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DECLARATION AND BYLAWS

OF

WASATCH COMMONS CONDOMINIUMS

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A

CONDOMINIUM PROJECT CREATED

PURSUANT TO THE UTAH CONDOMINIUM

OWNERSHIP ACT

BK8114PG2377

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CONDOMINIUM DECLARATION
FOR
WASATCH COMMONS CONDOMINIUMS

THIS DECLARATION is made and executed by Wasatch Cohousing, a Utah non-profit corporation, and Wasatch Commons CROWN, L.L.C., a Utah limited liability company, hereinafter collectively referred to as Declarant, pursuant to the provisions of the Utah Condominium Ownership Act, Utah Code Annotated sections 57-8-1 through 57-8-36, as amended from time to time, for itself, its successors, grantees and assigns, pursuant to the Condominium Ownership Act of the State of Utah.

ARTICLE I

RECITALS

Declarant is the sole owner of that certain real property in Salt Lake City, Salt Lake County, Utah which is described in Appendix A hereto and made a part hereof by this reference.

There has been constructed, or will be constructed, certain buildings and improvements upon said property in accordance with the plans and drawings set forth in the Record of Survey Map filed concurrently herewith, consisting of 12 sheets, prepared by Peterson Engineering, Engineers and Surveyors and certified by David D. Peterson, a registered land surveyor.

Declarant desires by filing this Declaration and the aforesaid Record of Survey Map to submit the above-described real property and said buildings and other improvements constructed thereon to the provisions of the Utah Condominium Ownership Act as a Condominium Project known as WASATCH COMMONS CONDOMINIUMS.

Declarant desires and intends to sell the fee title to the individual units contained in said Condominium Project, together with the undivided ownership interests in the Common Areas and Facilities appurtenant thereto, to various purchasers, subject to the covenants, limitations, and restrictions contained herein.

NOW, THEREFORE, for such purposes, Declarant hereby makes the following Declaration containing covenants, conditions and restrictions relating to this Condominium Project which, pursuant to the provisions of the Condominium Ownership Act of the State of Utah, shall be enforceable equitable servitudes, where reasonable, and shall run with the land.

ARTICLE II

NAME AND DEFINITIONS

a) Name. The name by which this Condominium Project shall be known is Wasatch Commons Condominiums.

b) Definitions. The terms used herein shall have the meaning as given them in this Section b) of Article II. The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

1) The words "the Act" shall mean and refer to the Utah Condominium Ownership Act, Utah Code Unannotated 1996 Replacement, Sections 57-8-1 through 57-8-36 as the same now exists and as it may be from time to time amended.

2) The words "Association" or "Association of Unit Owners" or "Wasatch Commons Association" or "Wasatch Commons Condominium Association" shall mean and refer to all of the Unit Owners taken as, or acting as, a group in accordance with this Declaration, the Association's Articles of Incorporation, the Association's Bylaws and any other rules or regulations promulgated pursuant thereto.

3) The term "Common Areas and Facilities" shall mean and refer to:

(a) The land described on Appendix A hereto;

(b) That portion of the Property not specifically included in or as part of the respective Units as herein defined;

(c) All foundations, columns, girders, beams, supports, main walls, roofs, windows, halls, corridors, stairs, stairways, recreational areas and facilities, yards, gardens, fences, service and parking areas and in general all other apparatus, installations and other parts of the Property necessary or convenient to the existence, maintenance and safety of the Common Areas and Facilities or normally in common use;

(d) Those areas specifically set forth and designated in the Map as a "Common Area"; and

(e) All Common Areas and Facilities as defined in the Act, the Declaration and/or as designated in the Map whether or not expressly listed herein.

4) The words "Common Expenses" shall mean and refer to:

(a) All sums described in the Act, this Declaration, the Bylaws or in the rules and regulations promulgated by the Management Committee which are lawfully assessed against the Unit Owners or any of them in accordance with the Act, this Declaration, the Bylaws or such rules and regulations;

(b) All expenses of operation, administration, maintenance, repair and replacement of the Common Areas and Facilities and common activities, including but not limited to, such aggregate sum as the Management Committee shall from time to time estimate, in its best judgment, is needed during each year or other appropriate time period to pay all budgeted expenses and other cash requirements arising out of or in connection with operation, administration, maintenance, repair and/or replacement of the Common Areas and Facilities and the carrying on of common activities, including but not limited to:

(1) all costs and expenses of operation of the Association, all costs of management of the Common Areas and Facilities, all costs of enforcement of the Act, this Declaration, the Bylaws and the rules and regulations promulgated by the Management Committee and/or the Association, all costs of repair and reconstruction of the Common Areas and Facilities, all costs and expenses of the club house and the equipment and furnishings therefor, all insurance premiums, all Utility Services, all wages and salaries, all legal and accounting fees, all management fees and all other expenses and liabilities incurred by the Management Committee under or by reason of this Declaration, the Bylaws and the rules and regulations thereunder;

(2) the payment of any deficit remaining from any previous year or time period;

(3) the creation, maintenance or expansion of a reserve or contingency fund for the maintenance, repair and/or replacement of those Common Areas and Facilities that require major maintenance, repair or replacement from time to time, and/or for unforeseen emergencies; and

(4) all other costs and expenses relating to the Project;

(c) Expenses agreed upon as Common Expenses by the Association;

(d) All other expenses declared to be Common Expenses by the Act, this Declaration, the Bylaws or the rules and regulations promulgated by the Management Committee or by the Association.

5) The word "Condominium" shall mean and refer to a single Unit in this Condominium Project together with an undivided interest in common with other Unit Owners in the Common Areas and Facilities of the Property.

6) The words "Condominium Project" or sometimes the "Project" shall mean and refer to the entire Property, as defined above, together with all rights, obligations and organizations established by this Declaration.

7) The word "Declarant" shall mean Wasatch Cohousing, a Utah non-profit corporation, and Wasatch Commons CROWN, L.L.C., a Utah limited liability company, who have made and executed this Declaration, and/or any successor to either said corporation or company which, either by operation of law or through a voluntary conveyance, transfer or assignment, comes to stand in the same relation to the Project as did its predecessor.

8) The word "Declaration" shall mean this instrument by which Wasatch Commons Condominiums is established as a Condominium Project.

9) The words "Management Committee" shall mean and refer to the governing board of the Association, appointed or elected in accordance with the Declaration, the Articles of Incorporation of the Association attached hereto as Appendix C and the Bylaws attached hereto as Appendix D, which Bylaws are hereby incorporated by reference and made a part of this Declaration. Said Management Committee is charged with and shall have the responsibility and authority to enforce all of the reasonable rules and regulations covering the operation and maintenance of the Project.

10) The word "Map" shall mean and refer to the Record of Survey Map of Wasatch Commons Condominiums recorded herewith by Declarant, and as it may be from time to time amended.

11) The word "Mortgage" shall mean and include both a mortgage on any Condominium Unit and a deed of trust on any Condominium Unit.

12) The word "Mortgagee" shall mean and include both the mortgagee under a mortgage on any Condominium Unit and the beneficiary under a deed of trust on any Condominium Unit.

13) The word "Property" shall mean and include the land, as more fully described in Article V and in Appendix A hereto, the buildings, all improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

14) The word "Unit" shall mean and refer to one of the Units which is part of the Project and which is designated as a Unit on the Map.

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

16) The words "Unit Owner" or "Owner" shall mean the person or persons owning a Unit in Wasatch Commons Condominiums in fee simple and an undivided interest in the fee simple estate of the Common Areas and Facilities as shown in the records of the County Recorder of Salt Lake County, Utah. The term "Unit Owner" or "Owner" shall not mean or include a Mortgagee or a beneficiary or trustee under a deed of trust unless and until such a party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

17) The words "Utility Services" shall include, but not be limited to, water, electric power, gas, garage and sewage disposal services which are not separately metered and billed to individual Units by the utility or other party furnishing such services.

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

ARTICLE III

SUBMISSION TO CONDOMINIUM OWNERSHIP

Declarant hereby submits the above-described Property, tract of land, buildings, and other improvements constructed thereon together with all appurtenances thereto, to the provisions of the Act as a Condominium Project and this Declaration is submitted in accordance with the terms and the provisions of the Act and shall be construed in accordance therewith. It is the intention of Declarant that the provisions of the Act shall apply to the Property and the Project.

ARTICLE IV

COVENANTS TO RUN WITH THE LAND

This Declaration contains covenants, conditions and restrictions relating to the Property and the Project which are and shall be enforceable equitable servitudes which shall run with the land and be binding upon Declarant, its successors and assigns and upon all Unit Owners or subsequent Unit Owners, and their grantees, mortgagees, successors, heirs, personal representatives, administrators, devisees, lessees, guests, invitees and assigns.

ARTICLE V

DESCRIPTION OF PROPERTY

a) Description of Land. The land is that tract or parcel in Salt Lake County, Utah more particularly described in Appendix A of this Declaration.

b) Description of Improvements. The buildings containing the Units which comprise the Condominium Project will be constructed in accordance with the information contained in the Record of Survey Map. The buildings will be of R-Control wood panel construction with reinforced concrete foundation and contain twenty six (26) Condominium Units in a combination of single homes, duplexes, triplexes and fourplexes. The Project will include a combination of covered and open parking areas with private and common storage located in the covered parking areas as well as a common workshop area. The Project will further include a club house comprising a banquet area and cooking facilities therefor, laundry facilities, and various meeting and function rooms for the use of the Unit Owners and their families, servants, guests and lessees pursuant to the Act, this Declaration, the Bylaws and any other rules and regulations as set forth by the Association and/or the Management Committee.

c) Description and Legal Status of Units. The Map and Appendix B hereto shows the Unit Number of each Unit, it's location, it's appurtenant Limited Common Areas and Facilities and the Common Areas and Facilities to which it has access. All Units shall be capable of being independently owned, encumbered and conveyed. Each Unit shall include that part of the building containing the Unit which lies within the boundaries of the Unit, which boundary shall be determined in the following manner:

1) The boundary lines of each Unit are the undecorated and/or unfinished interior surfaces of its perimeter walls, bearing walls, lowermost floor, uppermost ceiling, and the exterior surfaces of windows, window frames, doors, including sliding glass doors, door frames, and trim. Each Unit shall also include both the portions of its building that are not Common Areas and Facilities within such boundary lines and the space so encompassed.

2) Without limitation, a Unit shall include any finishing material applied or affixed to the interior surfaces of the interior walls, floors and ceilings, non-supporting interior walls and all utility pipes, conduits, lines, systems, fixtures and appliances found within the boundary lines of the Unit or servicing only that Unit.

3) Further without limitation, the following items shall also be deemed part of a Unit: the door to a balcony, deck or patio adjacent a Unit; the front entrance door and any other entrance door to the Unit; all windows, window screens and coverings; the interior ceilings and floors within the Unit; all of the heating, air-conditioning and evaporative cooling components, machinery, piping and duct work located within the boundaries of a Unit or serving only one Unit; and all space, interior partitions and ceilings, and any and all other fixtures and improvements, including, without limitation, lighting, communication and other electrical fixtures and facilities, sinks, bathtubs and other plumbing fixtures and facilities, refrigerators, ovens and any other appliances within the Unit boundaries or serving only one Unit.

4) In addition, if any chutes, pipes, flues, ducts, conduits, wires or any other apparatus lies partially within and partially outside of the designated boundaries of a Unit, portions thereof serving only that Unit shall be deemed a part of that Unit, while any portions thereof serving more than one Unit or any portion of the Common Areas and Facilities shall be deemed a part of the Common Areas and Facilities.

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

1) all structural parts of the buildings including, without limitation, foundations, columns, joists, beams, supports, supporting walls, floors, ceilings and roofs;

2) driveways, parking areas, common workshops, lawns, shrubs, entrance ways, exterior stairways, service areas, the club house and all rooms, areas and facilities associated therewith, and any recreation areas with their related facilities;

3) any utility pipe or line or system servicing more than a single Unit, and all ducts, wires, conduits, piping and other accessories used therewith;

4) all equipment and other personal property which is used in connection with or as a part of the Common Areas and Facilities, including, but not limited to, lawn mowing equipment, gardening equipment, tools and club house furnishings and equipment;

5) all other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common Areas and Facilities In the Map; and

6) all repairs, repaired items and replacements of, or relating to, any of the foregoing.

e) Limited Common Areas and Facilities. Limited Common Areas and Facilities mean and include those portions of the Common Areas and Facilities reserved for the use of certain Units to the exclusion of other Units. The Limited Common Areas and Facilities shall be the assigned parking stalls and storage areas as set forth in Appendix B, as well as all balconies and roof decks that are immediately adjacent to and contiguous with, and/or otherwise appurtenant to, the Units, and any yard areas, porches, decks and patios as more particularly identified in the Map. The use, occupancy, maintenance and

repair of the designated Limited Common Areas and Facilities shall be reserved to its associated Unit and each Unit Owner is hereby granted an irrevocable license to use, occupy, maintain and repair said Limited Common Areas and Facilities.

ARTICLE VI

STATEMENT OF PURPOSE AND RESTRICTIONS ON USE

a) Purpose. The purpose of the Condominium Project is to provide residential housing space for Unit Owners, their families, servants, guests and lessees and to provide parking and recreational space and facilities for use in connection therewith, all in accordance with the provisions of the Act. Any restrictions and duties relating to Unit Owners pursuant to this Declaration, Bylaws and all other rules and regulations promulgated thereunder shall likewise apply to their families, servants, guests, invitees, lessees and any and all other occupants or visitors of the Units and/or the Project.

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

1) Except for Units retained by Declarant or its successor or assigns for use as storage areas or offices, each of the Units shall be occupied only by the Unit Owner(s), their family, servants, guests or lessees as a residence. Without the prior written consent of the Management Committee, no Unit shall at any time be occupied by more than two persons, including children, per bedroom of such Unit. The Common Areas and Facilities shall be used only for the purpose for which they are intended in the furnishing of services and facilities for the enjoyment of the Unit Owners, their families, servants, guests or lessees.

2) Nothing shall be done or kept in any Unit, in the Limited Common Areas and Facilities or in the Common Areas and Facilities which will increase the rate of insurance on the buildings or contents thereof beyond that customarily applicable for residential use, or will result in the cancellation of insurance on the buildings, or the contents thereof, without the prior written consent of the Management Committee. No Unit Owner shall permit anything to be done or kept in his Unit, in the Limited Common Areas and Facilities or in the Common Areas and Facilities which is in violation of any law, ordinance or regulation of any governmental authority.

3) No Unit Owner shall cause or permit anything (including, but not limited to, an awning, canopy, shutter, storm door, screen door, radio or television antenna) to hang, to be displayed, be visible or otherwise be placed on the exterior walls or roof of any building or any part thereof, or on the outside of windows or doors, without the prior written consent of the Management Committee or its designee.

4) No noxious or offensive activity or nuisance shall be carried on in any Unit, Limited Common Areas and Facilities associated therewith or in the Common Areas and Facilities, nor shall anything be done therein, either willfully or negligently, which may be or may become an annoyance or nuisance to the other Unit Owners or occupants.

5) Nothing shall be done in, on, or to any Unit or in, on, or to the Limited Common Areas and Facilities and/or the Common Areas and Facilities which would impair the structural integrity of the buildings or any part thereof or which would structurally change, alter or damage the buildings or any part thereof except with the prior written consent of the Management Committee or its designee as is otherwise expressly provided for herein.

6) Each assigned parking stall shall be used by the Unit Owner(s), their family, servants, guests, or lessees only for the parking or storage of operable motor vehicles, or such other items as the Management Committee or its designee may approve.

7) A Unit Owner shall not obstruct the Common Areas and Facilities. A Unit Owner shall not place or store anything within the Common Areas and Facilities without the prior written consent of the Management Committee or its designee except in the Limited Common Areas and Facilities appurtenant to his Unit specifically designated or approved by the Management Committee or its designee for storage of the items in question.

8) A Unit Owner shall keep his yard, patio, balcony and deck clean and sightly at all times and shall not use said yard, patio, balcony and deck for storage purposes except with the prior written consent of the Management Committee or its designee.

9) Except for the normal or approved use or maintenance thereof, a Unit Owner shall not alter, construct in, or remove anything from the Limited Common Areas and Facilities or Common Areas and Facilities, except with the prior written consent of the Management Committee or its designee.

10) A Unit Owner shall not violate any of the rules and regulations for the use of Units, Common Areas and Facilities, or Limited Common Areas and Facilities adopted by the Management Committee on behalf of the Association and furnished in writing to the Unit Owners.

ARTICLE VII

OWNERSHIP AND USE

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

ownership of an undivided interest in the Common Areas and Facilities in the percentage expressed in Appendix B.

b) Nature of and Restrictions on Ownership and Use. Each Unit Owner shall have and enjoy the rights and privileges of fee simple ownership of his Unit. There shall be no requirements concerning who may own Units, it being intended that they may and shall be owned as any other property rights by persons, corporations, partnerships, or trusts or in the form of common tenancy. The Unit Owners may lease or rent their Units with their appurtenant rights subject to terms and conditions chosen solely by the Unit Owner and his lessee, except that all Unit Owners, their tenants and other occupants or users of the Project, shall be subject to the Act, this Declaration, the Bylaws, and all other house rules and regulations of the Association of Unit Owners and the Management Committee.

c) Prohibition against Subdivision of Unit. Except as provided for in Article IX below, no Unit Owner, by deed, plat or otherwise, shall subdivide or in any manner cause his Unit to be separated into physical tracts or parcels smaller than the whole Unit as shown on the Map.

d) Ownership of Common Areas and Facilities. The Common Areas and Facilities contained in the Project are described and identified in Article V, Section d) of this Declaration. Said Common Areas and Facilities shall be owned by the Unit Owners as tenants in common. No percentage of undivided ownership shall be separated from the Unit to which it is appurtenant; and, even though not specifically mentioned in the instrument of transfer, such a percentage of undivided ownership interest shall automatically accompany the transfer of the Unit to which it relates. The Common Areas and Facilities shall be used only in a manner which is consistent with their community nature and with the use restrictions applicable to the Units contained in the Project. The percentage of undivided ownership in the Common Areas and Facilities shall be as set forth in Section f) hereinbelow and in Appendix B attached hereto. Said percentage of undivided ownership shall apply and be for all purposes, including voting and the allocation of Common Expense assessments among the Unit Owners.

e) Use of Common Areas and Facilities. Except with respect to Limited Common Areas and Facilities, each Unit Owner may use the Common Areas and Facilities in accordance with the purpose for which they are intended, but subject to the Declaration, the Bylaws and all other house rules and regulations. This right of use shall be appurtenant to and run with each Unit.

f) Computation of Undivided Interest. Each Unit has an equal percentage of undivided ownership interest in the Common Areas and Facilities, said ownership interest being appurtenant to each Unit. A Unit Owner's percentage of ownership interest in the Common Areas and Facilities shall be the same for all purposes, including voting and assessment of Common Expenses.

ARTICLE VIII

LEASING OR RENTAL OF UNITS

a) As set forth in greater detail in Appendix E hereto, all lessees, tenants, invitees and other non-Unit Owner occupants of a Unit shall comply in all respects to the provisions of the Declaration, Bylaws and all other house rules and regulations and all leases, rental and other agreements shall be in writing and so clearly state, as well as that failure of the lessee, tenant or other occupant to comply with the terms of said documents shall be a default under the lease, rental and/or any other agreement.

b) A Unit Owner desiring to lease or rent a Unit for any amount or period of time, shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease to a potential lessee or renter of the Unit and, at the same time, shall supply the Association with a copy of the exact lease form for the Association's review of the form's compliance with this Article of the Declaration. The Association will also at that time require that the prospective lessee or renter, before executing a lease for a Unit in the Condominium Project, understand the operation of the Condominium Project and therefore meet with the Management Committee or its designee, tour the Condominium Project and receive such information concerning the operation of the Condominium Project and the obligations of a lessee of a Unit therein as the Association determines is appropriate.

c) If the Association determines that a lessee, tenant or other non-Unit Owner occupant has failed to comply with any of the conditions of any of the documents discussed in section a) hereinabove, the Association may, at its option and without waiving any rights if it does not, take the following actions:

1) The Association may notify the Unit Owner by certified mail advising him of the alleged violation by the lessee, tenant or other occupant.

2) The Unit Owner would then have twenty (20) days after receipt of such notice to investigate and correct the alleged breach by the lessee, tenant or other occupant and correct the alleged breach, advise the Association that a violation has not occurred or otherwise amicably settle the situation with all concerned.

3) If after twenty (20) days the Association believed that the alleged breach is not cured, may be repeated or its solution has not been satisfactorily settled on, it may institute on its own behalf or derivatively by the Unit Owner on behalf of the Association an action for eviction against the lessee, tenant or other occupant of the Unit and simultaneously, or separately, one for money damages against the same and the Unit Owner for breach of the conditions in question. The relief provided for in this section may be by summary proceedings and the Association may hold any or all

of the parties involved liable for any and all damages to the Common Areas and Facilities caused by the lessee, tenant or other occupant of the Unit in question or by any of their family, servants, guests or invitees.

d) If a Unit Owner is in arrears to the Association for any Common Expense or other assessments, the Association may give written notice of the arrearage to the lessee, tenant or other occupant occupying the Unit in question and the lessee, tenant or other occupant shall, after receiving the notice, deduct from his rental or lease payments due to the Unit Owner the arrearage and future assessments as they fall due and pay them to the Association. These deductions shall not constitute a breach of the lease, rental or other agreement by the lessee, tenant or other occupant of the Unit in question.

e) No Unit Owner shall be permitted to lease or rent his Unit for transient or hotel purposes or for one continuous period of more than twelve months without the prior written permission of the Management Committee. The Declarant may, however, at its sole discretion and under its sole auspices lease or rent any of the Units owned by it for any amount of time.

ARTICLE IX

COMBINATION OR SEPARATION OF UNITS

a) An Owner or Owners of one or of two or more adjoining Units or of adjoining Units previously combined, shall have the right, upon the approval of a two-thirds majority of the Association and the Mortgagees of said Unit or Units, to combine or separate one or two or more adjoining Units or portions thereof and to alter or amend the Declaration and Map to reflect such combination or separation.

b) Such amendments may be accomplished by the Unit Owner or Owners recording an amendment or amendments to this Declaration, together with an amended Map or containing the same information with respect to the altered Units as required in the initial Declaration and Map with respect to the initial Units. All costs and expenses required in such amendments shall be borne by the Unit Owner or Owners desiring such combination or separation.

c) All such amendments to the Declaration and Map must be approved by attorneys employed by the Management Committee to insure the continuing legality of the Declaration and the Map. The cost of such review by the attorneys shall be borne by the Owner or Owners wishing to combine or separate the Units.

d) Any amendment of the Declaration or Map pursuant to this Article IX shall reflect the changes occasioned by the alteration. Such changes shall include a change in the percentage of undivided interest in the Common Areas and Facilities which are appurtenant to the Unit or Units involved in the alterations. The remaining combined Unit, if two or more Units are totally

combined, will acquire the total of the percentage of undivided interest in the Common Areas and Facilities appurtenant to the Units that are combined as set forth in Appendix B. If a portion of one Unit is combined with another, the resulting Units shall acquire a proportionate percentage of the total undivided interest in the Common Areas and Facilities of the Units involved in the combination on the basis of area remaining in and between the respective, combined Units. If a Unit or a previously combined Unit is separated into two Units the resulting Units shall acquire a proportionate percentage of the total undivided interest in the Common Areas and Facilities of the original Unit or combined Unit on the basis of floor area in the two resulting Units. The percentage of undivided interest in the Common Areas and Facilities appurtenant to all other Units shall not be changed with respect to any combination or separation unless such a change is agreed upon by a two-thirds majority of the Association. All such amendments must, in all instances, be consented to by the Management Committee and also by a two-thirds majority of the Association.

ARTICLE X

ALTERATIONS BY DECLARANT

For the five (5) years following the recordation hereof, the Declarant reserves the right to change the interior design and interior arrangement of any Unit and to alter the boundaries between Units, so long as the Declarant owns the Units so altered. Any change of the boundaries between Units or of Common Areas shall be reflected by an amendment of this Declaration and of the Map which may be executed by the Declarant alone, notwithstanding the procedures for amendment described in Article XXVIII of this Declaration. However, no such change shall increase the number of Units nor alter the boundaries of the Common Areas and Facilities without amendment of this Declaration and of the Map in the manner described in Article XXVIII of this Declaration.

ARTICLE XI

DECLARANT'S SALES PROGRAM

Notwithstanding any other provision of this Declaration, until Declarant ceases to be a Unit Owner or the expiration of five (5) years after the date on which this Declaration is filed for record in the office of the County Recorder of Salt Lake County, Utah, whichever first occurs (hereinafter referred to as the "Occurrence"), Declarant shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish or facilitate the construction and/or sale of all Units owned by Declarant:

a) Declarant shall have the right to maintain a sales office and/or model Units. Such office and/or model Units may be Units at any location which are owned by Declarant.

b) Declarant shall have the right to maintain a reasonable number of promotional, advertising, and/or directional signs, banners or similar devices at any place or places on the Property, but any such device shall be of a size and in a location as is reasonable and customary.

c) Declarant shall have the right to use the Common Areas and Facilities of the Project to entertain prospective purchasers or to otherwise facilitate Unit sales, provided said use is reasonable as to both time and manner.

d) Declarant shall have the right from time to time to locate or relocate its sales office, model Units, and/or signs, banners or similar devices, but in connection with each such location or relocation shall observe the limitations imposed by the preceding portion of this Article. Within a reasonable period of time after the happening of the Occurrence, Declarant shall have the right to remove from the Project any signs, banners or similar devices.

ARTICLE XII

ASSOCIATION OF UNIT OWNERS AND MANAGEMENT

a) The persons or entities who are at the time of reference the Unit Owners constitute an incorporated association which is a legal entity, the characteristics and nature of which are determined by the Act, the Declaration, its Articles of Incorporation which are enclosed herewith as Appendix C, its Bylaws which are enclosed herewith as Appendix D and any other rules or regulations promulgated pursuant thereto. The name in which contracts shall be entered into, title to property shall be acquired, held, dealt in and disposed of, bank accounts shall be opened and suits shall be brought and defended by the Management Committee or officers thereof on behalf of and as agents for the Unit Owners in the manner specified by the Act, this Declaration, the Articles of Incorporation or the Bylaws is: "Wasatch Commons Condominium Association", an incorporated Association of Unit Owners under the Utah Condominium Ownership Act and the Utah Non-Profit Corporations Act.

b) The management and maintenance of the Property and the business, property and affairs of the Wasatch Commons Association shall be managed by a Management Committee consisting of five (5) members who shall be Unit Owners. The Management Committee shall be elected as provided for in the Bylaws. All agreements and determinations with respect to the Property lawfully made or entered into by the Management Committee shall be binding upon all of the Unit Owners and their successors and assigns.

c) The Management Committee shall have all the powers, duties, and responsibilities as are now or may hereafter be provided by the Act, this Declaration and Bylaws, including, but not limited to, the following:

1) To enforce all house rules and administrative rules and regulations covering the operation and maintenance of the Property, as made and more fully determined by at least a two-thirds majority of the Association.

2) As more fully set forth in Article XII, Section d) hereinbelow, to engage the services of a manager or managing company, accountants, attorneys or other employees or agents and to pay to said persons a reasonable compensation therefor; provided, however, that any management agreement may be terminable by the Management Committee for cause upon thirty (30) days written notice and that the term of any said management agreement may not exceed one year, renewable by agreement for successive one-year periods.

3) To operate, maintain, repair, improve and replace the Common Areas and Facilities, including the entering into of agreements for the use and maintenance of the Common areas and Facilities and adjacent, contiguous property for the benefit of the Association.

4) To determine and pay the Common Expenses.

5) To assess and collect the proportionate share of Common Expenses from the Unit Owners.

6) To enter into contracts, deeds, leases and/or other written instruments or documents and to authorize the execution and delivery thereof by the appropriate officers.

7) To open bank accounts on behalf of the Association and to designate the signatures therefor.

8) To purchase, hold, sell, convey, mortgage or lease any one or more Units in the name of the Association or its designee.

9) To bring, prosecute and settle litigation for itself, the Association and the Property, provided that it shall make no settlement which results in a liability against the Management Committee, the Association, or the Property in excess of \$5,000 without prior approval of a majority of Unit Owners.

10) To obtain insurance for the Association with respect to the Units and the Common Areas and Facilities, as well as workmen's compensation insurance.

11) To repair or restore the Property following damage or destruction, or a permanent taking by the power or powers in the nature of eminent domain or by an action or deed in lieu of condemnation, not resulting in the removal or the Property from the provisions of the Act.

12) To own, purchase or lease, hold and sell or otherwise dispose of, on behalf of the Unit Owners, items of personal property necessary to or convenient in the management of the business and affairs of the Association and the Management Committee and in the operation of the Property, including without limitation furniture, furnishings, fixtures, maintenance equipment, appliances, and office supplies.

13) To keep adequate books and records.

14) To do all other acts necessary for the operation and maintenance of the Property, including the maintenance and repair of any Unit if the same is necessary to protect or preserve the Property.

d) The Management Committee, with the advice and consent of the Association by a two thirds majority vote of the Association, may delegate to a manager or managing company all of its foregoing powers, duties and responsibilities referred to in Article XII, Section c) above except: the final determination of Common Expenses, budgets and assessments based thereon; the promulgation of house rules and administrative rules and regulations; the power to enter into any contract or debt instrument involving more than \$2,000 in any one fiscal year; the opening of bank accounts; the power to purchase, hold, sell, convey, mortgage or lease any Units in the name of the Association or to bring, prosecute and settle litigation. All such reserved actions will need the advice and affirmative consent of at least a two thirds majority of the Association.

e) Members of the Management Committee and the members, officers and any assistant officer, agents and employees of the Association 1) shall not be liable to the Unit Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith; 2) shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such; 3) shall have no personal liability in tort to any Unit Owner or any person or entity direct or imputed, by virtue of acts performed by them, except for their own willful misconduct or bad faith, or acts performed for them in their capacity as such; and 4) shall have no personal liability arising out of the use, misuse or condition of the Property, which might in any way be assessed against or imputed to them as a result or by virtue of their capacity as such.

f) The Unit Owners shall indemnify and hold harmless, any person, his heirs and personal representatives, from and against all personal liability and all expenses including reasonable attorney's fees, incurred or imposed, or arising out or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative instituted by any one or more Unit Owners, or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Management Committee,

any other Association committee or an officer or assistant officer, member, agent or employee of the Association, other than to the extent, if any, that such liability or expense shall be attributable to his willful misconduct or bad faith, provided, in the case of any settlement, that the Management Committee shall have approved the settlement, which approval is not to be unreasonably withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or vote of Unit Owners or of the Management Committee, or otherwise. The indemnification by the Unit Owners as contained herein shall be paid for by the Management Committee on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such.

ARTICLE XIII

CHANGES IN UNIT OWNERSHIP - RIGHT OF FIRST REFUSAL

a) The Management Committee shall maintain up-to-date records showing the name of each person who is an Owner, the address of such person, and the Unit which is owned by him. In the event of any transfer of a fee or undivided fee interest in a Unit, either the transferor or transferee shall furnish the Management Committee with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of record in the office of the County Recorder of Salt Lake County, Utah. The Management Committee may for all purposes act and rely on the information concerning Owners and Unit ownership which is thus acquired by it or, at its option, the Management Committee may act and rely on current ownership information respecting any Unit or Units which is obtained from the office of the County Recorder of Salt Lake County, Utah. The address of an Owner shall be deemed to be the address of the Unit owned by such person unless the Management Committee is otherwise advised. As necessary hereunder, the Association shall notify each insurance company that has issued an insurance policy under Article XXII of the name and address of a new Owner and request that the new Owner be made a named insured under such policy.

b) At the time of the first conveyance of each Unit, every mortgage, lien or other encumbrance effecting that Unit and any other Unit or Units or real property, other than the percentage of undivided interest of that Unit in the Common Areas and Facilities, shall be paid and satisfied of record, or the Unit being conveyed and its undivided interest in the Common Areas and Facilities shall be released therefrom by partial release duly recorded or the purchaser of that Unit shall receive title insurance from a licensed title insurance company against such mortgage, lien or other encumbrance.

c) The right of a Unit Owner to sell a Unit in the Condominium Project shall be subject to a right of first refusal of the Association, acting through the Management Committee, as follows: An Owner desiring to sell a Unit shall deliver written notice to the Management Committee advising it

of the Owner's intention to sell and stating the asking price, which notice shall constitute an offer to sell the Unit at the stated asking price to the Association or its designee. The Management Committee shall promptly send the notice to the other Owners and may notify others whom it believes may have an interest in purchasing a Unit in the Condominium Project. The Association, or its designee as named by the Management Committee, shall have 15 days in which to accept the offer or to make a counter-offer at a lower price. If the asking price is accepted or if the selling Owner accepts the lower price counter-offer, the selling Owner shall be obligated to sell the Unit to the Association or its designee at the asking price or at the agreed to lower price, as the case may be. Unless otherwise agreed, the purchase price shall be paid all cash at closing within 60 days and the selling Owner shall convey marketable title to the Unit by Statutory Warranty Deed, pay any applicable tax and provide standard coverage title insurance. Other closing costs shall be allocated in the usual manner for Salt Lake County, Utah. If the Association or its designee does not agree to pay the asking price or the lower price counter-offer is not accepted by the selling Owner or if the Association does not make a counter-offer, the selling Owner shall, subject to compliance with the new purchaser orientation requirements as set forth in Section e) hereinbelow, be free to sell the Unit to a third party for six months after the end of the 15 day period at a sales price greater than the Association's counter-offer or at any price if the Association does not make a counter-offer. If the selling Owner wishes to accept an offer equal to or below the Association's counter-offer, the selling Owner shall re-offer the Unit to the Association or its designee at that equal or lower price in the manner provided above.

d) The right of first refusal contained hereinabove shall not apply with respect to any sale or transfer of a Unit in connection with a foreclosure of a Mortgage, or the acceptance of a deed in lieu of foreclosure, or with respect to any sale or transfer by the Mortgagee or other party who acquired the Unit in connection with the foreclosure, or deed in lieu of foreclosure.

e) In order that prospective purchasers of Units understand the operation of the Condominium Project before purchasing a Unit, the Management Committee will require that any prospective purchaser, whether pursuant to Section c) or d) hereinabove, before executing a non-rescindable purchase agreement for a Unit, meet with the Management Committee or its designee, tour the Condominium Project and receive such information concerning the operation of the Condominium Project and the obligations of being a member of the Association as the Management Committee determines is appropriate, in addition to receiving the information required by the Act. At least two weeks before closing of the sale or other transfer of a Unit, the Owner of that Unit shall notify the Management Committee in writing of 1) the Unit being sold; 2) the name and address of the purchaser, the closing agent, and the title insurance company insuring the purchaser's interest; and 3) the expected closing date. The Management Committee shall have the right to notify the

purchaser, the title insurance company, and the closing agent of the amount of unpaid assessments and charges outstanding against the Unit, whether or not such information is requested. Promptly upon the conveyance of a Unit, the new Unit Owner shall notify the Association of the date of the conveyance and of that Unit Owner's name and address.

f) All Unit sales and any and all other changes of ownership and/or occupancy of the Units in the Condominium Project are subject to the Federal Fair Housing Act which makes it illegal to discriminate on the basis of any preference, limitation, or discrimination because of race, color, religion, sex, handicap, familial status, or national origin, or intention to make any such preference, limitation or discrimination.

ARTICLE XIV

VOTING - MULTIPLE OWNERSHIP

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

ARTICLE XV

MAINTENANCE OF COMMON AREAS AND FACILITIES

The maintenance, alteration, replacement and repair of the Common Areas and Facilities shall be the responsibility of the Management Committee and the cost thereof shall be a Common Expense. The Management Committee shall also maintain, alter, replace and repair all roads, parking and storage areas and walkways and conduits, ducts, plumbing and wiring and other facilities for the furnishing of heat, gas, light, power, air conditioning, water and sewer contained in the portions of the Units that service part or parts of the Property other than the Unit in which they are contained. All incidental damages caused to a Unit by the maintenance, alteration, replacement and repair of the Common Areas and Facilities or Utility Services shall be repaired promptly as a Common Expense. The Declarant's initial estimate of the cost of maintenance, repair, replacement and operation of the Condominium Project's Infrastructure is shown and detailed in Appendix F hereto.

ARTICLE XVI

MAINTENANCE OF INDIVIDUAL UNITS

a) Each Owner of a Unit at his own expense shall keep the interior of such Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating and painting which may at any time be necessary to maintain the good appearance of such Unit. Except to the extent that the Management Committee on behalf of all Unit Owners is protected by insurance against such injury, the Unit Owner shall repair all injury or damages to the Unit, building or buildings caused by the act, negligence or carelessness of the Unit Owner or that of any tenant or subtenant or any member of the Unit Owner's family or of the family of any tenant or subtenant or any agent, employee or guest of the Owner or his tenant or subtenant and all such repairs, redecorating and painting shall be of quality and kind equal to the original work. In addition to decorating and keeping the interior of the Unit in good repair, the Unit Owner shall be responsible for the maintenance and/or replacement of any heating, cooling and hot water equipment, and all parts and piping therefor, plumbing, lighting and communications fixtures and all parts and piping and conduits therefor and all appliances that may be in or used exclusively by his Unit.

b) Each Unit Owner shall be entitled to the exclusive use and possession of his Unit and of the Limited Common Areas and Facilities appurtenant to his Unit and shall be responsible for the maintenance and upkeep of the same; provided, however, that without the written permission of the Management Committee, or the appropriate architectural review committee, first had and obtained, a Unit Owner shall not make or permit to be made any structural additions, alterations or improvements in or to the Unit and/or any additions, alterations or improvements in or to the exterior of the buildings and/or in or to the Limited Common Areas and Facilities, and shall not paint or decorate any portion of the exterior of the Unit or of the building or parts or portions such as doors, windows and trim thereof in which the Unit is located.

c) The Management Committee, or the appropriate architectural review committee when set up by the Management Committee, shall be obligated to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement, by painting or otherwise, to or in such Unit Owner's Unit or Limited Common Areas and Facilities within 45 days after such request and failure to do so within the stipulated time shall constitute a consent by the Management Committee to the proposed structural addition, alteration or improvement. If any application to any governmental authority for a permit to make any such structural addition, alteration or improvement in or to any Unit requires execution by the Association and provided that consent has been given by the Management Committee, then the application shall be executed on behalf of the Association by the Management Committee only, without, however, incurring any liability on the part of the

Management Committee or the Association to any contractor, subcontractor or vendor on account of such addition, alteration or improvement, or to any person having claim for injury to person or damage to property arising therefrom. The provision of this sub-section c) shall not apply to Units owned by the Declarant until deeds of conveyance of such Units shall have been recorded. The Declarant shall have the right to make any such alterations or subdivision or combinations of and to such Units, including the reapportionment of percentage of interest, if any, without the consent of the Management Committee and the Management Committee shall execute any such applications required.

d) As hereinabove provided, the Management Committee, by way of other appropriate special committees or otherwise, shall provide for such maintenance and operation of the Common Areas and Facilities as may be reasonably necessary to keep them clean, functional, attractive and generally in good condition and repair. Neither the Management Committee nor the Association shall have any obligations, but may have specific rights hereunder, regarding the maintenance, repair or care of Units and their appurtenant Limited Common Areas and Facilities, these all being the full and complete responsibility of their respective Unit Owner(s).

ARTICLE XVII

RIGHT OF ENTRY

The Management Committee and its duly authorized agents shall have the right to enter any and all of the Units and/or their Limited Common Areas and Facilities in case of an emergency originating in or threatening such Unit or any other part of the Project, whether or not the Unit Owner or occupant thereof is present at the time. The Committee and its duly authorized agents shall also have the right to enter into any and all of said Units at all reasonable times as required for the purpose of making necessary repairs upon the Common Areas and Facilities of the Project or for the purpose of performing emergency installations, alterations or repairs to the mechanical or electrical devices or installations located therein or thereon provided, however, such emergency installations, alterations or repairs are necessary to prevent damage or threatened damage to other Units in the Project; and provided further that the Unit Owner affected by such entry shall first be notified thereof if available and if time permits. Each Unit Owner and/or occupant shall deposit a key to the Unit with the Management Committee or manager to be used for emergency access to the Unit.

ARTICLE XVIII

PAYMENT OF EXPENSES AND ASSESSMENTS

a) Each Unit Owner shall pay the Management Committee his allocated portion of the cash requirement deemed necessary by the Management Committee to manage and operate the Condominium Project, that is the Common Expenses,

upon the terms, at the time, and in the manner herein provided without any deduction on account of any set-off or claim which the Owner may have against the Management Committee or Association. If the Unit Owner shall fail to pay any installment within one month of the time when the same becomes due, the Owner shall pay interest thereon at the rate of nine percent (9%) per annum from the date when such installment shall become due to the date of the payment therefor; provided, however, that interest on any installment which is six months or more overdue shall increase to eighteen percent (18%) for the period beginning six months after payment is due and continuing until fully paid.

b) The cash requirements above referred to for each year, or portion of the year, are hereby defined and shall be deemed to include an adequate reserve fund for maintenance, repairs and replacement of those Common Areas and Facilities that must be maintained, repaired or replaced on a periodic basis, plus such aggregate sum as the Management Committee from time to time shall determine, in its judgment, is to be paid by all the Owners of the Condominium Project then in existence to enable the Management Committee to pay all estimated expenses and outlays of the Management Committee to the close of such year, growing out of or in connection with the maintenance and operation of such land, buildings, and improvements; which sum may include, among other things, the cost of management, special assessments, fire, casualty, flood, fidelity, public liability and other insurance premiums, common lighting, landscaping and the care of the grounds, repairs and renovations to Common Areas and Facilities, snow removal, wages, water charges, natural gas charges and all other utility services, except telephone, electricity and other services which are separately billed or metered to the individual Units by the utility or party furnishing such service, legal and accounting fees, management fees, expenses and liabilities incurred by the Management Committee under or by reason of this Declaration, the payment of any deficit remaining from the previous period, the creation of a reasonable contingency or other necessary reserve or surplus fund, as well as all other costs and expenses relating to the Condominium Project. The Management Committee may, from time to time, up to the close of the year for which such cash requirements have been so filed or determined, increase or diminish the amount previously fixed or determined for such year. It may include in the cash requirements for any year, any liabilities or items or expense which accrued or became payable in the previous year, or which might have been included in the cash requirements for a previous year, but were not included therein; and also any sums which the Management Committee may deem necessary or prudent to provide a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

c) The portion payable with respect to each Unit in and for each year or for a portion of a year shall be a sum equal to the aggregate amount of such cash requirements for such year, or portion of year, determined as aforesaid, multiplied by the equal percentage of undivided interest in the Common Areas and Facilities appurtenant to such Unit, as shown in Appendix B. Such assessments, together with any additional sums accruing under this

Declaration, shall be payable monthly in advance, or in such payments and installments as shall be established by the Management Committee.

d) The Management Committee shall have discretionary powers to prescribe the manner of maintaining and operating the Condominium Project and to determine the cash requirements of the Management Committee to be paid as aforesaid by the Owners under this Declaration. Every such reasonable determination by the Management Committee within the bounds of the Act, and this Declaration shall be final and conclusive as to the Owners, and any expenditures made by the Management Committee, within the bounds of the Act and this Declaration shall as against the Owner be deemed necessary and properly made for such purpose.

e) If an Owner shall at any time let or sublet his Unit and shall default for a period of one month in the payment of any assessments, the Management Committee may, at its option, so long as such default shall continue, demand and receive from any tenant or sub-tenant of the Owner occupying the Unit the rent due or becoming due and payment of such rent to the Management Committee shall be sufficient payment and discharge of such tenant or sub-tenant and the Owner to the extent of the amount so paid.

f) Each monthly assessment and each special assessment shall be separate, distinct and personal obligations of the Owner(s) of the Unit against which the same is assessed at the time the assessment is made and shall be collectible as such. Suit to recover a money judgment for unpaid Common Expenses may be maintained without foreclosure or waiving the lien as described hereafter, securing the same. The amount of any assessment, whether regular or special, assessed to a Unit, plus interest as provided for herein, costs of action and reasonable attorney's fees shall become a lien upon such Unit upon recordation of a Notice of Assessment as provided for by the Act. Said lien for non-payment of Common Expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

1) tax and special assessment liens on the Unit in favor of any assessing unit or special district; and

2) encumbrances on the interest of the Unit Owner recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

g) A certificate executed and acknowledged by the manager or Management Committee stating the unpaid Common Expenses then outstanding with respect to a Unit shall be conclusive upon the Management Committee and the Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner or encumbrancee or prospective Owner or encumbrancee of a Condominium Unit upon request, at a reasonable fee initially not to exceed Ten Dollars (\$10.00). Unless the request for a certificate of indebtedness shall be compiled within 10 days, all unpaid Common Expenses

which become due prior to the date of making of such request shall be subordinate to the lien or interest held by or obtained by the person making the request. Any encumbrancee holding a lien on a Condominium Unit may pay any unpaid Common Expenses payable with respect to such Condominium Unit and upon such payment that encumbrancee shall have a lien on that Unit of the same rank as the lien of his encumbrance for the amounts paid.

h) Upon payment or other satisfaction of delinquent assessments concerning which a Notice of Assessment has been recorded, the Management Committee shall cause to be recorded in the same manner as the Notice of Assessment a further notice stating the satisfaction and release of the lien thereof. Such lien for nonpayment of assessment may be enforced by sale of the Unit by the Management Committee or by a bank or trust company or title insurance company authorized by the Management Committee, such sale to be conducted in accordance with the provisions of the law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any other manner permitted by law. In any foreclosure or sale, the Unit Owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees.

i) In the event of foreclosure, the Unit Owner shall be required to pay a reasonable rental for the Condominium Unit and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the security. The Management Committee, manager or Association shall have the power to bid on the Condominium Unit at foreclosure or other sale and to hold, lease, mortgage and convey the Condominium Unit.

j) In assessing Unit Owners for capital improvements, no assessment for a single improvement in the nature of a capital expenditure exceeding the sum of \$2,000.00 shall be made without the same having been first voted on and approved by at least a two-thirds majority of the Project's undivided ownership interest.

k) In the event of nonpayment of assessed Common Expenses or other assessments, the right of the non-paying Unit Owner(s) to vote his/their Unit's share pursuant to this Declaration or the Bylaws shall be suspended for all purposes until all such delinquent assessments, together with interest, costs and reasonable attorney's fees, shall have been paid. During such suspension, actions requiring a stated percentage of votes shall be determined without counting the suspended Unit or Units.

ARTICLE XIX

TAXES

It is understood that under the Act each Unit, together with its percentage of undivided interest in the Common Areas and Facilities in the Project, is deemed a parcel and subject to separate assessment and taxation

by each assessing unit and special district for all types of taxes authorized by law. Each Unit Owner will, accordingly, pay and discharge any and all taxes which may be assessed against his Condominium Unit.

ARTICLE XX

EASEMENTS, ENCROACHMENTS AND CONVEYANCES

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

b) In the event that, by reason of the construction, reconstruction, settlement or shifting of any part of a building, any part of the Common Areas and Facilities encroaches or shall hereafter encroach upon any part of any Unit or any part of any Unit encroaches or shall hereafter encroach upon any part of the Common Areas and Facilities or any other Unit, valid easements for such encroachment and the maintenance of such encroachment are hereby established and shall exist for the benefit of such Unit and the Common Areas and Facilities, as the case may be, so long as all or any part of the building containing any such Unit shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of any Unit Owner or in favor of the Unit Owners occurring after the date on which this Declaration is recorded.

c) Every deed, lease, mortgage or other instrument may describe a Unit by its identity number and letter designation as set forth in Appendix B and in the Map. Every such description shall be deemed good and sufficient for all purposes and shall be deemed to convey, transfer, encumber or otherwise effect the Unit Owner's corresponding percentage of undivided ownership in the Common Areas and Facilities, as a tenant-in-common, as set forth in Appendix B even though the same is not exactly mentioned or described.

d) Every deed, lease, mortgage or other similar instrument shall be deemed to include with respect to a Unit nonexclusive easements for ingress and support of said Unit through the Common Areas and Facilities, for the repair of said Unit through all other Units and through the Common Areas and Facilities, and for the use of the patios, yards, storage areas and parking spaces as indicated in Appendix B and the Map and further except and reserve, with respect to the undivided percentage interest in the Common Areas and Facilities, nonexclusive easements appurtenant to all Units for ingress, egress, support and repair and exclusive easements appurtenant to each Unit for the use of the patios, yards, storage areas and parking spaces as set forth in Appendix B and the Map.

e) Declarant and persons it may select from time to time shall have the right of ingress and egress over, upon and across the Common Areas and Facilities and Limited Common Areas and Facilities and the right to store materials therein and to make such other use thereof as may be reasonably

necessary incident to the maintenance, refurbishing, development and/or sale of any or all of the Units.

ARTICLE XXI

DESTRUCTION OR DAMAGE

In the event of destruction or damage of part or all of the improvements in the Condominium Project, the procedures of this Article XXI shall apply:

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

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

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

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

e) Any reconstruction or repair which is required to be carried out by this section shall be accomplished at the instance and direction of the Management Committee. Any determination which is required to be made by this section regarding the extent of damage to or destruction of Project improvements shall be made as follows: The Management Committee shall select three M.A.I. appraisers; each the appraisers shall independently arrive at a figure representing the percentage of Project improvements which have been

destroyed or substantially damaged; the percentage which governs the application of the provisions of this Article XXI shall be the average of the two closest/appraisal figures; or of all three if the spread between the highest and middle figure and the lowest and middle figure is the same.

ARTICLE XXII

INSURANCE

a) Hazard Insurance. The Management Committee or Association of Unit Owners shall at all times maintain in force hazard insurance meeting the following requirements:

1) A multi-peril type policy covering the entire Condominium Project (both Units and Common Areas and Facilities) shall be maintained. Such policy shall provide coverage against loss or damage by fire and other hazards covered by the standard extended coverage endorsement and by debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as customarily are covered with respect to condominium projects similar to the Project, in construction, location, and use. As a minimum, such policy shall provide coverage on a replacement cost basis in an amount not less than that necessary to comply with any co-insurance percentage specified in the policy, but not less than one hundred percent (100%) of the full insurable value of the Project based upon replacement cost. Such policy shall include an "Agreed Amount Endorsement" or its equivalent, a "Demolition Endorsement" or its equivalent, and, if necessary or appropriate, an "Increased Cost of Construction Endorsement" or its equivalent, and a "Contingent Liability from Operation of Building Laws Endorsement" or its equivalent.

2) If a steam boiler is or comes to be contained in the Project, there shall be maintained boiler explosion insurance and a broad form policy of repair and replacement boiler and machinery insurance, evidenced by the standard form of boiler and machinery insurance policy. Said insurance shall, as a minimum, provide coverage in the amount of Fifty Thousand Dollars (\$50,000.00) per accident per location.

3) If the Project is or comes to be situated in a locale identified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, a "blanket" policy of flood insurance on the Condominium Project shall be obtained and maintained. The minimum amount of coverage afforded by such policy shall be the lesser of the maximum amount of insurance available under said Act or the aggregate of the unpaid principal balances of the Mortgages affecting the individual Units. Such policy shall be in the form of the standard policy issued by members of the National Flood Insurers Association or in the form of a policy which meets the criteria established by the Flood Insurance Administration.

4) The named insured under each policy required to be maintained by the foregoing items 1), 2), and 3) shall be in form and substance essentially as follows: "The Management Committee and the Association of Unit Owners of the Wasatch Commons Condominium Project, or their authorized representative, for the use and benefit of the individual Owners".

5) Each such policy shall include the standard Mortgagee clause (without contribution) which either shall be endorsed to provide that any proceeds shall be paid to the Management Committee of the Association of Unit Owners for the use and benefit of Mortgagees as their interests may appear or shall be otherwise endorsed to fully protect the interests of Mortgagees. In addition, the Mortgagee clause shall provide that the insurance carrier shall notify each Mortgagee at least thirty (30) days in advance of the effective date of any reduction in or cancellation of the policy.

6) Each such policy shall provide that notwithstanding any provision thereof which gives the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable if in conflict with any requirement of law or without the prior written approval of the Association.

b) Fidelity Insurance. The Management Committee and/or Association shall be authorized to maintain in force fidelity coverage against dishonest acts on the part of managers (and employees of managers), trustees, employees, officers, Management Committee members, other committee members, or volunteers responsible for handling funds belonging to or administered by the Management Committee or Association of Unit Owners. The fidelity bond or insurance shall name the Association as the obligee or insured and shall be written in an amount sufficient to afford the protection reasonably necessary, but in no event less than three (3) month's worth of gross condominium unit fees plus reserves. An appropriate endorsement to the policy shall be secured to cover persons who serve without compensation if the policy would not otherwise cover volunteers.

c) Liability Insurance. The Management Committee or Association of Unit Owners shall at all times maintain in force a comprehensive policy of public liability insurance covering all of the Common Areas and Facilities. Such insurance shall include a "Severability of Interest Endorsement" or its equivalent which shall preclude the insurer from denying the claim of Owner because of negligent acts of other Owners, the Management Committee, or the Association of Unit Owners. The coverage afforded by such public liability insurance shall include protection against water damage liability and such other risks as are customarily covered with respect to condominium projects similar to the Project in construction, location and use, including non-owned and hired automobile liability. The limits of liability under such insurance shall not be less than \$1,000,000.00 for all claims for bodily injury, personal injury and/or property damage arising out of a single occurrence.

d) General Requirements Concerning Insurance. Each insurance policy maintained pursuant to this Article XXII, Section a) through c) shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a financial rating by Best's Insurance Reports of A-X or better. No such policy shall be maintained where: 1) under the terms of the carrier's charter, bylaws or policy, contributions may be required from, or assessments may be made against, a Unit Owner, a Mortgagee, the Management Committee, the Association of Unit Owners, a Unit, the Common Areas, or the Project; 2) by the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members; 3) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled from collecting insurance proceeds; or 4) the policy provides that the insurance thereunder shall be brought into contribution with insurance purchased by the individual Unit Owners or the Mortgagees. Each such policy shall provide that: (a) coverage shall not be prejudiced by any act or neglect of the Unit Owners when such act or neglect is not within the control of the Association of Unit Owners or the Management Committee; (b) coverage shall not be prejudiced by any failure by the Association and Management Committee to comply with any warranty or condition with regard to any portion of the Project over which the Association and Management Committee have no control; (c) coverage may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice to any and all insureds named therein, including any Mortgagee named as an insured; and (d) the insurer waives any right of subrogation it might have to any and all claims against the Association, the Management Committee, any Unit Owner, and/or their respective agents, employees or tenants, and any defense it might have based upon co-insurance or upon invalidity arising from acts of the insured. If, due to changed circumstances, excessive cost, or any other reason, any of the insurance coverage required to be obtained and maintained under Sections a) through c) of this Article XXII cannot reasonably be secured, with respect to such coverage the Association or the Committee shall obtain and maintain such substitute, different or other coverage as may be reasonable and prudent under the circumstances as they may then exist. The Association's Management Committee or a special insurance committee will review the Association's insurance coverage and propose changes and/or modifications thereto on an at least annual basis.

ARTICLE XXIII

MORTGAGEE PROTECTION

a) From and after the time a Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefor, the Committee or the Association shall notify such Mortgagee in writing in the event that the Owner of the Condominium Unit encumbered by the mortgage held by such Mortgagee neglects for a period of thirty (30) or more days to cure

any failure on his part to perform any of his obligations under this Declaration.

b) The lien or claim against a Condominium Unit for unpaid assessments or charges levied by the Management Committee or by the Association of Unit Owners pursuant to this Declaration, or by the Act shall be subordinate to a first Mortgage effecting such Condominium Unit. A Mortgagee who comes into possession of the Condominium Unit pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall take the same free of such lien or claim for unpaid assessments or charges, but only to the extent of assessments or charges which accrue prior to foreclosure of the Mortgage, exercise of a power of sale available there-under, or deed or assignment in lieu of foreclosure, except for claims for a pro-rata share of such prior assessments or charges resulting from a pro-rata reallocation thereof to all Condominium Units, including the Condominium Unit in which the Mortgagee is interested. No assessment, charge, lien or claim which is described in the preceding sentence as being subordinate to a Mortgage or as not a burden to a Mortgagee coming into possession pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall be collected or enforced by either the Management Committee or the Association from or against a Mortgagee, a successor in title to a Mortgagee, or the Condominium Unit effected or previously effected by the Mortgage concerned, to the extent any such collection or enforcement would prejudice the interests of the Mortgagee or successor in title to the Mortgagee interested in such Unit.

c) Unless all of the Mortgagees, if any, of the individual effected Condominium Units have given their prior written approval, neither the Management Committee nor the Association of Unit Owners shall be entitled, by act, omission, or otherwise:

1) To abandon or terminate the Condominium Project or to abandon or terminate the arrangement which is established by this Declaration and the Record of Survey Map, except as provided in Article XXI hereof in the event of certain destruction or damage;

2) To partition or subdivide any Unit;

3) To abandon, partition, subdivide, encumber, sell or transfer all or any of the Common Areas and Facilities, except for title granting of easements for utilities and similar purposes consistent with the intended use of the Common Areas and Facilities and except as provided in Article XXI hereof in the event of certain destruction or damage;

4) To use hazard insurance proceeds resulting from damage to any part of the Condominium Project, whether to the Units or to the Common Areas and Facilities, for purposes other than the repair, replacement, or reconstruction of such improvements, except as provided in Article XXI hereof in the event of certain destruction or damage;

5) To change the pro rata interests or obligations of any Unit which apply for (a) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for (b) determining the pro rata share of ownership of each Unit in the Common Areas and Facilities;

6) To alter the provisions of Article XXII hereof in such a way as to diminish the insurance protection required to be afforded to the parties designed to be protected thereby, or to fail to maintain the insurance coverage described therein.

d) Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Management Committee, of the Association of Unit Owners and of the Condominium Project. From and after the time a Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefore, the Committee or the Association shall furnish to such Mortgagee copies of such annual operating reports and other reports or writings summarizing or reflecting the financial position or history of the Condominium Project as may be prepared for distribution to or use by the Committee, the Association, or the Unit Owners.

e) To the extent the same is reasonably possible and practical and is not inconsistent with the significant interests of the Association of Unit Owners, the Management Committee and the Association shall establish an adequate reserve to cover the cost of reasonably predictable and necessary major repairs and replacements of the Common Areas and Facilities and shall cause such reserve to be funded by regular monthly or other periodic assessments against the Units rather than by special assessments.

f) From and after the time a Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefor, the Committee or the Association shall notify such Mortgagee in writing in the event that there occurs any damage or loss to, or taking or anticipated condemnation of: 1) The Common Areas and Facilities involving an amount in excess of, or reasonably estimated to be in excess of, Ten Thousand Dollars (\$10,000.00); or 2) Any Unit involving an amount in excess of, or reasonably estimated to be in excess of, One Thousand Dollars (\$1,000.00). Said notice shall be given within ten (10) days after the Management Committee or said Association learns of such damage, loss, taking or anticipated condemnation.

g) In the event another provision or clause of this Declaration deals with the same subject matter as is dealt with in any provision or clause of this Article XXIII, the provision or clause which results in the greatest protection and security for a Mortgagee shall control the rights, obligations, or limits of authority as the case may be, applicable to the Management Committee and Association of Unit Owners with respect to the subject concerned.

h) No amendment to this Article XXIII which has the effect of diminishing the rights, protection or security afforded to Mortgagees shall be accomplished or effective unless all of the Mortgagees, if any, of the affected individual Units have given their prior written approval to such amendment. Any amendment to this Article XXIII shall be accomplished by an instrument executed by the Management Committee and filed for record in the office of the Salt Lake County Recorder. In any such instrument an officer of the Management Committee shall certify that any prior written approval of the affected Mortgagees required by this Article XXIII as a condition to amendment has been obtained.

ARTICLE XXIV

EMINENT DOMAIN

In the event that eminent domain proceedings are commenced against the Project or any portion thereof, the provisions of 57-8-32.5, Utah Code Annotated (Supp. 1975) shall apply. The Management Committee shall give written notice of such proceedings to all Mortgagees of record. No first lien priority of any Mortgagee shall be diminished or otherwise disturbed by virtue of such proceedings.

ARTICLE XXV

ADMINISTRATIVE RULES AND REGULATIONS

The Management Committee, with the advice and consent of the Association by a two thirds majority vote of the Association, shall have the power to adopt and establish by resolution, such Project management, operational, administrative and/or house rules and regulations as it may deem necessary for the maintenance, operation, management and control of the Project. The Management Committee may, also with the advice and consent of the Association by a two thirds majority vote of the Association, from time to time by resolution alter, amend and repeal such rules. When a copy of any amendment or alteration or provision for repeal of any rule or rules has been furnished to the Unit Owners, such amendment, alteration or provision shall be taken to be a part of such rules. Unit Owners shall at all times be notified of and obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision, it being understood that such rules shall apply and be binding upon all Unit Owners and their lessees, tenants, subtenants or other occupants of the Units and their guests, servants and invitees.

ARTICLE XXVI

OBLIGATION TO COMPLY HEREWITH

Each Unit Owner, lessee, tenant, subtenant or other occupant of a Unit and their guests, servants and invitees shall comply with the provisions of

the Act, this Declaration, the Bylaws, and the house rules and any other administrative rules and regulations and decisions made and issued pursuant thereto, all agreements and determinations lawfully made and/or entered into by the Management Committee or the Association of the Unit Owners, when acting in accordance with their authority, and any failure to comply with any of the provisions thereof shall be grounds for administrative fines to be levied by the Management Committee or the Association or an action by the Management Committee or Association or other aggrieved party for injunctive relief or to recover any loss or damage and reasonable attorney's fees resulting therefrom.

ARTICLE XVII

INDEMNIFICATION OF ASSOCIATION MEMBERS

Each member of the Association, the Management Committee or of any other Association committee shall be indemnified and held harmless by the Association of Unit Owners against all costs, expenses and liabilities whatsoever, including without limitation, attorney's fees reasonably incurred by him in connection with any proceeding in which he may become involved by reason of his being or having been a member of the Association, said Management Committee or other committee; provided, however, the foregoing indemnification shall not apply if the expense or liability involved resulted from the willful misconduct or gross negligence of the member.

ARTICLE XXVIII

AMENDMENTS

a) In addition to the amendment provisions contained in Articles IX and X above, but subject to the terms of Article XXIII, this Declaration and/or the Map may be amended upon the affirmative vote or approval and consent of not less than seventy five percent (75%) of the undivided interest in the Common Areas and Facilities. Any amendment so authorized shall be accomplished by recordation of an instrument executed by the Management Committee. In said instrument the Management Committee shall verify that the vote or consent required by this Article XXVIII has occurred.

b) Within five (5) years from the recording date hereof, Declarant reserves the right to amend the Declaration if required by the Federal National Mortgage Association or by some other governmental agency or lending institution, provided that such amendment does not materially affect the rights of Unit Owners.

c) The Management Committee may, from time to time and without the hereinabove set forth formalities, amend Appendix B to reflect any change in assignments of parking stalls or storage areas; provided, however, that the effected Unit Owners, if any, join in the execution of such an amendment.

ARTICLE XXIX

CONSENT IN LIEU OF VOTE

In any case in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for authorization or approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who collectively hold at least the stated percentage of undivided ownership interest. The following additional provisions, shall govern any application of this Article XXIX:

a) all necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Owner;

b) any change in ownership of a Unit which occurs after consent has been obtained from the Owner having an interest therein shall not be considered or taken into account for any purpose; and

c) unless the consents of all Owners having an interest in the same Unit are secured, the consent of none of such Owners shall be effective.

ARTICLE XXX

SERVICE OF PROCESS AND NOTICE

a) The person to receive service of process in the cases provided herein or in the Act is Michael Polacek, whose current address is 743 East 200 South, Salt Lake City, Utah 84102. Said person or his address may be changed by the recordation by the Management Committee of an appropriate instrument.

b) Any notice permitted or required to be delivered as provided herein may be delivered either personally or sent by telephonic facsimile or by mail. If delivery is made by mail, it shall be deemed to be delivered twenty-four (24) hours after a copy of the same has been deposited in the U.S. postal service, postage prepaid, return receipt requested. Delivery by facsimile shall be deemed completed upon receipt of verification that the facsimile was received. Notice to Unit Owners shall be addressed to each Unit Owner at the address given by such Unit Owner to the Management Committee for the purpose of service of such notice or to the Unit of such Unit Owner if no such address has been given to the Management Committee. Such address may be changed from time to time by notice in writing to the Management Committee. Notice to the Management Committee shall be addressed to: Management Committee, Wasatch Commons Condominium Association, 1411 South Utah Street, Salt Lake City, Utah 84104.

ARTICLE XXXI

SEVERABILITY

The invalidity of any one or more phrases; sentences, subparagraphs, paragraphs, sections or articles hereof shall not affect the remaining portions of this instrument nor any part thereof, and in the event that any portion or portions of this instrument should be invalid or should operate to render this instrument invalid, this instrument shall be construed as if such invalid phrase or phrases, sentence or sentences, subparagraph or subparagraphs, paragraph or paragraphs, section or sections, or article or articles had not been inserted.

ARTICLE XXXII

DECLARANT'S RIGHTS ASSIGNABLE

All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment. Any Mortgage covering any or all Condominium Units in the Project, title to which is vested in the Declarant, shall, at any given point in time and whether or not such Mortgage does so by its terms, automatically cover, encumber, and include all of the then unexercised or then unused rights, powers, authority, privileges, protections and controls which are accorded to Declarant, in its capacity as Declarant herein.

ARTICLE XXXIII

WAIVERS

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

ARTICLE XXXIV

TOPICAL HEADINGS

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

ARTICLE XXXV

LAW CONTROLLING

This Declaration, its Appendices A to F and the Map shall be construed and controlled by and under the laws of the State of Utah.

ARTICLE XXXVI

EFFECTIVE DATE

This Declaration shall take effect upon recording.

IN WITNESS WHEREOF, the undersigned have caused this Declaration to be executed on their behalf this 9th day of JULY, 1998.

DECLARANT:

WASATCH COHOUSING

A Utah non-profit corporation

By: Scott Cowley
Name: SCOTT COWLEY
Its: president

ATTEST:

By: Michael Polacek
Name: MICHAEL POLACEK
Its: SECRETARY

WASATCH COMMONS CROWN, L.L.C.

A Utah limited liability company

Member: Wasatch Cohousing
By: Scott Cowley
Name: SCOTT COWLEY
Its: president

Member: Hugh D. Graham
Hugh D. Graham

STATE OF UTAH)
) SS.
COUNTY OF SALT LAKE)

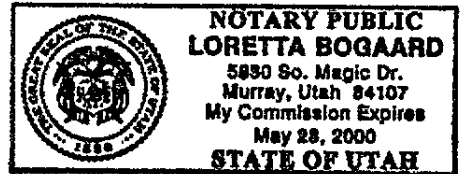
On the 9th day of JULY, 1998, personally appeared before me SCOTT COWLEY and MICHAEL POLACEK who, being by me duly sworn, did say, that they were the PRESIDENT and SECRETARY, respectively, of Wasatch Cohousing, a Utah non-profit corporation which is also a Member of Wasatch Commons CROWN, L.L.C., a Utah limited liability company, and that the foregoing instrument was signed in behalf of said corporation and said company by resolution of its trustees and as a Member of said company, respectively, and said SCOTT COWLEY and MICHAEL POLACEK acknowledged to me that said corporation and said company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Loretta Bogaard
Notary Public

My commission expires:

May 28, 2000



STATE OF UTAH)
) SS.
COUNTY OF SALT LAKE)

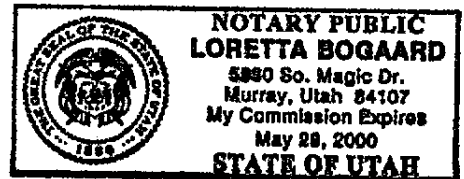
On the 9th day of JULY, 1998, personally appeared before me HUGH D. GRAHAM who, being by me duly sworn, did say, that he is a Member of Wasatch Commons CROWN, L.L.C., a Utah limited liability company, and that the foregoing instrument was signed by him in behalf of said company and, as a Member of said company, HUGH D. GRAHAM acknowledged to me that said company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Loretta Bogaard
Notary Public

My commission expires:

May 28, 2000



BK8114PG2415

APPENDIX A

PROPERTY DESCRIPTION

Beginning at a point which is South 25.30 feet from the Northwest Corner of Lot 7, Block 1 Utah Southern Addition, a subdivision of part of the Northeast quarter of Section 15, Township 1 South, Range 1 West, Salt Lake Base and Meridian; said point also being West along the monument line of California Avenue 661.10 feet and South 850.50 feet and East 40.00 feet from a standard city monument located at the intersection of California Avenue and Cheyenne Street; and running thence North 437.80 feet to the Northwest corner of Lot 10, Block 1 of said subdivision; thence East 300.00 feet to the Northeast corner of Lot 10, Block 1 of said subdivision; thence South 176.00 feet; thence East 184.00 feet; thence South 68.30 feet; thence East 103.00 feet to a point on the Westerly right of way line of Cheyenne Street; thence along said Westerly right of way South 56.00 feet; thence West 146.00 feet; thence South 68.75 feet; thence East 12.50 feet; thence South 68.75 feet to a point on an existing block wall; thence along said block wall West 453.50 feet to the point of beginning.

APPENDIX B

WASATCH COMMONS CONDOMINIUMS

<u>Unit Designation</u>	<u>Approximate Size in Square Feet</u>	<u>Percentage of Undivided Interest in the Common Areas and Facilities</u>	<u>Assigned Limited Common Areas and Facilities Parking/Storage</u>
1	842	3.8462	1
2	1050	3.8462	2
3	1576	3.8462	3
4	1761	3.8462	4
5	1729	3.8462	5
6	1696	3.8462	6
7	1370	3.8462	7
8	1393	3.8462	8
9	1601	3.8462	9
10	859	3.8462	10
11	1487	3.8462	11
12	859	3.8462	12
13	1601	3.8462	13
14	864	3.8462	14
15	842	3.8462	15
16	1729	3.8462	16
17	1050	3.8462	17
18	1370	3.8462	18
19	1539	3.8462	19
20	1729	3.8462	20
21	1370	3.8462	21
22	1729	3.8462	22
23	1601	3.8462	23
24	1575	3.8462	24
25	1729	3.8462	25
26	1729	<u>3.8462</u>	26
		100.000	

NOTE:

Each Unit will have one assigned covered parking stall. The balance of the parking spaces will be used on a non-exclusive basis. Each Unit shall also be assigned an exclusive storage area and the Limited Common Areas and Facilities reserved for that particular Unit, such as the appurtenant balcony, deck, patio and yard areas, all as shown on the Map.

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APPENDIX C

ARTICLES OF INCORPORATION

FOR THE

WASATCH COMMONS CONDOMINIUM ASSOCIATION

A UTAH NON-PROFIT CORPORATION

We, the undersigned, for the purpose of forming a non-profit corporation under the Utah Non-Profit Corporation and Cooperative Association Act, hereby certify as follows:

Article 1

NAME

The name of the corporation is Wasatch Commons Condominium Association.

Article 2

DURATION

The period of duration of the corporation is perpetual.

Article 3

PURPOSE

The purposes for which the corporation is formed are as follows:

(a) To manage and administer the affairs of and to maintain Wasatch Commons Condominiums, a condominium (hereinafter called "Condominium");

(b) To levy and collect assessments against and from the members of the corporation and to use the proceeds thereof for the purposes of the corporation;

(c) To carry insurance and to collect and allocate the proceeds thereof;

(d) To rebuild improvements after casualty;

(e) To contract for and employ persons, firms, or corporations to assist in management, operation, maintenance and administration of said Condominium;

(f) To make and enforce reasonable regulations concerning the use and enjoyment of said Condominium;

(g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real and personal property, including, but not limited to, any Unit in the Condominium, and easements or licenses or any other real property, whether or not contiguous to the Condominium, for the purpose of providing benefit to the members of the corporation and in furtherance of any of the purposes of the corporation;

(h) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien;

(i) To enforce the provisions of the Declaration of the Condominium and of these Articles of Incorporation and the Bylaws thereunder and such other rules and regulations of this corporation as may hereinafter be adopted;

(j) To do anything required of or permitted to it as administrator of said Condominium by the Condominium Declaration or Bylaws or by the Utah Condominium Ownership Act, Utah Code Annotated, Sections 57-8-1 through 57-8-36, as amended;

(k) In general, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of said Condominium and to the accomplishment of any of the purposes thereof;

(l) To acquire, construct, manage, maintain and care for the Condominium for the ultimate use and enjoyment of its members; and

(m) To function generally as a non-profit corporation under the Utah Non-Profit Corporation and Cooperative Association Act and to own and sell real and personal property, to make contracts, to invest corporate funds, to spend corporate funds for corporate purposes and to engage in any activity in furtherance of, incidental to, or connected with any of the other purposes.

Article 4

BASIS OF ORGANIZATION AND ASSETS

The corporation is organized upon a non-stock, membership basis and it is to be financed by the general assessment of its members. The value of the assets which said corporation possesses is as follows:

Real Property: None
Personal Property: None

Article 5

MEMBERSHIP AND VOTING

The qualifications of members, the manner of their admission to the corporation, the termination of membership and voting by such members shall be as follows:

(a) Each Owner or Co-Owner, including the Declarant, of a Unit in the Condominium shall be a member of the corporation, and no other person or entity shall be entitled to membership.

(b) Membership in the corporation shall be established by acquisition of fee simple title to a Unit in the Condominium and by recording with the Registrar of Deeds of Salt Lake County, Utah, a deed or other instrument establishing a change of record title to such Unit and the furnishing of evidence of same satisfactory to the corporation, except that the Declarant of the Condominium shall become a member immediately upon establishment of the Condominium, the new Owner or Co-Owner of a Unit in the Condominium thereby becoming a member of the corporation, and the membership of the prior Owner or Co-Owner thereby being terminated.

(c) The share of a member in the funds and assets of the corporation cannot be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to his Unit in the Condominium.

(d) Voting and actions by members shall be in accordance with the provisions of the Bylaws of this corporation.

Article 6

TRUSTEES

The number of Trustees constituting the initial Board of Trustees of this corporation is three, and the names and street addresses of the persons who are to serve as the initial Trustees are as follows:

Scott Cowley
6120 South 2300 East
Salt Lake City, Utah 84121

Hugh D. Graham
273 East Leslie Avenue
Salt Lake City, Utah 84115

Michael Polacek
743 East 200 South
Salt Lake City, Utah 84102

After formation and pursuant to the Bylaws of this corporation, the number of Trustees constituting the Board of Trustees shall be five, and shall be

known and referred to as the Management Committee. Trustees, also referred to as Management Committee members, shall serve until their successors are duly chosen, or until their prior death, incapacity or resignation. Vacancies may be filled and Trustees may be removed and their successors chosen by a two thirds majority vote of the members of the corporation, all as more fully set forth in the Bylaws.

Article 7

INCORPORATORS

The names and street addresses of the incorporators are as follows:

Scott Cowley
6120 South 2300 East
Salt Lake City, Utah 84121

Hugh D. Graham
273 East Leslie Avenue
Salt Lake City, Utah 84115

Michael Polacek
743 East 200 South
Salt Lake City, Utah 84102

Article 8

PRINCIPAL OFFICE AND REGISTERED AGENT

The address of the corporation's initial principal registered office shall be:

743 East 200 South
Salt Lake City, Utah 84102

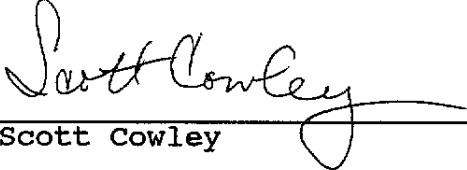
Such office may be changed at any time by the corporation without amendment to these Articles of Incorporation.

The corporation's first registered agent at such address shall be Michael Polacek.

I hereby acknowledge and accept appointment as corporate registered agent:


Michael Polacek

In Witness Whereof, We, Scott Cowley, Hugh D. Graham and Michael Polacek have executed these Articles of Incorporation in duplicate originals this 9th day of JULY, 1998, and say: They are all incorporators herein; that they have read the above and foregoing Articles of Incorporation; know the contents thereof and that the same is true to the best of their knowledge and belief, excepting as to matters herein alleged upon information and belief and as to those matters they believe to be true.



Scott Cowley



Hugh D. Graham



Michael Polacek

APPENDIX D

BYLAWS OF THE

WASATCH COMMONS CONDOMINIUM ASSOCIATION

An Incorporated Association of Unit Owners Under
the Utah Condominium Ownership Act

The administration of the Wasatch Commons Condominium Project (the "Project") and the Wasatch Commons Condominium Association, a non-profit Utah corporation, (the "Association") shall be governed by the Association's Articles of Incorporation, these Bylaws, by the Utah Condominium Ownership Act, Utah Code Unann. §§ 57-8-1 through 57-8-36 (Repl. Vol. 1996), as from time to time amended, (the "Act"), by the Project Declaration, and any other rules and regulations duly adopted pursuant thereto or any of them.

1. Application of Bylaws.

All present and future Unit Owners, Mortgagees, lessees, tenants, subtenants and occupants of Units and their servants, guests and invitees and any other persons who may use the facilities of the Project in any manner are subject to the Declaration, these Bylaws and all house rules and any other rules and/or regulations made pursuant hereto and any amendment thereof. 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 house or other rules and regulations made pursuant thereto, as they may be amended from time to time, are accepted, ratified and will be complied with.

2. Management Committee.

2.1. The administration of the Property on behalf of the Association shall be conducted by a Management Committee (also sometimes referred to as the "Board of Trustees") of five natural individuals. The Management Committee shall have the power to adopt and establish, with the advice and consent of the Association as shown by a two thirds majority vote of the Association, by resolution, such Project management and operational and administrative rules and regulations as it may deem necessary for the maintenance, operation, management and control of the Wasatch Commons Condominium Project, and the Management Committee may from time to time, and with the advice and consent of the Association as shown by a two-thirds vote of the majority of the Association, by resolution, alter, amend, and repeal such rules and regulations. Unit Owners shall at all times obey such rules and regulations and use their best efforts to see that they are faithfully observed by their lessees and any other persons over whom they have or may exercise control or supervision, it being clearly understood that such rules and regulations shall apply and be binding upon all Unit Owners of the Condominium Project and their families, servants, guests, invitees and

lessees. Provisions of the Act pertaining to the rules and regulations are incorporated herein by reference and shall be deemed a part hereof.

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

2.3. Beginning with the first annual meeting and at every annual meeting thereafter, the Association shall elect, by a two thirds majority vote of the Association, the members of the Management Committee as necessary to fill positions of the members of the Management Committee whose terms have ended or are ending or otherwise need to be filled for the forthcoming year. At least thirty (30) days prior to any annual meeting of the Association, the existing Management Committee may elect from the Unit Owners a nominating committee of not less than three (3) members, none of whom shall be members of the then Management Committee, who shall recommend to the annual meeting one nominee for each position on the Management Committee to be filled at that particular annual meeting. Nominations for positions on the Management Committee may also be made at the annual meeting or by petition filed with the secretary of the Association at least seven (7) days prior to the annual meeting of the Association, which petition shall be signed by ten (10) or more Unit Owners and signed by the nominee named therein indicating his willingness to serve as a member of the Management Committee, if elected. Members of the Management Committee shall be required to be Unit Owners, and must be natural individuals and residents of the State of Utah.

2.4. Members of the Management Committee shall serve for a term of two (2) years; provided, however, that two members of the Management Committee elected at the first annual meeting shall serve for an initial term of one (1) year and the three other members shall serve for initial terms of two (2) years. Thereafter, all Management Committee members elected shall serve for a two-year term. The terms of no more than three members will end each year. The members of the Management Committee shall serve until their respective successors are elected, or until their death, resignation or removal. Any member of the Management Committee who fails to attend three consecutive Management Committee meetings or fails to attend at least 25% of the Management Committee meetings held during any calendar year shall forfeit his membership on the Management Committee, unless his absence is agreed to by prior written consent of the Management Committee.

2.5. Any member of the Management Committee may resign at any time by giving written notice to the president of the Association, or to the remaining Management Committee members. Any member of the Management Committee may be removed from membership on the Management Committee by a two-thirds majority vote of the Association. Whenever there shall occur a vacancy on the Management Committee due to death, resignation, removal or any other cause, the remaining members shall elect a successor member to serve until the next annual meeting of the Association, at which time said vacancy shall be filled by the Association for the unexpired term, if any.

2.6. The members of the Management Committee shall receive no compensation for their services unless expressly approved by a two-thirds majority of the Association; provided, however, that any member of the Management Committee may be employed by the Association in another capacity and receive compensation for such employment.

2.7. The Management Committee, for the benefit of the Project and the Association, shall manage the business, property and affairs of the Project and the Association and enforce the provisions of the Declaration, these Bylaws, the house rules and the administrative rules and regulations governing the Property. The Management Committee shall have the powers, duties and responsibilities with respect to the Property as contained in the Act, the Declaration and these Bylaws.

2.8. The meetings of the Management Committee shall be held at such places within the State of Utah as the Management Committee shall determine and shall be open to any and all members of the Association. Four (4) members of the Management Committee shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Management Committee. The Management Committee shall annually elect all of the officers of the Association. The meeting for the election of officers shall be held at the first meeting of the Management Committee immediately following the annual meeting of the Association.

2.9. Regular meetings of the Management Committee may be held without call or notice but their time and place will be communicated to the Association by posting notification of the same in a prominent position in the Project's Common Areas and Facilities.

2.10. Special meetings of the Management Committee may be called by the president or by any two Management Committee members. The person or persons calling a special meeting of the Management Committee shall, at least ten (10) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called; if an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

2.11. Any member of the Management Committee may, at any time, waive notice of any meeting of the Management Committee in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Management Committee at a meeting shall constitute a waiver of notice of such meeting except if a Management Committee member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the members of the Management Committee are present at any meeting of the Management Committee, no notice shall be required and any business may be transacted at such meeting.

2.12. Until a date five (5) years from the recording of the Declaration, or until Units to which three-fourths (3/4) of the appurtenant undivided interest in the Common Areas and Facilities have been conveyed, whichever occurs first, the Declarant, or some other person or persons selected or to be selected by Declarant, may appoint and remove four (4) members of the Management Committee and all officers of the Association, or, at Declarant's

option, may exercise the powers and responsibilities otherwise assigned by the Declaration, these Bylaws, and the Act to the Association. The first annual meeting of the Association shall be held within 120 days of the happening of the first event described in the preceding sentence, at which time the Association shall elect the initial members of the Management Committee.

2.13. If the Unit Owners' Association or Management Committee is not in existence or does not have officers at the time of the creation of the Project, the Declarant shall, until there is an Association or Management Committee with these officers, have the power and responsibility to act in all instances where the Act or the Declaration requires action by the Unit Owners' Association, the Management Committee, or any of the officers of them. The provisions of this subsection 2.13 shall be strictly construed to protect the rights of the Unit Owners.

2.14. After the election of the members of the Management Committee at the first annual meeting of the Association, Declarant may execute, acknowledge and record an affidavit stating the names of the members of the newly elected Management Committee. Thereafter, any two (2) persons who are designated of record as being members of the most recent Management Committee, regardless of whether or not they shall still be members, may execute, acknowledge and record an affidavit stating the names of all of the members of the then current Management Committee. The most recently recorded of such affidavits shall be prima facie evidence that the persons named therein are all of the incumbent members of the Management Committee and shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.

2.15. The Management Committee may carry out through a Project Manager any of its functions which are properly the subject to delegation. Any Manager so engaged shall be an independent contractor and not an agent or employee of the Management Committee, shall be responsible for managing the Project for the benefit of the Management Committee and the Association, and shall, to the extent permitted by law and the terms of the agreement with the Management Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself. Any agreement for professional management of the Project which may be entered into by the Management Committee or the Association shall call for a term not exceeding two (2) years and shall provide that such management agreement may be terminated by the Management Committee or by the Association upon not in excess of ninety (90) days written notice.

2.16. Copies of all house rules and all other rules and regulations adopted by the Management Committee and/or the Association shall be delivered to all Unit Owners at least ten (10) days prior to the effective date thereof, as well as prominently posted within the Project's Common Areas and Facilities.

2.17. The fiscal year shall be determined by the Management Committee.

3. Meetings of the Association.

3.1. The presence in person or by proxy at any meeting of the Association of two-thirds (2/3) of the Unit Owners in response to ten (10) days prior written or oral notice to all Unit Owners of record shall constitute a quorum. In the event that two-thirds (2/3) of the Unit Owners are not present in person or by written proxy, the meeting shall be adjourned for twenty-four (24) hours, at which time it shall reconvene and any number of Unit Owners present at such subsequent meeting shall constitute a quorum. Unless otherwise expressly provided for in the Declaration or the Bylaws, any action may be taken at any meeting of the Unit Owners including a quorum upon at least a two thirds majority vote of the Unit Owners who are present in person or by written proxy and who are voting.

3.2. There shall be an annual meeting of the Association on the fourth Thursday of January at 7:00 p.m. at the Project club house or at such other reasonable place or time, not more than ninety (90) days before or after such date except for the first annual meeting, as may be designated by written notice by the Management Committee and delivered to the Unit Owners not less than fifteen (15) days prior to the date fixed for said meeting. At or prior to an annual meeting, the Management Committee shall furnish to the Unit Owners: (i) a budget for the coming fiscal year that shall itemize the estimated Common Expenses of the coming fiscal year with the estimated allocation thereof to each Unit Owner; and (ii) an audited statement of the Common Expenses itemizing receipts and disbursements for the previous and current fiscal year, together with the allocation thereof to each Unit Owner. Within ten (10) days after the annual meeting, that budget statement shall be delivered to the Unit Owners who were not present at the annual meeting.

3.3. Regular meetings of the Association will be held monthly or at other regularly scheduled intervals at a time, date and place to be determined from time to time by the Association and communicated orally, by posting in the Project club house, or in writing, at least ten (10) days prior to the same to all of the Unit Owners. Special meetings of the Association may be held at any time at the Project or at such other reasonable place to consider matters which, by the terms of the Declaration, require the approval of all or some of the Unit Owners, or for any other reasonable purpose. Special meetings shall be called by written notice, signed by a majority of the Management Committee or by Unit Owners representing at least one-third (1/3) in interest of the undivided ownership of the Common Areas and Facilities and delivered to all Unit Owners not less than fifteen (15) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting, and the matters to be considered.

3.4. Robert's Rules of Order (latest edition) shall govern the conduct of the Association's and any committee's meetings when not in conflict with the Declaration or these Bylaws.

4. Officers.

4.1. All officers of the Association shall be elected by and serve at the will of the Management Committee. The officers shall be a president,

secretary and treasurer. The Management Committee may appoint such other assistant officers as the Management Committee may deem necessary. Each officer shall be required to be a Unit Owner and a member of the Management Committee. No officer shall receive compensation for serving as such.

4.2. The president shall be the chief executive of the Management Committee and shall preside at all meetings of the Association and of the Management Committee and may exercise the powers ordinarily allocable to the presiding officer of an association, including the appointment of committees. The president shall exercise general supervision over the Project and its affairs. He shall sign on behalf of the Association all conveyances, mortgages and contracts of material importance to its business. He shall do and perform all acts which the Management Committee may require.

4.3. The secretary shall keep minutes of all proceedings of the Management Committee and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the Association and the Management Committee. In the absence or inability of the president, the secretary shall perform the functions of the president.

4.4. The treasurer shall be responsible for the fiscal affairs of the Association, but may, with agreement from the Management Committee, delegate the daily handling of funds and the keeping of records to a manager or managing company.

5. Common Expenses and Assessments.

5.1. All assessments for Common Expenses shall be made in accordance with the general provisions of Article XVIII of the Declaration.

5.2. At least ten (10) days prior to each annual meeting of the Association, the Management Committee shall estimate the Common Expenses and capital contributions for the upcoming year and present a written budget for the upcoming fiscal year to the Association for the approval and ratification, at the annual meeting, by a two-thirds majority of the Association's members. The estimated capital contributions may include such amounts as the Management Committee may deem proper for general working capital, for the general operating reserve, for a reserve fund for replacements and major maintenance and shall take into account any expected income, surplus or deficit in the Common Expenses for any prior year. These estimated capital contributions and Common Expenses shall be presented at the annual meeting and thereafter shall be assessed on a monthly basis to the Unit Owners in proportion to their equal percentage of undivided interest in the Common Areas and Facilities as set forth in the Declaration. If the estimated Common Expenses prove inadequate for any reason, including nonpayment of any Unit Owner's assessments, the Management Committee may, by resolution duly adopted by a two-thirds majority vote of the Association, make any other, additional, special or extra assessments, which shall be assessed to the Unit Owners in the same manner as the estimated Common Expenses. Each Unit Owner shall be obligated to pay to the Management Committee assessments made pursuant to this paragraph on or before the first day of each month, or in such other reasonable manner as the Management Committee shall designate. The funds received by the Management Committee

from assessments shall be kept in either capital accounts or in the Common Expense fund and shall be expended by the Management Committee only in accordance with the provisions of the Act, the Declaration and these Bylaws.

5.3. Every determination by the Management Committee with respect to Common Expenses and common expenditures necessary to maintain the Project, that is made within the bounds of the Act, the Declaration, and these Bylaws, shall be final and conclusive as to the Unit Owners and shall be deemed necessary and properly made for such purposes.

5.4. The rights, duties and functions of the Management Committee set forth in this paragraph shall be exercised by Declarant until thirty (30) days after the first annual meeting of the Association.

5.5. The failure by the Management Committee before the expiration of any year, to estimate the Common Expenses as required herein, shall not be deemed a waiver or modification in any respect of the provisions of the Declaration or these Bylaws or a release of the Unit Owners from the obligation to pay any past or future assessments, and the estimated Common Expenses fixed for the previous and current year shall continue until a new estimate is fixed.

5.6. Amendments to this paragraph 5 shall be effective only upon a two-thirds majority written consent of the Unit Owners.

5.7. No Unit Owner may exempt himself from liability for Common Expenses by waiver of the use or enjoyment of any of the Common Areas and Facilities or by abandonment of his Unit.

5.8. The treasurer shall keep detailed records of all receipts and expenditures, including expenditures affecting the Common Areas and Facilities, specifying and itemizing the maintenance, repair and replacement expenses of the Common Areas and Facilities and any other expenses incurred. Such record shall be available for examination by the Unit Owners during regular business hours. In accordance with the actions of the Management Committee assessing common expenses against the Units and Unit Owners, the treasurer shall keep an accurate record of such assessments and of the payments thereof by each Unit Owner.

5.9. All Common Expense assessments and any other, special, additional, or extra assessments shall be a separate, distinct and personal liability of the Owner of the Unit at the time each such assessment is made. The Management Committee shall have the rights and remedies contained in the Act and in the Declaration to enforce the collection of any such assessments.

5.10. Any person who shall have entered into a written agreement to purchase a Unit shall be entitled to obtain a written statement from the treasurer setting forth the amount of unpaid assessments charged against the Unit and its Owners, and if such statement does not reveal the full amount of the unpaid assessments as of the date it is rendered, neither the purchaser nor the Unit shall be liable for the payment of an amount in excess of the unpaid assessments shown thereon, provided that the former Unit Owner grantor shall remain so liable. Any such excess which cannot be promptly collected from the former Unit Owner grantor shall be reassessed by the Management

Committee as a Common Expense to be collected from all Unit Owners, including without limitation the purchaser of the Unit, his successors and assigns. The new Unit Owner shall and the former Unit Owner shall not be liable for any assessments made after the date of transfer of title to a Unit, even though the Common Expenses for the expenses incurred or the advances made by the Management Committee for which the assessment is made relate in whole or in part of any period prior to that date.

5.11. In the event that title to a Unit is transferred at sheriff's sale pursuant to execution upon any lien against the Unit, the Management Committee shall give notice in writing to the sheriff of any unpaid regular and/or special, extra or additional assessments for Common Expenses which are a lien against the Unit, and for any expenses of or advances by the Management Committee which have not theretofore been reduced to a lien, both of which shall be paid out of the proceeds of the sale in the order of priority to which they are entitled and in any event prior to the distribution of any balance to the former Unit Owner against whom the execution was issued. Any such unpaid assessments which cannot be promptly collected from the former Unit Owner, or from the sales proceeds, shall be reassessed by the Management Committee as a Common Expense to be collected from all of the Unit Owners, including the purchaser who acquired title at the sheriff's sale, his successors and assigns. To protect its rights to collect unpaid assessments for Common Expenses which are a lien against a Unit, and for any other assessments, expenses of and advances by the Management Committee, the Management Committee may on behalf of all the Unit Owners, purchase the Unit at sheriff's sale, provided such action is authorized by the affirmative vote of a two thirds majority of the members of the Association.

5.12. In addition to the statements issuable to purchasers of Units, the Management Committee shall provide a current statement of unpaid assessments for Common Expenses and for any expenses of and advances by the Management Committee in respect of the Unit, to the Unit Owner, to any person who shall have entered into a binding agreement to purchase the Unit and to any Mortgagee on request at reasonable intervals.

5.13. In all cases where, all or part of any assessments for Common Expenses and for any expenses of and advances by the Management Committee cannot be promptly collected from the persons or entities liable therefor under the Act, Declaration or Bylaws, the Management Committee shall reassess the same as a Common Expense, without prejudice to its rights of collection against such persons or entities.

6. Conflict Resolution and Litigation.

6.1. If any action is brought by one or more but less than all Unit Owners on behalf of the Association and recovery is had, the plaintiff's expenses, including reasonable counsel's fees, shall be a Common Expense; provided, however, that if such action is brought against the Unit Owners or against the Management Committee, the officers, employees, or agents thereof, in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all the Unit Owners, the plaintiff's

expenses, including counsel fees, shall not be charged to or borne by the other Unit Owners, as a Common Expense or otherwise.

6.2. Complaints brought against the Association, the Management Committee or the officers, employees or agents thereof, in their respective capacities as such, or the Property as a whole, shall be directed to the Management Committee, which shall promptly give written notice thereof to the Unit Owners and any Mortgagees and shall be defended by the Management Committee, and the Unit Owners and Mortgagees shall have no right to participate other than through the Management Committee in such defense. Complaints against one or more, but less than all Unit Owners shall be directed to such Unit Owners, who shall promptly give written notice thereof to the Management Committee and to the Mortgagees affecting such Units, and shall be defended by such Unit Owners.

6.3. All conflicts between the Association, the Management Committee or any other special committee or Unit Owners and one or more of the same will be settled as amicably and expeditiously as possible by the full Association and pursuant to its then existing conflict resolution procedures and guidelines. If that fails to resolve the dispute, a local mediation service will be first employed and paid for in equal shares by each of the parties to the dispute and by the Association in order to try to settle the same.

7. Abatement and Enjoinment of Violations by Unit Owners.

The violation of any house rule or administrative rule or regulation adopted by the Association or the Management Committee or the breach of any provision contained herein, or the breach of any provision of the Declaration or the Act, shall give the Management Committee the right, in addition to any other rights set forth in these Bylaws and/or the Declaration and/or the Act:

(i) To enter the Unit in which or as to which such violation or breach exists and to similarly abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Management Committee shall not thereby be deemed guilty in any manner of trespass; or

(ii) To fine administratively and/or to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

8. Accounting, Books and Records.

8.1. The books and accounts of the Association and of the Management Committee shall be kept in accordance with generally accepted accounting procedures under the direction of the treasurer.

8.2. At the close of each accounting year, the books and records of the Management Committee shall be reviewed by a person or firm approved by the Unit Owners. Report of such review shall be prepared and submitted to the Unit Owners at or before the annual meeting of the Unit Owners; provided, however, that a certified audit by a certified public accountant approved by

the Unit Owners shall be made if Owners representing at least seventy-five (75) percent of the undivided interest in the Common Areas and Facilities determine to require the same. Any accounting procedure costs relating to the Project and/or the Association's books would be a Common Expense.

8.3. The books and accounts of the Association shall be available for inspection at the office of the Association by any Unit Owner or his authorized representative during regular business hours. All other books and records of the Association, names and addresses officers, committee members, and Unit Owners, minutes of Owner and committee meetings, and other pertinent documents, shall also be available at the office of the Association for inspection or copying by any Unit Owner.

9. Special Committees.

The Management Committee and/or the Association, by resolution, may designate one or more special committees, each committee to consist of two (2) or more Unit Owners or their lessees, which to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. Such special committee or committees shall have such name or names as may be determined from time to time by the Management Committee or the Association. Such special committees shall keep regular minutes of their proceedings and report the same to the Association and/or the Management Committee when required. The members of such special committee or committees designated shall be appointed by the Management Committee, the Association or the president. The Management Committee, Association or the president may appoint Unit Owners or their lessees to fill vacancies on each of said special committees occasioned by death, resignation, removal or inability to act for any extended period of time.

10. Amendment of Bylaws.

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

11. Severability.

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

12. Captions.

The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of these Bylaws nor the intent of any provision hereof.

13. Effective Date.

These bylaws shall take effect upon recording of the Declaration of which they are a part.

DATED this 9th day of JULY, 1998.

DECLARANT:

WASATCH COHOUSING

A Utah non-profit corporation

By: Scott Cowley

Name: SCOTT COWLEY

Its: president

WASATCH COMMONS CROWN, L.L.C.

A Utah limited liability company

Member: Wasatch Cohousing

By: Scott Cowley

Name: SCOTT COWLEY

Its: president

Member: Hugh D. Graham

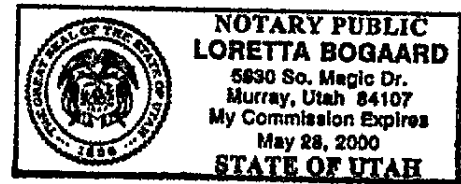
Hugh D. Graham

State of Utah)
)
County of Salt Lake) SS.

On this 9th day of JULY, 1998, personally appeared before me, the undersigned Notary Public in and for Salt Lake County in the State of Utah, SCOTT COWLEY, who, after being first duly sworn, acknowledged to me that he is the President of Wasatch Cohousing, a Utah non-profit corporation which is also a Member of Wasatch Commons CROWN, L.L.C., a Utah limited liability company, and that he signed the within and foregoing Bylaws of the Wasatch Commons Condominium Association, a Utah Condominium Project, freely and voluntarily for and in behalf of said corporation and said company and with full and proper authority of said corporation and as a Member of said company for the purposes herein mentioned.

Loretta Bogaard
Notary Public
Residing at: 5630 So. Magic Dr.

My Commission expires:
May 28, 2000



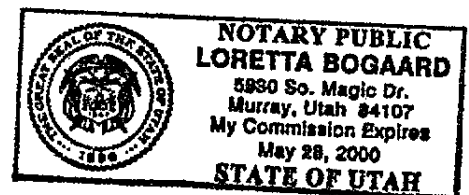
STATE OF UTAH)
) SS.
COUNTY OF SALT LAKE)

On the 9th day of JULY, 1998, personally appeared before me HUGH D. GRAHAM who, being by me duly sworn, did say, that he is a Member of Wasatch Commons CROWN, L.L.C., a Utah limited liability company, and that the foregoing instrument was signed by him in behalf of said company and, as a Member of the company, HUGH D. GRAHAM acknowledged to me that said company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Loretta Bogaard
Notary Public
Residing at: 5630 So. Magic Dr.

My commission expires:
May 28, 2000



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APPENDIX E

RENTAL OF CONDOMINIUM UNITS

a) The Association may regulate, limit, or prohibit rentals of Condominium Units.

b) The Association may require the rental of Condominium Units to be conducted through the Association or a designated management company, and may require that all lease agreements be reviewed and approved by the Association or the management company, that any tenants be screened and approved by the Association or the management company prior to renting the Condominium, and that the approval of the Association or the management company shall not be unreasonably withheld.

c) Prior to renting any Condominium Unit, the Condominium Owner and tenant shall execute a written lease agreement which shall include the following provisions:

1) The tenant shall agree to comply with all of the terms and conditions of the Condominium Declaration and Bylaws;

2) The tenant shall agree not to allow or commit any nuisance, waste, unlawful or illegal act upon the premises; and

3) The Owner and the tenant shall acknowledge that the Association is an intended third party beneficiary of the lease agreement, that the Association shall have the right to enforce compliance with the Condominium Declaration and Bylaws and to abate any nuisance, waste, unlawful or illegal activity upon the premises, and that the Association shall be entitled to exercise all of the Owner's rights and remedies under the lease agreement to do so.

d) Prior to a tenant's occupancy of a Condominium Unit, the Condominium Owner must provide to the Association the name, address and telephone number of the tenant and a copy of the written lease agreement.

e) The Association shall have the right and the obligation to enforce compliance with the Condominium Declaration and Bylaws against any Owner and/or occupant of any Condominium Unit, and shall have all rights and remedies as a third party beneficiary under any lease agreement to enforce such compliance.

f) The Association may make reasonable rules and regulations governing the care, maintenance and use of the Condominium Project. The Association may take any judicial or other action against any Owner and/or occupant of a Unit to enforce compliance with such rules and regulations or other obligations of an Owner and/or occupant of a Unit, or to obtain damages for noncompliance therewith, all as permitted by law. In the event of such judicial or other action, the Association shall be entitled to recover its costs, including reasonable attorney's fees, from the offending Owner and/or occupant.

g) The Association may grant or create, on such terms as it deems advisable, utility, ingress, egress, construction and similar easements over, under, across, and through the Condominium Project.

h) The Association may exercise any right or privilege given to it expressly by the Declaration, Bylaws or by law, and every other right or privilege reasonably implied from the existence of any such right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.

APPENDIX F

DISCLOSURE OF INFRASTRUCTURE COSTS

a) The Association shall maintain an adequate reserve fund for the maintenance, repair and replacement of those Common Areas and Facilities that must be replaced on a periodic basis and such reserves shall be funded from the monthly assessments described in Article XVIII of the Declaration.

b) NOTICE IS HEREBY GIVEN THAT ALL INFRASTRUCTURE FOR THE PROJECT, INCLUDING ROADS, SIDEWALKS, CURBS, GUTTERS, WATER AND SEWER PIPES AND RELATED FACILITIES, DRAINAGE SYSTEMS, LANDSCAPED AND PAVED COMMON AREAS AND OTHER SIMILAR FACILITIES ("INFRASTRUCTURE"), SHALL BE PRIVATELY OWNED BY THE CONDOMINIUM UNIT OWNERS, AND THAT THE MAINTENANCE, REPAIR, REPLACEMENT AND OPERATION THEREOF (COLLECTIVELY "MAINTENANCE") IS THE RESPONSIBILITY OF THE CONDOMINIUM UNIT OWNERS AND WILL NOT BE ASSUMED BY SALT LAKE CITY ("CITY").

c) DECLARANT'S INITIAL ESTIMATE OF THE COST OF SUCH MAINTENANCE AND CAPITAL IMPROVEMENTS FOR THE SIXTY (60) YEAR PERIOD BEGINNING WITH THE LATER OF THE RECORDING OF THE DECLARATION AND MAP AND THE ESTIMATED DATE OF FIRST CONDOMINIUM UNIT OCCUPANCY IS AS FOLLOWS:

YEARS 1-10:	\$12,000/YR
YEARS 11-20:	\$15,000/YR
YEARS 21-30:	\$18,750/YR
YEARS 31-40:	\$23,500/YR
YEARS 41-50:	\$29,500/YR
YEARS 51-60:	\$36,750/YR

d) The cost estimate set forth hereinabove shall be specifically and separately disclosed as Appendix F of the Declaration to the purchaser of any Unit in the Project upon initial purchase and also upon all future purchases for the duration of the sixty (60) year period.

e) The Association or other entity responsible for the operation and maintenance of the Infrastructure shall, at least once each calendar year, notify all Unit Owners in the Project of the estimated yearly expenditures for maintenance, repair, operation or replacement of Infrastructure, and at least once each calendar year shall notify all Unit Owners of the actual expenditures incurred, and shall specify the reason(s) for any variance between the estimated expenditures and the actual expenditures.

f) The Unit Owners in the Project shall be collectively and individually responsible, on a pro-rata basis, for operating, maintaining, repairing and replacing Infrastructure to the extent necessary to ensure that access to the Project is available to the City for emergency and other services and to ensure that the condition of the private Infrastructure allows the City's continued and uninterrupted operation of public facilities to which the private Infrastructure may be connected or to which it may be adjacent.