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David A. Bore
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SECTION 111 CO.
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KATIE LUTKON
RECORDS
SALT LAKE COUNTY
UTAH

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND BY-LAWS
FOR
AIX LA CHAPELLE CONDOMINIUM

This Declaration of Covenants, Conditions and Restrictions, herein-
after called "Declaration," and the By-Laws which are attached hereto and
made a part hereof are made and executed in Salt Lake County, Utah, this
6th day of July, 1979, by Southern Realty Sales
and Development Co., Inc., a Utah Corporation, authorized to do business
in Utah, hereinafter called "Declarant," for itself and its successors,
grantees, and assigns, pursuant to the provisions of the Utah Condominium
Ownership Act, Utah Code Annotated Section 57-8-1, et, seq., (1953 as
amended), hereinafter referred to as "Condominium Ownership Act."

SECURITY TITLE COMPANY
1979-5-2

RECITALS:

- A. Declarant is the owner of the tract (as hereinafter defined)
located in Salt Lake City, Utah, more particularly described in Article
II hereof.
- B. The aforesaid property consists of the land above-described,
together with certain residential condominium buildings and certain other
improvements heretofore constructed upon said premises.
- C. 19 residential buildings consisting of a total of 256
residential condominium units and other improvements upon the aforesaid
premises have been constructed in accordance with the plans and drawings
set forth in the Record of Survey Map filed concurrently herewith,
prepared and certified by Bush and Gudgeall, Inc., a duly registered Utah
Land Surveyor.
- D. Declarant desires by filing this Declaration and the afore-
said Record of Survey Map to submit the above-described real property
and the said buildings and other improvements constructed thereon to the
provisions of the Utah Condominium Ownership Act as a condominium project,
to be known as Aix La Chapelle Condominium.

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E. Declarant desires and intends to sell the fee title to the individual units contained in said condominium project, together with an undivided ownership interest in the common areas and facilities appurtenant thereto, to various purchasers, subject to the covenants, conditions, and restrictions herein reserved to be kept and observed.

F. Declarant desires and intends by filing this Declaration and the Record of Survey Map to submit the property to the provisions of the aforesaid act as a condominium property and to impose upon said property mutually beneficial restrictions for the benefit of said property and the owners thereof.

G. The Declarant intends to develop the above condominium project consisting of 256 residential units and 224 covered parking stalls and to subject the entire property and units as so developed as one condominium project by the filing of a Declaration to accomplish that purpose.

NOW THEREFORE, for such purposes, Declarant hereby makes the following Declaration.

I. DEFINITIONS

The terms used herein shall have the meaning stated in the Utah Condominium Ownership Act and as follows unless the context clearly indicates a different meaning therefor:

a. Act shall mean and refer to the Utah Condominium Ownership Act, Utah Code Annotated Section 57-8-1, et. seq. (1953 as amended).

b. Declarant shall mean Southern Realty Sales and Development Co., Inc., a Utah Corporation, and its successors and assigns.

c. Declaration shall mean and refer to this instrument.

d. Record of Survey Map and Map shall mean and refer to the Record of Survey Map filed simultaneously herewith consisting of 17 sheets and prepared and certified to by Robert B. Jones, a duly registered Utah Land Surveyor having Certificate No. 1525.

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e. Association shall mean and refer to all of the unit owners acting as a group in accordance with the Declaration and the By-Laws.

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

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

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

(3) All Limited Common Areas and Facilities.

(4) All foundations, columns, girders, beams, supports, perimeter walls, roofs, and any entrances and exits which are designed for the use of more than one Unit, parking spaces, access roads, driveways, walkways, pedestrian sidewalks, landscape and planting areas, fences, street lights and other common facilities.

(5) All apparatus, installations, and facilities included within the Project and existing for common use.

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

(7) All Common Areas as defined in the Act, whether or not enumerated herein.

g. Limited Common Areas and Facilities and Limited Common Areas shall mean and refer to those Common Areas designated herein and in the Map as reserved for the use of a certain Unit or Units to the exclusion of the other Units.

h. Common Expenses shall mean and refer to all sums which are expended on behalf of all the Unit Owners and all sums which are required by the Management Committee to perform or exercise its functions, duties, or rights under the Act, this Declaration, and Management Agreement for operation of the Project, and such Rules and Regulations as the Management Committee may from time to time make and adopt. By way of illustration but not limitation, Common Expenses shall include:

(1) Expenses of administration, maintenance, operation, repair, replacement of those elements of the Common Areas that must be replaced on a periodic basis, and other reserves as may be from time to time established pursuant to the Declaration.

(2) Expenses agreed upon as Common Expenses by the Association and lawfully assessed against the Owners in accordance with the Declaration.

(3) Expenses declared Common Expenses by the provisions of the Act or by this Declaration or by the By-Laws.

(4) Any valid charge against the Project as a whole.

i. Common Profits shall mean and refer to the balance of income, rents, profits, and revenues from the common areas remaining after deduction of Common Expenses.

j. Property shall mean and refer to the land described in Article II hereof, the buildings, all improvements and the structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

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

l. Unit Number shall mean and refer to the number which designates a unit in the attached Exhibit "A" and in the Map.

m. Management Committee and Committee shall mean and refer to the Management Committee of the Aix La Chapelle condominium project as it exists at any given time.

n. Percentage Interest means and refers to the percentage undivided interest of each Unit in the Common Areas as set forth in Exhibit "A" attached hereto.

o. Comdominium Project and Project shall mean and refer to the Aix La Chapelle Condominium Project.

p. Rules and Regulations means those rules and regulations adopted from time to time by the Management Committee that are deemed necessary for the enjoyment of the project, provided they are not in conflict with the Act or the Declaration.

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q. Condominium Unit and Unit means and refers to a separate physical part of the Property intended for independent use, consisting of rooms or spaces located in a building. Units are shown in the Map by single cross-hatching. Mechanical equipment and appurtenances located within any one Unit or located without said Unit but designated and designed to serve only the Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, fixtures and the like, shall be considered part of the Unit, as shall all decorated interiors, all surfaces of interior structural walls, floors and ceilings, windows and window frames, doors and door frames, and trim, consisting of, inter alia and as appropriate, wallpaper, paint, flooring, carpeting and tile. All pipes, wires, conduits, or other public utility lines or installations constituting a part of the Unit and serving only the Unit, and any structural members of any other property of any kind, including fixtures and appliances within any Unit, which are removable without jeopardizing the soundness, safety, or usefulness of the remainder of the building within which the Unit is situated shall be considered part of the Unit.

r. Mortgage shall mean any mortgage, deed of trust or other security instrument by which a Unit or any part thereof is encumbered. First Mortgage shall refer to a mortgage which has a lien position prior to any other mortgage.

s. Mortgagee shall mean any person named as a mortgagee or beneficiary under or holder of a deed of trust.

t. Tract shall mean and refer to the real property hereby submitted to the Project. The property which Article II of this Declaration submits to the terms of the Act constitutes a Tract.

II. SUBMISSION

Declarant hereby submits the following described property, to be known as Aix La Chapelle, to condominium ownership in accordance with appropriate Utah statutes, situate in Salt Lake County, Utah, described as follows:

Beginning at a point on the Southerly line of 4800 South Street, said point being South 118.63 feet and West 610.80 feet from the Northeast Corner of the Northwest Quarter of Section 10, Township 2 South, Range 1 East, Salt Lake Base and Meridian, and running thence S 65°41'30" West along

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said Southerly line 190.38 feet; thence S 47°45' E 281.67 feet; thence S 49°09' W 192.90 feet; thence S 43°03'50" E 89.37 feet; thence N 48°50' E 4.62 feet; thence S 44°10'10" E 72.32 feet; thence S 47°55'30" E 108.89 feet; thence N 49°27' E 34.80 feet; thence S 47°45' E 121.78 feet; thence S 48°50' W 35.00 feet; thence S 41°10' E 62.05 feet; thence N 48°50' E 117.78 feet; thence S 40°45' E 163.59 feet; thence N 48°50' E 108.14 feet; thence S 47°45' E 111.28 feet to the North line of Arbor Lane; thence N 51°40'20" E along said North line 185.10 feet; thence N 46°25' W 160.0 feet; thence N 51°40'20" E 150.00 feet; thence N 46°25' W 258.30 feet; thence S 52°32' W 179.81 feet; thence N 46° 25' W 541.55 feet to the point of beginning.

III. COVENANTS, CONDITIONS AND RESTRICTIONS

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

1. Descriptions of Improvements. There are 19 residential buildings with a total of 256 single family residences and 224 covered carports. The complex has a separate boiler room housing all heating and air conditioning equipment. There is one separate recreational building and one area located in the basement of Building No. 1 designated a recreational area, both of which will be common areas. The residential buildings are constructed of wood frames with the exterior walls of brick and frame. One exterior unit consists of frame and marble crete. Interiors are of wooden studs and plaster boards. The floors are wood.

The parking stalls are of wood construction.

All other details involving the respective descriptions and locations of the buildings and a statement of the number of units and other like details are set forth in the Record of Survey Map which is simultaneously herewith filed of record.

2. Description and Legal Status of Units. The Map shows the unit and building designation, its location, dimensions from which its area may be determined, those limited Common Areas and Facilities to which it has immediate access. All units are residential units. All units shall be capable of being independently owned, encumbered and conveyed.

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

- a. The building and unit designation.
- b. Its percentage interest.

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4. Common and Limited Common Areas. The common areas contained in the project are described and identified in Article I of this Declaration. Neither the percentage interest nor the right of exclusive use of a limited common area and facility shall be separated from the unit to which it appertains; and even though not specifically mentioned in the instrument of transfer, such percentage interest and such right of exclusive use shall automatically accompany the transfer of the unit to which they relate. Each unit owner shall at its own cost keep the limited common areas designed for exclusive use in connection with his unit in a clean, sanitary and attractive condition at all times.

5. Computation of Undivided Interests. The percentage of undivided interests for each unit is computed by taking as a base the value of the individual unit in relation to the value of the property.

6. By-Laws. The By-Laws of the Association shall be the original By-Laws of the Association which are attached hereto as Exhibit "B" and made a part of this Declaration by reference. Said By-Laws may be amended in the manner provided in them.

7. Owners' Easements of Enjoyment.

a. Exclusive Use: Each unit owner shall have the exclusive use of his unit.

b. Appurtenances: The ownership of each unit shall include, and there shall pass with each unit as appurtenances thereto whether or not separately described, all of the rights, title and interest including but not to be limited to:

(1) Common Areas and Facilities: An undivided share of the common areas and facilities, such undivided share to be that portion set forth in Exhibit "A" hereof.

(a) Any Unit Owner may delegate in accordance with the By-laws, his right of enjoyment to the common areas to the members of his family who reside with him and to his tenants or contract purchasers who reside in his condominium.

(2) Automobile Parking: (For private passenger automobile only) Assigned to the unit and the exclusive right to use the same.

(3) Easements: For the benefit of the unit.

(4) Association Membership and interest in funds and assets held by the Association.

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c. Easement to Air Space: The appurtenances shall include an exclusive easement for the use of the air occupied by the unit as it exists at any particular time and as the unit may be altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is vacated from time to time.

d. Cross Easements: The appurtenances shall include the following easements from each unit owner to each other unit owner.

(1) Ingress and Egress: Easements through the common areas for ingress and egress.

(2) Maintenance, Repair and Replacement: Easements through the units and common areas and facilities for maintenance, repair and replacement of the units and common elements. Such access to the units shall be only during reasonable hours except that access may be had at any time in case of emergency.

(3) Support: Every portion of a unit contributing to the support of the unit building shall be burdened with an easement of support for the benefit of all other units and common areas and facilities in the building.

(4) Utilities: Easements through the units and other common areas for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services to other units and the common areas and facilities; provided, however, that such easements through a unit shall be only according to the plans and specifications of the unit building unless approved in writing by the unit owner.

8. Maintenance Responsibility. The owner of a unit shall have the responsibility to maintain, repair and replace all matters and things relating to the interior of the premises owned by him and shall keep said premises in such manner as to cause no damage or nuisance to other unit owners in the building and shall specifically refrain from making any changes in appearances or otherwise to the exterior of the unit. The Association shall be responsible for the maintenance, repair and improvement of the common areas and facilities in the manner and method as is herein set forth or as provided by the By-Laws of the Association.

9. Status and General Authority of Committee. The Condominium Project shall be managed, operated, and maintained by the Management Committee as agent for the Association. The Management Committee shall have, and is hereby granted, the following authority and powers:

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a. The authority, without the vote or consent of the Unit Owners or of any other person(s), to grant or create, on such terms as it deems advisable, utility and similar easements over, under, across, and through the Common Areas and Facilities.

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

c. The power to sue and be sued.

d. The authority to enter into contracts which in any way concern the Project, so long as any vote or consent of the Unit Owners necessitated by the subject matter of the agreement has been obtained.

e. The power and authority to convey or transfer any interest in real property, so long as any vote or consent necessary under the circumstances has been obtained.

f. The power and authority to purchase, otherwise acquire, and accept title to, any interest in real property, so long as such action has been authorized by any vote or consent which is necessary under the circumstances.

g. The power and authority to add any interest in real property obtained pursuant to subparagraph e above to the Project, so long as such action has been authorized by the necessary vote or consent.

h. The authority to license persons not otherwise entitled to use any of the recreational areas and facilities to use the same from time to time as the Committee deems appropriate upon payment of fees prescribed by it to help defray the cost of maintenance thereof.

i. The power and authority to borrow money so long as such action has been authorized by any vote or consent which is necessary under the circumstances.

j. The authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Committee in carrying out any of its functions or to insure that the Project is maintained and used in a manner consistent with the interests of the Unit Owners.

k. The power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions as agent for the Association.

1. The Committee may carry out any of its functions which are capable of delegation through a Project Manager. Any Manager retained for such purposes must be an individual or entity experienced and qualified in the field of property management. The Manager so engaged shall be responsible for managing the Project for the benefit of the Committee and the Unit Owners and shall, to the extent permitted by law and the terms of the agreement with the Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself.

Any instrument executed by the Management Committee that recites facts which, if true, would establish the Committee's power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.

m. Declarant shall conduct the administration and management and shall have all of the powers, authority and exemptions granted herein to the Association and shall have the right to elect all of the Board of Directors until:

(1) When units owners other than Declarant own 15% or more of the units, the unit owners other than the Declarant shall be entitled to elect 1/3rd of the members of the Board of Directors.

(2) Either three (3) years after sales by the Declarant have been closed of 50% of the units, or three (3) months after sales have been closed by the Seller of 90% of the units have been sold, and none of the others remaining are being offered for sale by the Seller in the ordinary course of business, unit owners other than the Declarant shall be entitled to elect 50% plus one of the members to the Board of Directors.

(3) Declarant shall have the permanent right (but not the duty) to elect not less than one member of the Board of Directors of the Association as long as the Declarant holds for sale in the ordinary course of business any unit or units in the condominium.

Within 60 days after unit owners other than the Declarant elect a majority of the members of the Board of Directors of the Association, Seller shall relinquish control to the Association.

10. Insurance. The Management Committee shall secure and at all times maintain the following insurance coverages:

a. A multi-peril policy or policies of fire and casualty insurance, with extended coverage and all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location and use on a replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based upon replacement cost). Since there is a steam boiler in operation in connection with the property, boiler explosion insurance must be in force, evidenced by the standard form of boiler and machinery insurance policy and providing as a minimum \$50,000 per accident per location. Each such policy shall contain the standard mortgagee clause which must be endorsed to provide that any proceeds shall be paid to the Association for the use and benefit of Mortgagees as their interest may appear. The assured shall be the Association.

b. A comprehensive policy of public liability insurance insuring the Association, the Committee, the Manager, and the Unit Owners against any liability incident to the ownership, use, or operation of the Common Areas and public ways of the Project or of any Unit which may arise among themselves, to the public, or to any invitees, or tenants of the Project, or of the Unit Owners. Limits of liability under such insurance shall be not less than \$1 million per occurrence, for personal property injury and/or property damage. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of the Association or other Unit Owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for similar projects in location, construction and use.

c. The Association shall maintain fidelity coverage to protect against dishonest acts on the part of Committee Members, Manager, employees or volunteers responsible for handling funds belonging to or administered by the Association. The fidelity bond or insurance must name the Association as the named insured and shall be written in an amount sufficient to provide protection which in no event shall be less than one and one-half times the insured's estimated annual operating expenses and reserves.

In connection with such coverage an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

The following additional provisions shall apply with respect to insurance:

a. In addition to the insurance and bond coverage described above, the Committee shall secure and at all times maintain insurance against such risks as are or hereafter may be customarily insured against in connection with all condominium projects similar to the Project in construction, nature or use.

b. Each hazard insurance policy shall be written by a company holding a financial rating of Class VI or better from Best's Insurance Reports. Each insurer must be specifically licensed to transact business within the State of Utah. Policies are unacceptable where:

(1) Under the terms of the carrier's charter, by-laws or policy, contributions or assessments may be made against the Borrower or FHLMC or its designee; or

(2) By the terms of the carrier's charter, by-laws or policy, loss, payments are contingent upon action by the carrier's board of directors, policyholders, or members; or

(3) The policy includes any limiting clauses (other than insurance conditions) which could prevent FHLMC or the borrower from collecting insurance proceeds.

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

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

e. Each policy of insurance obtained by the Committee shall provide: A standard mortgagee clause commonly accepted by private institutional mortgage investors in the Area in which the Project is located; a waiver (if available) of the insurer's subrogation rights with respect to the Committee, the Manager, the Unit Owners, and their respective servants, agents, and guests; that it cannot be cancelled, suspended, or invalidated due to the conduct of any particular Unit Owner or Owners; that it cannot be cancelled, suspended, or invalidated due to the conduct of any member,

officer, or employee of the Committee or of the Manager without a prior written demand that the defect be cured; that any "no other insurance" clause therein shall not apply with respect to insurance held individually by the Unit Owners; and that a mortgagee clause endorsement which must provide that the insurance carrier shall notify the first Mortgagee (or trustee) named at least ten (10) days in advance of the effective date of any reduction in or cancellation of the policy.

f. Any Unit Owner may obtain additional insurance at his own expense, so long as such additional insurance does not have the effect of decreasing the amount which may be realized under any policy maintained by the Committee. Any Unit Owner who individually obtains insurance covering any portion of the Project shall supply the Committee with a copy of his policy within thirty (30) days after he acquires such insurance.

g. The Project is not located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards. In the event that at some future time the Project should be declared to be in such flood area, a blanket policy of flood insurance on the Project shall be maintained in the amount of the aggregate of the outstanding principal balances of the mortgage loans on the Units comprising the Project or the maximum limit of coverage available under the National Flood Insurance Act of 1968, as amended, whichever is less. The name of the insured under each required policy must be in form and substance as that required by the Federal Home Loan Mortgage Corporation at any given time.

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

a. If proceeds of the insurance maintained by the Management Committee are alone sufficient to repair or reconstruct the damage 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 Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all the Unit Owners shall be assessed for any deficiency on the basis of their respective Percentage Interest.

c. If 75% or more of the Project's improvements are destroyed or substantially damaged, 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% elect to repair or reconstruct the affected improvements, restoration shall be accomplished in the manner directed under subparagraph b above.

d. If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained 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%, elect to repair or reconstruct the affected improvements, the Management Committee shall promptly record with the Salt Lake County Recorder a notice setting forth such facts. Upon the recording of such notice, the provisions of subsections (1) through (4) of Section 57-8-31, Utah Code Annotated (1953), shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units.

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

11. Taxes. It is understood that under Utah Code Annotated Section 57-8-27 (1953 amended) each unit and its percentage of undivided interest in the common areas and facilities in the project are subject to separate assessments and taxation by each assessing unit and the special district for all types of taxes authorized by law and that as a result thereof, no taxes will be assessed or payable against the project as such. Each unit owner will accordingly pay and discharge any and all taxes which may be assessed against him and his percentage of undivided interest in the common areas.

12. Amendment of and Addition to Condominium Declaration by Declarant. Until control of the Association passes to the unit owners under the provisions of paragraph 9 hereof, the Declarant reserves the right at any time to amend the Declaration as may be required by any lending institution or public body, or in such manner as the developer may determine to be necessary or useful to carry out the purposes of the Development, provided that such amendment shall not increase the proportion of common expenses borne by the condominium owners.

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After control passes to unit owners, the power to amend the Declaration shall vest in the Association under the provisions of paragraph 15 hereof. Any alteration hereunder shall be effective only upon written approval of the holders of mortgages then presently existing on the condominium property.

13. Condominium Association. There is herewith established the Condominium Association which is or shall be incorporated as a non-profit corporation pursuant to the Laws of the State of Utah. The members shall be comprised of all owners of units in the Aix La Chapelle complex, and membership in the Association shall be established by recordation in the office of the Salt Lake County Recorder, Utah, of a deed or other estate or ownership in land to the respective units. Upon such recordation, the membership of prior owners as to such unit shall be terminated. In the event the administration, management and control of the units and common areas and facilities shall be vested in it as provided by law and such authority and powers are granted to a non-profit corporation under the laws of the State of Utah, the Association shall be governed by the By-Laws as are attached hereto and marked Exhibit "B", or as the same may be subsequently amended.

14. Use Restrictions and Limitations Upon Sale and Ownership of Condominium Units. Use of the property herein submitted for condominium ownership shall be in accordance with the following use restrictions and reservations.

a. A condominium unit shall be used primarily for single family residence and the common areas and facilities shall be used for the purpose of furnishing services and facilities as herein provided for the welfare and enjoyment of such residence. Declarant shall be permitted to use units owned by it as a sales office and designate areas for parking for prospective customers until the last unit is sold.

b. Aix La Chapelle Condominium has been designated for adult living - neither the units nor common areas are designed to accommodate large families or children. No children under the age of 16 are allowed to live in or stay as guests in any of the condominium units except as the Management Committee gives its specific authorization and no disturbance or nuisances are caused for other unit owners. The Management Committee shall have authority to preclude children if they desire and to prescribe reasonable rules and regulations for the purpose of effectuating the purposes of this subparagraph.

c. The condominium units shall not be used for any immoral, improper or unlawful purpose and no use shall be allowed which will create a public or private nuisance. All property shall be kept in a neat and orderly manner.

d. Leasing or renting of an apartment by a unit owner is permitted provided, however, Associational approval of the occupant or occupants is obtained.

e. Use of the recreational facilities and of the general common areas and facilities will be in such manner as to respect the rights of other unit owners. Use of particular recreational facilities will be controlled by regulations to be issued from time to time, but in general such use will be prohibited between the hours of 11:00 p.m. and 8:00 a.m.

f. No radio or television antenna or any wiring for any purpose may be installed on the exterior of any building, without prior written permission of the Association.

g. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by any unit owner on any part of the outside or inside but visible from outside the demised premises or building without the prior written consent of the Association.

h. The sidewalks, entrances, passages, vestibules, stairways, corridors, and halls must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the premises.

i. All stairways shall be used only for the purposes intended, and shall not be used for hanging garments or other objects, or for cleaning of rugs or other household items. No washlines of any kind will be maintained outside owner's unit. No unit owner shall discard or permit to fall any items from the windows of the premises, nor shall they place or permit to be placed any foreign objects in the hallways, stairways and other common areas.

j. All common areas inside and outside the building will be used for their intended purposes and no articles belonging to unit owners shall be kept therein or thereon and such areas shall at all times be kept free of obstruction.

k. Outside servants and domestic help of the unit owners shall not gather or lounge in the common areas.

l. All units shall be used for residential purpose only. Declarant shall be permitted to use units owned by it as a sales office and designate areas for parking for prospective customers until the last unit is sold.

m. Disposition of garbage and trash shall be only by the use of garbage disposal units or by use of receptacles approved by the Association or slides or other modes of disposition as may be designated by the Association.

n. No pets or animals shall be kept in the condominium except for dogs (not to exceed 20 lbs.), cats, birds and fish, which must be leashed, caged or otherwise restrained at all times when outside the unit. If the Association shall determine that any such pet shall become a nuisance to other unit owners, the pet shall be removed from the premises within ten days.

o. No owner may make or permit any disturbing noises in the building whether made by himself, his family, friends or servants, nor do or permit anything to be done by such persons that will interfere with the rights, comforts and conveniences of other tenants. No owner may play or suffer to be played any musical instrument, phonograph, radio or television set in his unit between the hours of 11:00 p.m. and the following 8:00 a.m. if the same shall disturb or annoy other occupants of the condominium.

p. There shall be no restriction as to the minimum age of children who may visit the condominium. It is well recognized, however, that children, particularly young children, may become a source of annoyance to adults. For this reason the activities and behavior of all children when upon the condominium property shall be regulated by an adult, including physical supervision where necessary. The Management or its designated representative shall at all times have the authority to reasonably require that the owner, lessee, guest or other adult who is responsible for a particular child to remove him from any common area if the child's conduct is such that they believe this action is necessary. In no event shall children under the age of ten (10) years be permitted in the pools or other recreational areas unless accompanied by an adult.

q. No garbage cans, supplies, milk bottles, or other articles shall be placed in the halls or on the staircase landings, nor shall anything be hung from the windows or balconies or placed upon the window sills.

Neither shall any linens, cloths, clothing, curtains, rugs or mops be shaken out or hung from any of the balconies, windows or doors. No fire exits shall be obstructed in any manner.

r. House guests of unit owners over 16 years of age may not maintain residence for a continuous period exceeding three (3) months and all such house guests shall be registered by the unit owner with the Association. House guests under 16 years of age shall be limited to two weeks per year.

s. Unit owner must maintain in good condition and repair his unit and all internal surfaces within or surrounding his unit; and maintain and repair the fixtures therein and promptly pay for any utilities which are metered separately to his unit.

t. No structural addition or alteration to the unit, and no alteration whatsoever to the exterior of the unit nor to the common areas and facilities shall be made without the written approval of the Association. For the purposes of this rule exterior shall mean any portion of the unit not included within the unit description as described in Article I, Paragraph Q, of this Declaration. Specifically, but without limiting the general nature of the above rule, no alteration or enclosing of balcony areas of the units shall be accomplished without such written permission.

u. The Association may retain a pass key to the premises. No unit owner shall alter any lock or install a new lock or a knocker on any door of the premises without the written consent of the Association or the Association's agent. In case such consent is given, the unit owner shall provide the Association with an additional key for the use of the Association pursuant to its right of access to the premises.

v. All draperies used on window casings shall be covered by white lining, except where draperies themselves are white or off-white in color.

w. No unit owner shall make repairs, remodel or alter his unit in any manner which will affect the appearance of the exterior of the building without the approval of the Association.

x. No person shall construct any fire, barbeque grill, or cooking grill or any other device, emitting smoke, fire or noxious odors within his unit or in any patio or balcony or in any common area not approved or designated for such use by the Board of Directors.

y. Automobiles shall be parked only in the designated parking space assigned to the unit or in any open space parking area not specifically assigned to a unit on a first-come, first-serve basis.

No use other than automobile parking shall be made of the automobile parking spaces in areas. Specifically, no automobile parking space shall be used for storage or for a workshop or for any other purpose other than the parking of automobiles. Boats, campers, recreational vehicles and extra automobiles shall be subject to the rules and regulations promulgated by the Management Committee. The Management Committee shall have the power to designate areas for the location of boats, campers, recreational vehicles and extra automobiles or preclude them from the condominium village. The Management Committee may designate certain areas for guest parking only.

z. The storage areas located outside of the respective units shall be part of the common elements and shall be allocated to the respective unit owners in such manner and subject to such rules and regulations as the Management Committee may prescribe.

15. Method of Amendment of Declaration. Except for provisions of amendment of this declaration as granted to the Declarant herein, this Declaration may be amended by special meeting called for such purpose after giving written notice to each unit owner, mailed by United States Mail, at least fifteen (15) days prior to the date of such meeting. The change may be requested at a meeting called for such change upon recommendation of the Board of Directors, or upon request of not less than 10% of the outstanding share interests in the condominium as it then shall exist. At such meeting so called, amendments may be made to the declaration upon approval of 66-2/3rds percent of the members of the Association, or 90 percent of the voting shares of the Association present and voting at such meeting called for such purpose. Any such amendment so passed shall be evidenced by a certificate executed by the president or vice president and the secretary, and executed with the formalities of a deed and shall include the recording data identifying the original declaration.

16. Exclusion of Warranties. Each unit and all common areas and limited common areas are sold by declarant "as is" without any warranty, express or implied, as to any structural or mechanical defects whether they be apparent or latent. The declarant does not warrant the merchantability

of any part of the units, the common areas or the limited common areas. The declarant does not warrant that any part of any unit, the common area or the limited common area is fit for any particular purpose. Anyone purchasing a condominium waives any right he may have to bring an action against Declarant for breach of warranty. No suit whether in equity or at law shall be maintainable against Declarant by the unit owners individually or the association of unit owners by reason of any alleged breach of an express or implied warranty.

17. Termination. The condominium property may be removed from the provisions of the Utah Condominium Act, by all of the unit owners, and upon compliance with appropriate Utah Statutes as the same may be amended from time to time.

18. Mortgagee Protection. Notwithstanding anything to the contrary contained in the Declaration:

a. An adequate reserve fund for repair, maintenance and replacement of those elements of the Common Areas that must be replaced on a periodic basis must be established and shall be funded by regular monthly payments rather than by special assessments.

b. Any mortgage holder which comes into possession of the Unit pursuant to the remedies provided in the Mortgage or foreclosure of the Mortgage or deed (or assignment in lieu of foreclosure) shall be exempt from any "right of first refusal," or other provisions which may exist relating to sale or lease of the Units in the Project, and no right of first refusal shall impair the rights of any first mortgage to:

(1) Foreclose or take title to a Unit pursuant to the remedies provided in the Mortgage, or

(2) Accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor, or

(3) Interfere with a subsequent sale or lease of the Unit so acquired by the Mortgagee.

c. Any agreement for professional management of the Project, or any other contract providing for services by the Declarant must provide for termination by either party without cause or payment of a termination fee on 90 days or less written notice and a maximum contract term of three years.

d. In the event of damage to or destruction of any Unit, which loss exceeds \$1,000.00, or any part of the Common Areas, which loss exceeds

\$10,000.00, the institutional holder of any first mortgage on a Unit shall be entitled to timely written notice to any such damage or destruction. No Unit Owner or other party shall be entitled to priority over such institutional holder with respect to the distribution to such Unit Owner of any insurance proceeds regardless of the amount of loss. Upon request of any first mortgagee the Association must provide a letter to said first Mortgagee wherein the Association agrees to notify the first Mortgagee or any organization it designates at the address indicated by the Mortgagee whenever:

(1) Damage to a Unit covered by the first Mortgagee's Mortgage exceeds \$1,000.00, or

(2) Damage to the Common Areas and related facilities exceeds \$10,000.00.

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

f. With the exception of a lender in possession of a Unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Unit Owner shall be permitted to lease his Unit for transient or hotel purposes. No Unit Owner may lease less than the entire unit. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and By-Laws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing.

g. Each holder of a first mortgage lien on a unit who obtains title to a Unit by virtue of remedies provided in the Mortgage, including but not limited to, foreclosure of the mortgage, or by deed of assignment in lieu of foreclosure, shall take the Unit free of unpaid charges and

shall not be liable for any unpaid claims or assessments and charges against the Unit which accrue prior to the acquisition of title of such Unit by Mortgagee.

h. Any holder of a Mortgage is entitled to written notification from the Management Committee of any default by the Mortgagor of such Unit in the performance of such Mortgagor's obligation under the Declaration which is not cured within sixty (60) days.

i. Any lien which the Management Committee may have on any Unit in the Project for the payment of Common Expense assessments attributable to such Unit will be subordinate to the lien or equivalent security interest of any first mortgage on the Unit.

j. Unless at least 75% of the first Mortgagees (based on one vote for each Mortgage owned) of Units have given their prior written approval neither the Management Committee, Declarant, nor the Association shall:

(1) By act or omission seek to abandon or terminate the Project.

(2) Change the pro-rata interest or obligations of any Unit for purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for determining the pro-rata share of ownership of each Unit in the appurtenant Common Areas, except as necessary to allow the expansion of the Project as provided in the Declaration.

(3) Partition or subdivide any Unit.

(4) Make any material amendment to the Declaration or to the By-Laws of the Association, including, but not limited to, any amendment which would change the percentage interests of the Unit Owners in the Common Areas, except as may be necessary to effect expansion of the Project as provided in the Declaration.

(5) By act or omission, seek to amend, partition, subdivide, encumber, sell, abandon or transfer, the Common Areas. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas of the Project shall not be deemed a transfer within the meaning of this subparagraph.)

(6) Use hazard insurance proceeds for losses to any condominium property (whether to Units or to the Common Areas) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the Units and/or the Common Areas of the Project.

(7) Terminate professional management and assume self-management of the Project.

k. The holders of first mortgages (or trust deeds) shall have the right to examine the books and records of the Project.

l. Whenever there is a change of ownership of a Unit, the Committee shall require that the new Unit Owner furnish the Committee with the name of the holder of any first mortgage (or trust deed) affecting such Unit. The Management Committee or Manager shall maintain a current roster of Unit Owners and of the holders of first mortgages (or trust deed) affecting Units in the Project.

m. At least 80% of the Units in the Project must be sold to individuals for use as their primary year around residence.

19. Eminent Domain. Whenever all or part of the Common Areas shall be taken, injured or destroyed as the result of the exercise of the power of eminent domain, each Unit Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, but in any proceeding for the determination of damages, such damages shall be determined for such taking, injury or destruction as a whole and not for each Unit Owner's interest therein. After such determination, each Unit Owner shall be entitled to a share in the damages in the same portion as his Percentage Interest in the Common Areas.

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

21. Indemnification of Management Committee. Each member of the Management Committee shall be indemnified and held harmless by the Unit Owners against all costs, expenses, and fees, reasonably incurred by him in connection with any proceeding to which he may become involved by reason of his being or having been a member of said Committee.

22. Information Regarding Transferee of Unit. Any Unit Owner who sells, leases or otherwise disposes of his unit shall submit to the committee pertinent information concerning the transferee or new occupant within one week of any transfer of title or possession on a form furnished by the committee.

23. Percentage of Ownership and Voting Rights. The percentage of ownership in the common areas and facilities of the condominium shall be for all purposes, including voting. At any meeting of the Association of Unit Owners, each Unit Owner, including declarant, either in person or by proxy, shall be entitled to the same number of votes as the percentage of undivided interest of the common areas and facilities assigned to his unit in Exhibit A to this declaration. If there is more than one Unit Owner with respect to a particular unit, any or all of such Unit Owners may attend any meeting of the association, but it shall be necessary for all such Unit Owners present to act unanimously in order to cast the votes pertaining to their unit.

24. Miscellaneous Provisions.

a. This Declaration and all the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be and shall be binding upon and shall inure to the benefit of the Declarant, all parties who hereafter acquire any interest in a unit or in the project and their respective grantees, transferees, heirs, devisees, personal representatives, successors and assigns.

b. The invalidity of any provisions of this Declaration or any part thereof shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remainder of this Declaration and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provisions had never been included herein.

c. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural and vice versa, whenever the contract so requires.

d. The topical headings of the paragraphs contained in this Declaration are for convenience only and do not define, limit or control the interpretation of the paragraphs of this Declaration.

e. All notices as herein provided shall be by United States Certified Mail.

f. The name and address of the person appointed as agent to receive service of process of and matters pertaining to the project under the Utah Condominium Ownership Act is George E. Bridwell, 255 East 400 South, Suite 200, Salt Lake City, Utah 84111. The Management Committee shall, however, have the right to appoint a successor substitute process agent. Such successor or substitute agent and his address shall be specified by an appropriate instrument filed in the office of the County Recorder of Salt Lake County, State of Utah.

g. This Declaration shall take effect upon recording in the office of the County Recorder of Salt Lake County, Utah.

IN WITNESS WHEREOF, the undersigned, being the Declarant, has caused this instrument to be executed on the 5th day of JUNE, 1979.

SOUTHERN REALTY SALES AND
DEVELOPMENT CO., INC.

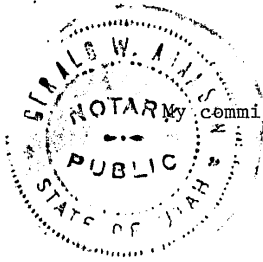
By Randy K. Ripper
Vice President

ATTEST:

Shirley A. [Signature]
Secretary

STATE OF UTAH)
) §
COUNTY OF SALT LAKE)

On the 5th day of JUNE, 1979, there personally appeared before me LARRY K. LEEPER and SWEN A. MORTENSON who being by me duly sworn did say, each for himself, that he, the said LARRY K. LEEPER is the ^{vice} president and he the said SWEN A. MORTENSON is the Secretary of Southern Realty Sales and Development Co., Inc., and that the within and foregoing instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors and said LARRY K. LEEPER and SWEN A. MORTENSON each duly acknowledged to me that said corporation executed the same for the uses and purposes therein mentioned.



Gerald W. Adams
Notary Public

My commission expires 4-24-83

Residing in Salt Lake City Utah

CONSENT OF PRUDENTIAL FEDERAL SAVINGS & LOAN ASSOCIATION TO
SUBMIT PROPERTY TO CONDOMINIUM OWNERSHIP

PRUDENTIAL FEDERAL SAVINGS & LOAN ASSOCIATION, the undersigned, a corporation of the United States, with its principal office at Salt Lake City, Utah, being the Trustee and Beneficiary of the Trust Deed affecting the real property hereinbefore submitted by Declaration to the provisions of the Utah Condominium Ownership Act, does hereby consent to such submission by the Declarant. In so consenting, the undersigned merely submits its interests in said real property to the provisions of the said Act. The undersigned has made no representations or warranties in the Declaration and does not assume any of the obligations of a sponsor of the said Condominium Project.

Dated this 6th day of July, 1979.

PRUDENTIAL FEDERAL SAVINGS &
LOAN ASSOCIATION

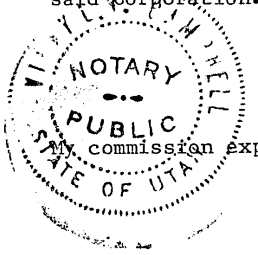
By H. M. Calvert
H. M. Calvert
Executive Vice President

ATTEST:

Gerald W. Adams

STATE OF UTAH)
) §
COUNTY OF SALT LAKE)

On the 6th day of July, 1979, personally appeared before me H. M. CALVERT and PAUL LAPETINA who being by me duly sworn, did say that they are the Executive Vice President and Commercial Loan Counsel respectively, of PRUDENTIAL FEDERAL SAVINGS & LOAN ASSOCIATION, and that the foregoing instrument was signed by them in behalf of said Corporation by authority of a resolution of its Board of Directors, and the said H. M. CALVERT and PAUL LAPETINA each duly acknowledged to me that said Corporation executed the same and that the seal affixed is the seal of said Corporation.



Vicki M. Campbell
Notary Public

Residing in Salt Lake City, UT

EXHIBIT "A"

<u>Unit Number</u>	<u>Building Number</u>	<u>Percentage Interest</u>
1	2	.385
2	2	.385
3	3	.411
4	3	.340
5	3	.431
6	3	.344
7	3	.418
8	3	.353
9	4	.419
10	4	.405
11	4	.424
12	4	.415
14	4	.428
15	4	.419
16	4	.304
17	4	.304
18	4	.308
19	4	.308
20	4	.311
21	4	.311
22	4	.405
23	4	.419
24	4	.415
25	4	.424
26	4	.428
27	4	.450
28	7	.308
29	7	.340
30	7	.340
31	7	.311
32	7	.349
33	7	.349
34	7	.314
35	7	.353
36	7	.353
37	8	.419
38	8	.405
39	8	.424
40	8	.415
41	8	.428
42	8	.419
43	8	.304
44	8	.304
45	8	.308
46	8	.308
47	8	.311
48	8	.311
49	8	.405
50	8	.419
51	8	.415
52	8	.424
53	8	.419
54	8	.459
55	11	.308
56	11	.340
57	11	.340
58	11	.311
59	11	.349
60	11	.349
61	11	.314
62	11	.353
63	11	.353
64	12	.407
65	12	.403
66	12	.415
67	12	.407
68	12	.440
69	12	.409

- EXHIBIT "A" CONTINUED -

<u>Unit Number</u>	<u>Building Number</u>	<u>Percentage Interest</u>
70	12	.304
71	12	.304
72	12	.308
73	12	.308
74	12	.311
75	12	.311
76	12	.403
77	12	.407
78	12	.407
79	12	.415
80	12	.409
81	12	.418
82	14	.561
83	14	.491
84	14	.599
85	14	.516
86	14	.646
87	14	.520
101	2	.385
102	2	.385
103	1	.407
104	1	.340
105	1	.431
106	1	.344
107	1	.426
108	1	.375
109	5	.279
110	5	.263
111	5	.433
112	5	.424
114	5	.437
115	5	.428
116	5	.219
117	5	.219
118	5	.315
119	5	.315
120	5	.320
121	5	.320
122	5	.263
123	5	.275
124	5	.424
125	5	.433
126	5	.428
127	5	.472
128	6	.308
129	6	.340
130	6	.340
131	6	.311
132	6	.349
133	6	.349
134	6	.314
135	6	.353
136	6	.353
137	9	.279
138	9	.263
139	9	.433
140	9	.424
141	9	.468
142	9	.428
143	9	.219
144	9	.219
145	9	.315
146	9	.315
147	9	.319
148	9	.319
149	9	.279
150	9	.275
151	9	.424

- EXHIBIT "A" CONTINUED -

<u>Unit Number</u>	<u>Building Number</u>	<u>Percentage Interest</u>
152	9	.433
153	9	.428
154	9	.468
155	10	.308
156	10	.340
157	10	.340
158	10	.311
159	10	.349
160	10	.349
161	10	.314
162	10	.353
163	10	.353
164	13	.275
165	13	.260
166	13	.421
167	13	.414
168	13	.429
169	13	.417
170	13	.219
171	13	.219
172	13	.308
173	13	.308
174	13	.311
175	13	.311
176	13	.260
177	13	.275
178	13	.414
179	13	.421
180	13	.417
181	13	.429
182	14	.561
183	14	.486
184	14	.590
185	14	.516
186	14	.647
187	14	.520
201	15	.275
202	15	.260
203	15	.457
204	15	.461
205	15	.449
206	15	.465
207	16	.401
208	16	.396
209	16	.477
210	16	.477
211	16	.472
212	16	.481
214	17	.407
215	17	.391
216	17	.507
217	17	.503
218	17	.495
219	17	.507
220	17	.391
221	17	.391
222	17	.503
223	17	.503
224	17	.507
225	17	.507
226	17	.391
227	17	.407
228	17	.503
229	17	.507
230	17	.507
231	17	.491
301	15	.275
302	15	.260
303	15	.457

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- EXHIBIT "A" CONTINUED -

<u>Unit Number</u>	<u>Building Number</u>	<u>Percentage Interest</u>
304	15	.461
305	15	.449
306	16	.465
307	16	.401
308	16	.396
309	16	.477
310	16	.479
311	16	.472
312	16	.481
314	18	.256
315	18	.241
316	18	.457
317	18	.461
318	18	.449
319	18	.465
320	18	.241
321	18	.241
322	18	.461
323	18	.461
324	18	.465
325	18	.465
326	18	.241
327	18	.256
328	18	.461
329	18	.457
330	18	.461
331	18	.445
401	19	.319
402	19	.315
403	19	.319
404	19	.315
405	19	.328
406	19	.326
407	19	.328
408	19	.326
409	19	.647
410	19	.643
411	19	.647
412	19	.643
414	19	.315
415	19	.319
416	19	.315
417	19	.319
418	19	.326
419	19	.328
420	19	.326
421	19	.328
422	19	.643
423	19	.646
424	19	.643
425	19	.646

EXHIBIT "B"

BY LAWS

OF

AIX LA CHAPELLE CONDOMINIUM ASSOCIATION, INC.

These By-Laws are duly made and provided for in accordance with Utah Code Annotated, Section 57-8-6 (1953 as amended) of the Utah Condominium Ownership Act.

I.

APPLICATION:

All present and future owners, tenants, mortgagees, leasees and occupants of units and their employees and any other persons who may use the facilities of the property in any manner are subject to the Declaration, these By-laws, and all rules made pursuant thereto and any amendment thereof. The acceptance of a deed or conveyance or the entering into of a lease or rental agreement or the act of occupancy of a unit shall constitute an agreement that the provisions of the Declaration and these By-laws and any rules and regulations made pursuant thereto, as they may be amended from time to time, are accepted, ratified and will be complied with.

II.

MEMBERS OF THE ASSOCIATION:

A. The members of the Association shall be as defined and designated in the Declaration of Condominium of which these By-Laws form a part, together constituting the condominium documents.

B. An annual meeting of the Association members shall be held at 7:00 p.m. on the first Monday in February of each year, said meeting to be held at the principal office of the Association or at such place, either on the condominium property or elsewhere, as may be described in the notice of such meeting. At such meeting, the Association members shall elect Directors to serve until their successors shall be elected and qualified.

C. Any special meeting of the Association to be held at the place designated by such notice thereof may be called at any time by the president, or in his absence, a vice-president, or a majority of the Board of Directors. It shall be the duty of the Directors, the president or vice-president to call such a meeting whenever so requested by the Association members constituting at least 1/3 of the Association voting membership.

D. Notice of the time and place of the annual meeting and special meetings shall be mailed by United States Mail by the secretary to each Association member, or in the case of a husband and wife, the same may be addressed by one notice addressed to both of them, and posting said notice at a conspicuous place on the condominium property, not less than fifteen (15) days before the date of such meeting.

E. Annual or special meetings of the Association members may be held at any time or place within or without the condominium property when voting shares constituting fifty (50%) percent of the outstanding voting shares, shall be present at such meeting, however called or notified, and shall sign a written consent thereto on the recording of the meeting. The acts of any such meeting shall be valid as if duly called and notified.

F. Proxies shall be allowed, but must be in writing, and shall be filed with the secretary and by him entered and recorded in minutes of the meeting.

G. A quorum for the transaction of business at any Association meeting shall constitute the number of members representing fifty (50%) percent of the then outstanding voting shares, and the Association members present at any meeting with less than a quorum may adjourn the meeting to a future time.

1. Vote Required to Transact Business: When a quorum is present at any meeting, the holders of a majority of the voting rights present in person or represented by written proxy shall decide any question brought before the meeting, unless the question is one upon which by expressed provision of any applicable statutes, the Declaration of Condominium, or the By-Laws a different vote is required, in which case such expressed provision shall govern and control the decision of such question.

H. The Association members shall have the power, by a majority vote, at such meeting to remove any members of the Board of Directors or officer from office.

III.

ADMINISTRATION AND MANAGEMENT OF CONDOMINIUM - BOARD OF DIRECTORS:

A. The administration and management of the condominium property as the same relates to the common areas and facilities and the providing of utilities

as may be designated shall be vested in the condominium Association through the Board of Directors. The Association shall maintain an assessment roll and shall maintain such accounts and records as are necessary and prudent in accordance with good business standards. The Association, through its officers and directors, shall have the same powers, authorities and responsibilities, as are vested in the officers and directors of a non-profit corporation under the Laws of the State of Utah.

B. The Business, property of the Association, the common areas and facilities, and all assessments and generally the management and control of the Association and facilities and property owned by it shall be conducted and managed by the Board of Directors of not less than three (3), nor more than nine (9) directors, who shall be elected by the Association members.

C. An annual meeting of the Board of Directors may be held in the principal office of the Association immediately after the adjournment of the annual Association meeting.

D. Special meetings of the Board of Directors shall be held at the principal office of the Association or at such other place or places as a majority of the Directors shall from time to time designate. Upon consent of a majority of the Directors, annual and special meetings of the Board may be held without notice at any time and place.

E. Notice of all annual and special meetings shall be mailed by United States Mail to each director by the secretary at least seven (7) days previous to the time fixed for the meeting. All notices of special meetings shall state the purpose thereof.

F. A majority of the Board of Directors for the transaction of business at any annual or special meeting shall be necessary to constitute a quorum and the act of a majority of the directors present at any such meeting at which a quorum is present shall be the act of the Board of Directors.

G. The Board of Directors shall elect the officers of the Association and fix their salaries, if any. Such election may be held at the Board of Directors meeting following the annual stockholders' meeting. An officer may be removed at any time by a majority vote of the Board of Directors.

H. Vacancies in the Board of Directors may be filled by the remaining members of the Board at any regular or special meeting.

I. At each annual meeting of the Association, chairman thereof shall submit a report to the Association of the business transacted during the preceding year, together with a report of the general financial condition of the Association.

J. Members of the Board of Directors shall be elected for a term of two (2) years, and any member of said Board may be re-elected for additional terms, provided, however, that the first Board of Directors may be comprised of members with staggered terms with one-third (1/3rd) of the membership elected for a term of three (3) years and one-third (1/3rd) thereof for one (1) year.

K. In addition to the foregoing powers and authorities, the directors shall have the power and duty to make and collect assessments against members of the Association to defray the costs of maintaining the condominium, to maintain, repair and replace condominium property, to make and amend regulations respecting the use of property of the condominium.

L. The Board of Directors may, at its election, name from its members not less than three (3) persons to act as an Executive Committee to handle the day to day affairs of the Association.

M. The Board of Directors shall adopt a budget for each fiscal year and the same shall contain estimates of costs for performing the various matters and functions of the Association. Copies of the proposed budget and assessments shall be mailed to each unit owner not less than thirty (30) days prior to the annual meeting.

N. The Board of Directors shall deposit the funds of the Association in such bank or banks as they may from time to time direct and withdrawal of such funds shall be by such person or persons as the Board of Directors may direct.

O. The Association members may direct any officer or director of the Association to provide fidelity bonds in such amount as may be directed.

P. The Board of Directors may make such amendments to the rules and regulations governing use of condominium property as they may deem proper.

Q. The Board of Directors may employ such agents or parties as it may deem necessary or desirable to assist it in the administration and management of the Association.

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IV.

OFFICERS:

A. The Association shall have a president, a vice-president, a secretary and a treasurer. They shall be chosen by the Board of Directors and shall hold their offices from year to year and shall be elected or re-elected at the annual meeting of the Association. The Association may also have more than one (1) vice-president, assistant-secretaries or assistant-treasurers and such other officers and agents as may be deemed necessary. Any person may hold two (2) or more offices, except that the president shall not also be the secretary or assistant-secretary of the Association. The president, secretary and the treasurer must also be directors.

B. The president, or in his absence the vice-president, of the Association shall preside at all meetings of the Board of Directors and Association meetings. The president shall have general supervision over the affairs of the Association and over other officers and in his absence, these duties shall be performed by the vice-president.

C. The secretary shall issue all notices of meetings of the Board of Directors and Association meetings and shall attend and keep the minutes of the same. He shall have charge of the Association records and papers and shall perform all other duties normally incident to such office. In the absence of the secretary, his duties may be performed by an assistant-secretary.

D. The treasurer shall have custody of the funds of the Association and shall keep regular books and accounts, together with vouchers, receipts, records and other papers normally incident to such office. The treasurer shall also maintain an assessment roll with the names of each of the members of the Association and their assessment percentage. In the case of the absence or disability of the treasurer, the duties may be performed by an assistant-treasurer.

E. Each of the officers above described shall, in addition to the powers and duties conferred upon them herein, have all the powers, authorities and responsibilities as are designated to officers of a non-profit corporation under the Laws of the State of Utah.

V.

MANNER OF COLLECTING COMMON EXPENSES FROM UNIT OWNERS:

A. Assessment for Common Expense: Assessments for recurring common expenses shall be made for the calendar year annually, in advance, on or before December 20th preceding the year for which the assessments are made. Such assessments shall be due in twelve (12) equal consecutive monthly installments on the first day of each month for the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and monthly installments thereon shall be due upon each installment payment date until changed by a new assessment. The total of the assessments for recurring common expense shall be not more than 105% of the assessments for the purpose for the prior year unless approved in writing by unit owners entitled to cast at least 51% of the votes of the Association provided that the same shall not prevent the levy of extraordinary assessment from time to time. In the event such an annual assessment proves to be insufficient, it may be amended at any time after approval in writing by unit owners entitled to cast at least 51% of the votes of the Association, and the unpaid assessment for the remaining portion of the calendar year shall be due in equal monthly installments on the first day of each month thereafter during the year from which the assessment is made. The rights and powers relating to collection of common expenses granted to the Board of Directors in this Article may be exercised concurrently by the owner-declarant until such time as management shall be vested in the Association.

1. Waiver of Use: No member may exempt himself from liability for assessments duly levied by the Association, nor release the condominium unit owned by him from the liens and charges thereof, by waiver of the use and enjoyment of the common areas and the facilities thereon or by abandonment of his condominium.

B. Acceleration of Assessment Installments Upon Default: If a unit owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessments upon notice thereof to the unit owner, and thereupon the

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unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after delivery thereof to the unit owner, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

C. Continued Default: In such event a unit owner, for more than twenty (20) days after mailing of notice provided in Section B of this Article, shall be taxed in addition to such assessment an additional penalty of \$5.00 for each and every day that said assessment shall remain unpaid. In addition, the Association may, at its election, file an action in the same manner and in the same form as if the Association were a landlord, and the unit owner were a tenant in default of payment of the rent. In such event, the Association may have the unit owner removed from the premises by process of law, and in such event the unit owner shall not be repossessed of the property until payment in full of the assessment has accelerated or such other arrangement as the said unit owner may make with the Board of Directors. In lieu of the above, the Board of Directors may proceed in accord with any other remedies accorded by the laws of Utah. In any proceeding by the Board, it shall be entitled to recover all costs together with a reasonable attorney's fee.

D. Assessments for Emergencies: Assessments for common expenses of emergencies which cannot be paid from the assessments for recurring expenses shall be made only after notice of the need therefor to the unit owners concerned. After such notice, and upon approval in writing of more than one-half (1/2) of such unit owners concerned, the assessment shall become effective and it shall be due after thirty (30) days' notice thereof in such manner as the Board of Directors of the Association may require.

E. Lien for Assessments Subordinate to Existing Mortgages: In any foreclosure action, the lien of the Association shall be subordinate and inferior to any prior mortgage liens of record encumbering such apartment. In lieu of foreclosing its lien, the Association may bring suit to recover a money judgment for any sums, charges or assessments required to be paid to the Association, and it is necessary to send the mortgagee, if any, a copy of the default notice prior to instituting any action.

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F. Notification of Mortgagee: Any unit owner who mortgages his unit shall notify the Association, providing the amount, name and address of his mortgagee. The Association shall then notify the mortgagee of any unpaid assessments due from the owner of each unit.

VI.

AMENDMENT OF BY-LAWS:

The By-Laws of the Association may be amended by a vote of not less than two-thirds (2/3rds) of the then voting shares of the Association at any annual or special meeting or 90% of those persons present and voting at any annual or special meeting called for such purpose; provided, however, that any such amendment shall not become effective unless said amendment shall be set forth within or annexed to a duly recorded amendment to the Declaration.

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