREST Condominiums I and CAPITOL CREST Condominiums II, adjacent residential condominium projects (collectively, the "Property") located in the County of Salt Lake, State of Utah. A "Master Declaration for CAPITOL CREST Condominiums (the "Declaration") pertaining to the Property has been recorded in the office of the Recorder of Salt Lake County, State of Utah. The Association shall be operated to perform the functions and provide the services contemplated by the Declaration. Except as otherwise provided herein or as may be required by the context hereof, all terms defined in the Declaration shall have such defined meanings when used herein. Among other things, the Association shall have the authority and power to:

- a. Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

- b. Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
- c. Borrow money, and with the consent of three-fourths (3/4) of the members, mortgage, pledge, deed in trust, or hypothecate any of all of its real or personal property as security for money borrowed or debts incurred;
- d. Have and exercise any and all powers, rights and privileges which a corporation organized not-for-profit under the corporation law of the State of Utah by law may now or hereafter have or exercise.

No dividend shall be paid to, and no part of the net income, if any, of the Association shall be distributed to, any of the Members, Board of Trustees, or officers of the Association, except as otherwise provided herein, in the Declaration, or under Utah law.

ARTICLE 4 MEMBERSHIP AND STOCK

Each Owner of a Unit in the Property shall be a Member of the Association. The rights and duties appertaining to membership in the Association shall be governed by the Declaration. Neither the issuance nor the holding of shares of stock shall be necessary to evidence membership in the Association. Membership in the Association shall be mandatory, and not optional, and shall be appurtenant to and may not be separated from the ownership of any Unit which is subject to assessment by the Association. No persons or entity other than an Owner of a Unit may be a Member of the Association. Membership in the Association shall begin immediately and automatically upon becoming an Owner of a Unit and shall cease immediately and automatically upon ceasing to be an Owner of such a Unit.

ARTICLE 5 VOTING RIGHTS

The Association shall have one (1) class of voting memberships.

ARTICLE 6 ASSESSMENTS

Members of the Association shall be subject to assessments by the Association from time to time in accordance with the provisions of the Declaration and shall be liable to the Association for payment of such assessments.

ARTICLE 7
BOARD OF TRUSTEES

The affairs of this Association shall be managed by a Board of Trustees which Trustees need not be members of the Association. The names and addresses of the persons who are to act in the capacity of trustees until the selection of their successors are:

Jeff Rosenbloom 2545 East Parley's Way
Salt Lake City, Utah 84109

Steve Brush 2545 East Parley's Way
Salt Lake City, Utah 84109

Scott Dwire 2545 East Parley's Way
Salt Lake City, Utah 84109

At the first annual meeting each Owner shall be entitled to appoint, and shall appoint, one (1) trustee.

ARTICLE 8
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than three fourths (3/4) of the votes of the Members entitled to vote. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be sold and the proceeds distributed equally to the Members.

ARTICLE 9
PRINCIPAL OFFICE

The address of the initial principal office of the Association is 2545 East Parley's Way, Salt Lake City, Utah 84109.

ARTICLE 10
REGISTERED OFFICE AND AGENT

The address of the initial registered office of the Association is 2545 East Parley's Way, Salt Lake City, Utah 84109, and the name of the registered agent at such address is Steve Brush.

ARTICLE 11
INCORPORATORS

The name and address of the incorporator of the Association is as follows:

Jeff Rosenbloom
2545 East Parley's Way
Salt Lake City, Utah 84109

ARTICLE 12
BYLAWS

The Board of Trustees shall adopt Bylaws which are not inconsistent with law or these Articles for the regulation and management of the affairs of the Association.

ARTICLE 13
AMENDMENTS

These Articles may be amended by the affirmative vote of seventy-five percent (75%) of the votes the Members of the Association cast at a duly called meeting of the Members.


ARTICLE 14
CONFLICT WITH DECLARATION

In the event of any conflict or inconsistency between the provisions of these Articles and the provisions of the Declaration and Bylaws (as the Declaration and Bylaws may from time to time be amended), the provisions of the Declaration and Bylaws shall control.


DATED this 12 day of June, 2007.



Steve Brush

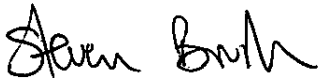


Scott Dwire



Jeff Rosenbloom

THE UNDERSIGNED ACKNOWLEDGES HIS APPOINTMENT AS REGISTERED AGENT:



Steve Brush, Registered Agent

EXHIBIT D
BYLAWS
BYLAWS OF
CAPITOL CREST CONDOMINIUMS OWNERS ASSOCIATION, INC.

The following shall be the Bylaws of the CAPITOL CREST Condominiums Owners Association, Inc., a Utah nonprofit corporation (the "Association"). All capitalized terms used but not defined herein shall have the meaning given them in the Master Declaration for CAPITOL CREST Condominiums, dated as of June 12, 2007, pertaining to the Property (the "Declaration"), as it may be modified or amended from time to time.

ARTICLE ONE: NAME AND LOCATION

The name of the corporation is CAPITOL CREST Condominiums Owners Association, Inc. The principal office of the corporation shall be located, and the meetings of Members and of the Board of Trustees may be held, at such places in Salt Lake City, Utah as may be designated by the Board of Trustees.

ARTICLE TWO: 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, 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 THREE: MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular meeting of the Members 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 Board of Trustees. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first Saturday following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Trustees, or upon written request of two (2) Members.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary of the Association or person authorized to call the meeting, by hand-delivery, or mailing postage prepaid, a copy of such notice at least fifteen (15) days before the meeting to each Member entitled to vote, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member 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 Members entitled to cast, or of proxies entitled to cast, at least seventy-five percent (75%) of the votes of the Members shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration, or these Bylaws. If, however, such a quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

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 if a written ballot is distributed to every Member entitled to vote setting forth the proposed action, providing an opportunity to signify approval or disapproval of the proposal and providing a reasonable time for the Member to return the ballot to the Association, and at least seventy-five percent (75%) of the Members return a ballot signifying approval of the action.

Section 6. Proxies. At each meeting of the Members, each Member entitled to vote 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 Member or by the Member's attorney thereunto duly authorized in writing. The instrument authorizing the proxy to act shall meet the requirements set forth in Subparagraph 5.1 above and shall indicate the name of the secretary of the Association, or such other officer or person or who may be acting as the secretary at the meeting to whom the proxy is to be given for the purpose of casting the vote to reflect the absent Member's vote as specified in the form of proxy. If a Unit is jointly held, the instrument authorizing a proxy to act must have been executed by all Owners of such Unit or their attorneys thereunto duly authorized in writing. Such instrument authorizing a proxy to act shall be delivered at the beginning of the meeting to the Secretary of the Association or to such other officer or person who may be acting as secretary of the meeting. The secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting.

ARTICLE FOUR: BOARD OF TRUSTEES, APPOINTMENT, TERM OF OFFICE, ACTION WITHOUT MEETING

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) trustees during the Declarant Control Period, and four (4) trustees thereafter, who need not be Members of the Association.

Section 2. Appointment, Term of Office. Each Member shall be entitled to appoint, and shall appoint, one trustee for each Unit owned in fee by such Member, and such appointed

trustee shall serve in such capacity until such time as such Member shall appoint a successor trustee.

Section 5. Action Taken Without a Meeting. The trustees 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 all the trustees. Any action so approved shall have the same effect as though taken at a meeting of the trustees.

ARTICLE FIVE: REMOVAL AND COMPENSATION OF TRUSTEES

Section 1. Removal. A trustee may only be removed from the Board of Trustees by the Owner who appointed such trustee.

Section 2. Compensation. No trustee shall receive compensation for any service he or she may render to the Association. However, any trustee may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

ARTICLE SIX: MEETINGS OF TRUSTEES

Section 1. Regular Meetings. The Board of Trustees shall hold a regular meeting at least monthly, or at such other intervals as may be deemed appropriate by the Board of Trustees, without notice, at such place and hour as may be fixed from time to time by resolution of the Board of Trustees. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Trustees shall be held when called by the President of the Association, or by any two (2) trustees, after not less than three (3) days notice to each trustee.

Section 3. Quorum. The presence of at least 3 trustees shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the trustees present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Trustees.

ARTICLE SEVEN: POWERS AND DUTIES OF THE BOARD OF TRUSTEES

Section 1. Powers. The Board of Trustees shall have power to:

1.1 Adopt and publish rules and regulations governing the use of the Common Areas, and the personal conduct of the Members and their guests thereon, and to establish penalties of the infraction thereof;

1.2 Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles, or the Declaration; and

1.3 Employ a Manager, an independent contractor, and such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Trustees to:

2.1 Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;

2.2 Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

2.3 As more fully provided in the Declaration, to:

2.3.1 Fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period;

2.3.2 Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

2.3.3 Foreclose at its discretion the lien against any Unit for which assessments are not timely paid and/or to bring an action at law against the Owner personally obligated to pay the same.

2.4 Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Trustees for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

2.5 Procure and maintain adequate liability and hazard insurance on property owned by the Association, and, to the extent deemed necessary by the Board of Trustees, adequate officers and trustees indemnity insurance, and all other insurance required by the Declaration;

2.6 Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

2.7 Cause the Common Areas to be appropriately landscaped and maintained;

2.8 Permit First Mortgagees of Units in the Project to pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such property, and such First Mortgagees, upon making such payments, shall be owed immediate reimbursement therefor from the Association;

2.9 Assess and collect all assessments referred to or authorized in the Declaration.

ARTICLE EIGHT: OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Trustees, a Secretary, and a Treasurer, and such other officers as the Board of Trustees may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Trustees following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board of Trustees and each shall hold office for one (1) year or until his or her successor is elected and has qualified, unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board of Trustees may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Trustees may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Trustees. Any officer may resign at any time by giving written notice to the Board of Trustees, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Trustees. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President:

The President shall preside at all meetings of the Board of Trustees; shall see that orders and resolutions of the Board of Trustees are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President:

The Vice President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board of Trustees.

Secretary:

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Trustees and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board of Trustees and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as may be required by the Board of Trustees.

Treasurer:

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Trustees; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit or review of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE NINE: INDEMNIFICATION OF OFFICERS AND TRUSTEES

The Association shall provide any indemnification required or permitted by the laws of Utah and shall indemnify trustees, officers, agents and employees as follows:

Section 1. Third Party Litigation. The Association shall indemnify any trustee or officer of the Association who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceedings, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a trustee or officer or an employee or agent of the Association, or is or was serving at the request of the Association as a trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith, and in a manner which he or she reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 2. Association Litigation. The Association shall indemnify any trustee or officer of the Association who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he or she is or was a trustee or officer or an employee or agent of the Association, or is or was serving at the request of the Association as a trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Association unless and only to the extent that the court in which such action or suit was brought, or any other court having jurisdiction in the premises, shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 3. Expenses. To the extent that a trustee or officer of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 or 2 of this Article Nine, or in defense of any claim, issue, or matter therein, he or she shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him or her in connection therewith, without the necessity for the determination as to the standard of conduct as provided in Section 4 of this Article Nine.

Section 4. Determination of Right to Indemnity. Any indemnification under Section 1 or 2 of this Article Nine (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the trustee or officer is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 1 or 2 of this Article Nine. Such determination shall be made (i) by the Board of Trustees of the Association by a majority vote of a quorum consisting of trustees who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or even if obtainable, and such a quorum of disinterested trustees so directs, by independent legal counsel (who may be regular counsel for the Association) in a written opinion; and any determination so made shall be conclusive.

Section 5. Advance of Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized in the particular case, upon receipt of an undertaking by or on behalf of the trustee or officer to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association as authorized in this Article Nine.

Section 6. Other Indemnification Rights. Agents and employees of the Association who are not Trustees or officers of the Association may be indemnified under the same standards and procedures set forth above, in the discretion of the Board of Trustees of the Association.

Section 7. Benefited Parties. Any indemnification pursuant to this Article Nine shall not be deemed exclusive of any other rights to which those indemnified may be entitled and shall continue as to a person who has ceased to be a trustee or officer and shall inure to the benefit of the heirs, executors, and administrators of such a person.

ARTICLE TEN: BOOKS AND RECORDS

Section 1. Accounting.

1.1 The books and accounts of the Association shall be kept in accordance with generally accepted accounting procedures under the direction of the Treasurer.

1.2 At the close of each fiscal year, the books and records of the Association shall be prepared by an independent public accountant approved by the Association, and financial statements shall be prepared by said accountant and distributed to all Owners.

Section 2. Inspection of Records. Every member of the Board of Trustees, and 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 and to inspect all real and personal properties owned or controlled by the Association.

ARTICLE ELEVEN: ASSESSMENTS

All assessments shall be made in accordance with the general provisions of Article IX of the Declaration. The Treasurer shall keep detailed records of all receipts and expenditures, including expenditures affecting the Project, specifying and itemizing the maintenance, repair and replacement expenses of the Project and any other expenses incurred. Such records shall be available for examination by the Owners during regular business hours. In accordance with the actions of the Board of Trustees in assessing Common Expenses against the Units and Owners, the Treasurer shall keep an accurate record of such assessments and of the payments thereof by each Owner.

ARTICLE TWELVE: AMENDMENTS

Section 1. Amendment Procedure. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of the Members present in person or by proxy.

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

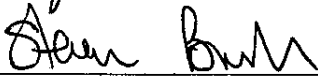
ARTICLE FIFTEEN: FISCAL YEAR

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, except that the first fiscal year shall begin on the date of incorporation of the Association.

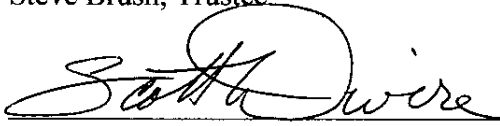
IN WITNESS WHEREOF, we, being all of the Trustees of CAPITOL CREST
Condominium Owners' Association have hereunto set our hands as of the 12 day of
June, 2007.



Jeff Rosenbloom, Trustee



Steve Brush, Trustee



Scott Dwire, Trustee

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of the CAPITOL CREST Condominiums Owners Association, Inc., a Utah nonprofit corporation; and

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Trustees thereof, held on the 12 day of June 2007.

IN WITNESS WHEREOF, I have hereunto subscribed my name as Secretary of the Association this 12 day of June, 2007.

CAPITOL CREST CONDOMINIUMS OWNERS
ASSOCIATION, INC.,
a Utah nonprofit corporation

By _____
Name: Jeff Rosenblom
Secretary