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AMENDED DECLARATION OF CONDOMINIUM
FOR
ARLINGTON PLACE CONDOMINIUMS
(A Utah Condominium Project)

THIS AMENDED DECLARATION OF CONDOMINIUM is made and executed this 7 day of December, 1984, by FIRST SECURITY BANK OF UTAH, N.A. and ARLINGTON PLACE HOMEOWNER'S ASSOCIATION, INC., hereinafter referred to jointly as the "Declarant".

RECITALS

A. The Declarant is the fee owner of that certain real property (the Land) more particularly described in Article II hereof.

B. Various improvements have been or will be made to the Land so as to enable its use and operation as a Condominium Project. The construction of all such improvements has been, or will be, performed in accordance with the information contained in the Map and in this Declaration.

C. On August 19, 1983, Hill-Mangum Investment, a Utah Partnership, caused to be recorded the Declaration of Condominium of Arlington Place Condominiums in the office of the Recorder of Salt Lake County, State of Utah as Entry No. 3833483 in Book 5484 at Page 1087.

D. Under Section 6 and Section 26 of the Declaration, Declarant, its successors and assigns, reserved the right to amend the Declaration or the Map.

E. The Declarant, the successor in interest to Hill-Mangum Investments, has approved the Amended Declaration of Condominium of Arlington Place Condominiums in accordance with the Act and Section 6 and Section 26 of the Declaration.

F. The Declarant intends by recording this Amended Declaration and the Map to submit the Land, the Building, and all other improvements situated in or upon the Land to the provisions of the Act as a Condominium Project and to impose upon the Land mutually beneficial restrictions under a general plan of improvement for the benefit of all Units within said Project and the Owners thereof.

D. This Project will provide a means for ownership in fee simple of individual Units and for co-ownership with others as tenants in common of Common Areas as herein defined.

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E. Declarant has deemed it desirable, for the efficient preservation of the values and amenities in the real property described below to create a non-profit corporation under the Utah Non-Profit Corporation and Cooperative Association Act to which should be delegated and assigned the powers of maintaining and administering the Common Area and administering and enforcing the covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created.

F. Declarant will or has caused such corporation, the Members of which shall be the respective Owners of Lots in the Arlington Place Condominiums and Owners of th Units in real property annexed pursuant to this Declaration, to be formed for the purpose of exercising the functions aforesaid.

G. Declarant will develop and convey all of the Units contained in the Arlington Place Condominiums pursuant to a general plan and subject to certain protective covenants, conditions, restrictions, reservations, easements, equitable servitudes, liens and charges, all running with the land.

H. Declarant hereby declares that all of the Units shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following easements, restrictions, covenants, conditions, and equitable servitudes, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness, and desirability of all Units in the Arlington Place Condominiums, in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Development, or any portion thereof. The covenants, conditions, restrictions, reservations, easements, and equitable servitudes set furth herein shall run with the Units and shall be binding upon all persons having any right, title or interest in any Unit or Units, their heirs, successors and assigns; shall inure to the benefit of each and every Unit and any interest therein; and shall inure to the benefit of and be binding upon Declarant, its successors-in-interest and each Owner and his respective successors in interest; and may be enforced by any Owner and his successors in interest, and by the Association.

Notwithstanding the foregoing, no provisions of this Declaration shall be construed as to prevent or limit Declarant's rights to complete development of the Arlington Place Condominiums and improvements thereon, nor Declarant's rights to maintain model homes, construction, sales or leasing offices or similar facilities on any Unit on any Property owned by Declarant or the Association, nor Declarant's right to post signs incidental to construction, sales or leasing.

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

I. DEFINITIONS.

When used in this Declaration (including in that portion hereof headed "Recitals," Exhibit "A," Exhibit "B," Exhibit "C" and Exhibit "D" the words the

words used herein which are defined by the Act shall, to the extent permitted by the context hereof, have the meaning ascribed by the Act.

1.1 Act shall mean and refer to the Utah Condominium Ownership Act (Sections 57-8-1 through 57-8-36, Utah Code Annotated, 1953), as amended and expanded by laws of Utah 1975, Chapter 173, Sections 1 through 20.

1.2 Declaration shall mean and refer to this instrument as the same may hereafter be modified, amended, supplemented or expanded in accordance with law and the provisions hereof.

1.3 Declarant shall mean and refer to First Security Bank of Utah, N.A. and the Association, and/or any successor and assigns to voluntary conveyance, transfer, or assignment comes to stand in the same relation to the Project as did its predecessor.

1.4 Association shall mean Arlington Place Condominium Homeowner's Association, Inc., a Utah non-profit corporation, organized to be the Association referred to herein.

1.5 Member shall mean any person or entity holding a membership in the Association as provided herein.

1.6 Board of Trustees or the Board shall mean the governing board of the Association, appointed or elected in accordance with this Declaration and in accordance with the Articles of Incorporation and By-Laws of the Association. (Sometimes also known as the Management Committee or Committee).

1.7 Record of Survey Map or Map shall mean and refer to the Record of Survey Map filed herewith executed and acknowledged by the Declarant, consisting of five (5) pages, and prepared and certified to by Scott F. McNeil, a duly registered Utah Land Surveyor, as the same may hereafter be modified, amended, or supplemented in accordance with law including, but not by way of limitation, the provisions of Article VI concerning supplements to the Map which are to occur in conjunction with the conversion of the Convertible Spaces provided herein and shown on the Map.

1.8 Property shall mean and refer to the Land, the Building, all improvements, and structures on the Land, all easements, rights, and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

1.9 Building shall mean and refer to that certain eight-story class "A" concrete, brick and steel building consisting of seventy-four (74) residential units, one hundred eleven (111) parking stalls, and sixty-six (66) storage stalls. The first two levels of the building contain parking stalls and storage areas for the units. Level three of the building contains fourteen (14) units, to be known as Units 301-314, inclusive; level four of the building contains ten (10) units, to be known

as Units 401-410, inclusive, as well as a recreational facility; the fifth level through the seventh level, inclusive, each contain fourteen (14) condominium units, to be known as Units 501-514, inclusive, 601-614, inclusive, and 701-714, inclusive, respectively; and the eighth level contains eight (8) condominium units designated as penthouses.

1.10. Common Areas and Facilities or Common Areas shall mean, refer to, and include all of the land, excluding the units, balconies, assigned parking spaces, and assigned storage stalls. Without limiting the generality of the foregoing, the common areas and facilities shall include the following, whether located within a unit or otherwise:

(a) The real property and interests in real property which this Declaration submits to the provisions of the Act, but excluding individual Units.

(b) All Common Areas designated as such on the Map.

(c) All Limited Common Areas and Facilities designated as such on the Map.

(d) All foundations, columns, girders, beams, supports, perimeter walls, roofs constituting a portion of or included in the improvements which comprise a part of the Project, and any halls, corridors, stairs, stairways, entrances, exists, restrooms, lounge, Building office, and equipment rooms.

(e) All installations for and all equipment connected with the furnishing of Project utility services such as electricity, heating, air conditioning, water, and sewer.

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

(g) The outdoor lighting, fences, landscaping, walkways, open parking spaces, and roads.

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

(i) All common areas and facilities as defined in the Act, whether or not enumerated herein.

(j) Any utility pipe or line or system servicing more than a single unit together with all ducts, wires, conduits, and other accessories used therewith.

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

(l) All repairs and replacements of any of the foregoing.

1.11 Limited Common Areas shall mean and refer to those Common Areas designated herein (or in any Supplement hereto) or on the Map (or any supplement thereto) as reserved for the use of a certain Unit or Units to the exclusion of the other Units including one (1) parking stall and one (1) storage stall for each of the first sixty-six (66) units sold.

1.12 Land shall mean the land upon which the Project is situated, as particularly described in Article II of this Declaration.

1.13 Mortgage shall mean and include both a first mortgage and a first deed of trust or other security instrument by which a Unit or any part thereof is encumbered.

1.14 Mortgagee shall mean and include both a mortgagee under a first mortgage on any Unit and a beneficiary under a first deed of trust on any Unit.

1.15 Owner or Unit Owner shall mean the person or persons, including the Declarant, owning in fee simple a Unit of the Project, as such ownership is shown by the records of the County Recorder of Salt Lake County, State of Utah. However, the term "Owner" shall not refer to any Mortgagee (unless such Mortgagee has acquired title for other than security purposes) but shall apply to any person or persons purchasing a Unit under contract provided that an executed copy of such contract is furnished to the Secretary of the Association.

1.16 Project shall mean the Land, the Building and all improvements submitted by this Declaration and the Map to the provisions of the Act.

1.17 Common Expenses shall mean and refer to all sums which are expended on behalf of all the Owners and all sums which are required by the Association to perform or exercise its functions, duties, or rights under the Act, this Declaration, the management agreement for the operation of the Project, and such Rules and Regulations as the Association may from time to time make and adopt. By way of illustration, but not in limitation, Common Expenses shall include: (i) all charges for power and light, heating and air conditioning, subject, however, to the right and power of the Association to vary the charges assessed for electric power as provided in Section 9.3 of this Declaration; (ii) expenses of administration, maintenance, operation, repair and replacement of those elements of the Common Areas that must be maintained and/or replaced on a periodic basis and reserves as may be from time to time established by the Association; (iii) expenses agreed upon by the Association, or the Owners and lawfully assessed against the Owners in accordance with the Declaration; (iv) expenses declared to be Common Expenses by the Act, by this Declaration, or the By-Laws; and (v) any valid charge against the Project as a whole.

1.18 Common Assessment shall mean the charge against each Owner and his Lot, representing a portion of the total costs of the Association of maintaining,

improving, repairing, replacing, managing, and operating the Common Area, which are to be paid uniformly and equally by each Owner to the Association, as provided herein.

1.19 Special Assessments shall mean a charge against a particular Owner and his Lot, directly attributable to the Owner, equal to the costs incurred by the Association for corrective action performed pursuant to the provisions of this Declaration, plus interest thereon as provided for in this Declaration.

1.20 Reconstruction Assessment shall mean a charge against each Owner and his Lot, representing a portion of the costs of the Association for reconstruction of any portion or portions of the improvements of the Common Area pursuant to the provisions of this Declaration.

1.21 Capital Improvement Assessment shall mean a charge against each Lot Owner and his Lot, representing a portion of the costs of the Association for the installation or construction of any improvements of the Common Area pursuant to the provisions of this Declaration.

1.22 Capital Improvement Assessment shall mean a charge against each Lot Owner and his Lot, representing a portion of the costs of the Association for the installation or construction of any improvements on any portion of the Common Area which the Association may from time to time authorize.

1.23 Condominium Unit or Unit shall mean and refer to a separate physical part of the Property intended for independent use, consisting of rooms or spaces located in the Building and the Percentage Interest appurtenant thereto. Units are shown on 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 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 among others, 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 or 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 a Unit is situated shall be considered part of the Unit. A Unit shall not include pipes, wires, conduits, or other utility lines running through it which are used for or which serve more than one Unit, and shall not include any load-bearing walls or floors comprising a part of the Building in which the Unit is located. Each Unit includes its appurtenant Percentage Interest. The horizontal boundary of each Unit shall extend to its intersection with the vertical boundaries, each Unit's lower boundary shall be a plane coinciding with the top of the concrete slab below the Unit's floor and each Unit's upper boundary shall be a plane coinciding with the top of the Unit's ceiling. The vertical boundary of each Unit shall section with each other and with the horizontal boundaries, each

Unit's vertical boundaries shall be its perimetric walls. Each Unit shall consist of a kitchen, living room, bedrooms, bathrooms, a dining room, and a family room.

1.24 Improvement shall mean all structures and appurtenances thereto of every type and kind, including but not limited to buildings, out buildings, walkways, sprinkler pipes, carports, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, planting, planted trees and shrubs, poles, signs, exterior air conditioning and water softener fixtures or equipment.

1.25 Percentage Interest shall mean and refer to the undivided percentage interest of each Unit Owner in the Common Areas of the Project. The Percentage Interest which is appurtenant to a Unit shall be equal to the ratio between the Size of such Unit and the aggregate Size of all Units in the Project.

1.26 Person shall mean a natural individual or any other entity with the legal right to hold title to real Property.

1.27 Notice and Hearing shall mean written notice and a public hearing before a tribunal appointed by the Board, at which the Owner concerned shall have an opportunity to be heard in person or by counsel at Owner's expense, in the manner further provided in the By-Laws.

1.28 Record, Recorded, Filed and Recordation shall mean, with respect to any document, the recordation of such document in the office of the County Recorder of the County of Salt Lake, State of Utah.

1.29 Manager shall mean and refer to the person, firm, or company, if any, designated from time to time by the Association to manage, in whole or in part, the business and affairs of the Association and the Project.

1.30 Size shall mean and refer to the area of floor space within a Unit, in square feet, and shall also mean and refer to the approximate area of floor space, in square feet, contained in Units created out of Convertible Spaces. Declarant's determination of the Size of a Unit, as set forth in this Declaration or in any amendment or supplement hereto pursuant to Article VI hereof shall be conclusive.

1.31 By-Laws shall mean and refer to the By-Laws of the Association. The initial By-Laws shall be in the form set forth in Exhibit "C" and made a part thereof.

1.32 Adult shall mean a person eighteen (18) years of age or older.

II. SUBMISSION TO THE ACT

There is hereby submitted to the provisions of the Act, subject to the covenants, conditions, and restrictions herein contained, the following described real property situated in Salt Lake County, State of Utah:

See Exhibit "A" attached hereto and incorporated herein by this reference.

TOGETHER WITH all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant to, or accompanying the above-described real property (the real property).

ALL OF THE FOREGOING IS SUBJECT TO: all liens for current and future taxes, assessments, and charges imposed or levied by governmental or quasi-governmental authorities; all Patent reservations and exclusions; any mineral reservations of record and rights incident thereto; all instruments of record which affect the real property or any portion thereof, including, without limitation, any mortgage or deed of trust; all visible easements and rights-of-way; all easements and rights-of-way of record; any easements, rights-of-way, encroachments, or discrepancies shown on or revealed by the Map or otherwise existing; an easement for each and every pipe, line, cable, wire, utility line, or similar facility which traverses or partially occupies the real property at such time as construction of all Project improvements is complete; and all easements necessary for ingress to egress from, maintenance of, and replacement of all such pipes, lines, cables, wires, utility lines, and similar facilities.

RESERVING UNTO DECLARANT, however, such easements and rights of ingress and egress over, across, through, and under the real property and any improvements now or hereafter constructed thereon as may be reasonably necessary for Declarant or for any assignee or successor of Declarant (in a manner which is reasonable and not inconsistent with the provisions of this Declaration: (i) To construct and complete each of the Units in the Building and all of the other improvements described in this Declaration or in the Map recorded concurrently herewith, and to do all things reasonably necessary or proper in connection therewith; (ii) To improve portions of the real property with such other or additional improvements, facilities, or landscaping designed for the use and enjoyment of all the Owners as Declarant or as such assignee or successor may reasonably determine to be appropriate. If pursuant to the foregoing reservations, the real property or any improvement thereon is traversed or partially occupied by a permanent improvement or utility

line, a perpetual easement for such improvement or utility line shall exist. With the exception of such perpetual easements, the reservations hereby effected shall, unless sooner terminated in accordance with their terms, expire five years after the date on which this Declarant is filed for record in the office of the County Recorder of Salt Lake County, Utah.

III. IMPROVEMENTS ON LAND

3.1 Descriptions of Improvements on Land. The improvements contained in the Project are now or will be located upon the Land. The major improvements contained in the Project include one (1) building, which contains seventy-four (74) residential units, one hundred eleven (111) parking stalls, and sixty-six (66) storage stalls. The location and configuration of said improvements are shown on the Map. The Project also contains other improvements such as outdoor lighting, landscaping, and fencing, all of which are to be of the type and in the location reasonably determined to be appropriate by Declarant. The Map shows the building, the number of units, parking stalls, and storage stalls, and the types of units included in the Project. The first two (2) levels of the building contain parking stalls and storage areas. The remaining levels contain residential units and recreational facilities.

3.2 Description and Legal Status of Units. The Map shows the Unit designation, its location, dimensions from which its size may be determined and the Common Areas to which it has immediate access.

3.3 Contents of Exhibit "B". Exhibit "B" to this Declaration contains the following information with respect to each Unit contained in the Project; (i) the Unit Designation; (ii) Its Size; and (iii) the Percentage Interest which is appurtenant to the Unit.

IV. NATURE AND INCIDENTS OF CONDOMINIUM OWNERSHIP

4.1 Estates of an Owner. The Project is hereby divided into Units, each consisting of a fee simple interest in a Unit and a Percentage Interest as set forth in the attached Exhibit "B". Such Percentage Interests are hereby declared to be appurtenant to the respective Units.

4.2 Title. Title to a Unit may be held or owned by any entity and in any manner in which title to any other real property may be held or owned in the State of Utah, including, without limitation, joint tenants or tenancy in common.

4.3 Inseparability. No part of a Unit or of the legal rights comprising ownership of a Unit may be separated from any other part thereof during the period of ownership prescribed herein, so that each Unit and the Percentage Interest appurtenant to such Unit shall always be conveyed, devised, encumbered, or otherwise affected only as a complete Unit. Every gift, devise, bequest,

transfer, encumbrance, conveyance, or other disposition of a Unit shall be presumed to be a gift, devise, bequest, transfer, encumbrance, or conveyance, respectively, of the entire Unit, together with all appurtenant right created by law or by this Declaration.

4.4 Computation of Percentage Interests. The Percentage Interest which is appurtenant to a Unit shall be equal to the ratio between the Size of such Unit and the aggregate Size of all Units in the Project. Declarant reserves the right to make minor adjustments in some or all of the Percentage Interests which result from the strict application thereof for the purpose, but only for the purpose, of assuring that the total Percentage Interest equals 100%. Percentage Interests shall be for all purposes, including, without limitation, voting and participation in Common Expenses.

4.5 Partition Not Permitted. The Common Areas shall be owned in common by all the Owners of Units, and no Owner may bring any action for partition thereof.

4.6 Owner's Rights to Common Areas. Subject to the limitations contained in this Declaration, any Owner shall have the non-exclusive right to use and enjoy the Common Areas and shall have the exclusive right to use and enjoy the Limited Common Areas designated herein for exclusive use by such Owner.

4.7 Owner's Rights With Respect to Interiors. Each Owner shall have the exclusive right at his sole cost and expense to maintain, repair, paint, repaint, tile, wax, paper, or otherwise refinish and decorate the interior surfaces of the walls, ceilings, floors, and doors forming the boundaries of his Unit and all walls, ceilings, floors and doors within such boundaries.

4.8 Easement for Access to Units. Each Owner shall have the right to ingress and egress over, upon and across the Common Areas necessary for access to his Unit, and to the Limited Common Areas, if any, designated for use in connection with his Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

4.9 Easement for Encroachments. If any part of the Common Areas encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the Building, by error in the Map, by settling, rising or shifting of the earth, or by change in position caused by repair or reconstruction of the Project or any part thereof.

4.10 Easement of Access for Repair, Maintenance and Emergencies. Some of the Common Areas are or may be located within the Units or may be conveniently

accessible only through the Units. The Owners of other Units shall have the irrevocable right, to be exercised by the Association as their agent, to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Areas located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Areas or to another Unit or Units. The Association shall also have such right independent of any agency relationship. Damage to the interior of any part of a Unit or Units resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Areas or as a result of emergency repairs within another Unit at the instance of the Association or of Owners shall be an expense of all the Owners; provided, however, that if such damage is the result of negligence of the owner of a Unit, then such Owner shall be financially responsible for all such damage. Such damage shall be repaired and the property shall be restored substantially to the same condition as existed prior to damage. Amounts owing by Owners pursuant hereto shall be collected by the Association by assessment pursuant to Article VIII below.

4.11 Owner's Right to Support. Each Owner shall have the right to the horizontal and lateral support of his Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

4.12 Association's Right to Use of Common Areas. The Association shall have a non-exclusive easement to make such use of the Common Areas as may be necessary or appropriate to perform the duties and the functions which it is obligated or permitted to perform pursuant to this Declaration.

4.13 Easements Deemed Created. All conveyances of Units hereafter made, whether by the Declarant or otherwise, shall be construed to grant or reserve such reciprocal easements as shall give effect to Sections 4.7, 4.8, 4.9, 4.10 and 4.11, above even though no specific reference to such easements or to those Sections appears in any such conveyance.

V. UNITS, COMMON AREAS, AND LIMITED COMMON AREAS

5.1 Conveyancing. Any deed, lease, mortgage, deed of trust, sales contract, or other instrument conveying or encumbering a Unit shall describe the interest or estate involved substantially as follows:

Unit No. _____ contained within the Arlington Place Condominium Project as the same is identified in the Record of Survey Map recorded in Salt Lake County, Utah as Entry No. _____ in Book _____ at Page _____ (as said Record of Survey Map may have heretofore been amended or supplemented) and in the Amended Declaration of Condominium of the Arlington Place Condominium Project recorded in Salt Lake County, Utah as Entry No. _____ in Book _____ at

Page _____ (as said Declaration may have heretofore been amended or supplemented). TOGETHER WITH the undivided ownership interest in said Project's Common Areas and Facilities which is appurtenant to said Unit.

Such description will be construed to describe the Unit, together with the appurtenant Percentage Interest in the Common Areas, and to incorporate all the rights incident to ownership of a Unit and all the limitations on such ownership as described in the Declaration, including all appurtenant Percentage Interests and all rights and limitations arising as a result of any conversion of the Convertible Space pursuant to Article VI of this Declaration.

5.2 Maintenance of Units. Each Owner shall keep the interior of his Unit, including without limitation, interior walls, doors, windows, ceilings, floors, and permanent fixtures and appurtenances thereto, in a clean and sanitary condition and in good state of repair. In the event that any such Unit shall develop an unclean or unsanitary condition or fall into a state of disrepair, and in the event that the Owner of such Unit shall fail to correct such condition or state of disrepair promptly following written notice from the Association, the Association shall have the right, at the expense of the Owner and without liability to the Owner for trespass or otherwise, to enter said Unit and correct or eliminate said unsanitary or unclean condition or state of disrepair; provided, however, that the Association shall in no event have the obligation to correct or eliminate any such condition or state of disrepair.

5.3 Separate Mortgages by Owners. Each Owner shall have the right separately to mortgage or otherwise encumber his Unit. No Owner shall attempt to or shall have the right to mortgage or otherwise encumber the Common Areas or any part thereof, except the Percentage Interest therein appurtenant to his Unit. Any Mortgage or other encumbrance of any Unit within the Project shall be subordinate to all of the provisions of this Declaration, and in the event of foreclosure the provisions of this Declaration shall be binding upon any Owner whose title is derived to foreclosure by private power of sale, judicial foreclosure, or otherwise.

5.4 Taxation of Units. Each Unit within the Project, including each unit an appurtenant Percentage Interest, shall be deemed to be a parcel and shall be assessed separately for all taxes, assessments, and other charges of any political subdivision or of any special improvement district or of any other taxing or assessing authority. For purposes of such assessment, the valuation of the Common Areas shall be apportioned among the Units in proportion to the Percentage Interests appurtenant to such Units. All such taxes, assessments, and other charges of each respective Unit shall be separately levied against the Owner thereof. No forfeiture or sale of any Unit for delinquent taxes, assessments, or other governmental charges shall divest or in any way affect the title to any other Unit.

5.5 Common Areas; Limited Common Areas .

(a) 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 shall be separated from the Unit to which it appertains; and, even though not specifically mentioned in the instrument of transfer, the Percentage Interest and such right of exclusive use shall automatically accompany the transfer of the Unit to which they relate. The Limited Common Areas, which are included or to be included in the Project consist of at least the following: (i) seventy-four (74) designated parking spaces; and (ii) sixty-six (66) storage stalls. Each Unit shall be assigned one (1) enclosed parking space. Each of the first sixty-six (66) Units sold also shall have one (1) assigned storage stall appurtenant thereto as a Limited Common Area which is directly accessible through its assigned parking space. The parking space and storage stall to be designated as Limited Common Area and to be assigned to each Unit shall be selected by each Unit Owner at the time of the Closing on a first come first serve basis. Each designation shall be entered on the permanent books and records of the Association on an instrument substantially like Schedule "A" of the original Declaration incorporated herein by this reference. When all parking spaces and storage stalls have been assigned or purchased a completed Schedule "A" shall be recorded in the office of the County Recorder of Salt Lake County, Utah.

(b) Twenty-nine (29) of the additional thirty-seven (37) parking spaces shall be available for purchase and shall be sold by the Association as Limited Common Areas. These parking spaces and storage stalls may only be purchased by Unit Owners. Each Unit Owner shall have the unrestricted right to purchase any parking space from the Association on a first come first serve basis. Parking spaces so purchased may only be transferred or conveyed in conjunction with and appurtenant to the Owner's Unit.

(c) The Limited Common Areas consisting of parking spaces to be assigned to or purchased by Unit Owners are designated on sheet two (2) of the Map by blue-dot highlighting. The parking spaces not to be sold are designated on sheet two (2) of the Map by the words "Common Area/Visitor Parking."

(d) The use of the Common Areas shall be limited to the Owners and residents and to their tenants and residents, and to their guests, invitees, and licensees. The use of each of the Limited Common Areas shall be restricted to the Owner of the Unit to which it is appurtenant, to his tenants and residents, and to his guests, invitees, and licensees. The use of the Common Areas and Limited Common Areas shall be governed by the Declaration and the Rules and Regulations as initially established by Declarant and as adopted and amended from time to time by the Management Committees.

(e) Except as herein otherwise provided, the Association shall provide for such maintenance and operation of the Common and Limited Areas as may be reasonably required to make them appropriately usable in connection with the Units and to keep them clean, functional, attractive, and in good condition and repair.

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

VI. THE ASSOCIATION

6.1 Membership. Every Owner shall be entitled and required to be a member of the Association. If title to a Unit is held by more than one person, the membership related to that Unit shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which the title to the Unit is held. An Owner shall be entitled to one membership for each Unit owned by him. Each such membership shall be appurtenant to the Unit upon which it is based and shall be transferred automatically by conveyance of that Unit. No person or entity other than an Owner may be a member of the Association, and the Articles of Incorporation or By-Laws of the Association shall so state and shall in addition state that the membership in the Association may not be transferred except in connection with the transfer of a Unit; provided, however, that the rights of membership may be assigned to a Mortgage as further security for a loan secured by a lien on a Unit or by a deed of trust.

6.2 Board of Trustees. The Board of Trustees of the Association, also known as the Board of Directors, Management Committee, or Committee shall consist of five (5) members, provided, however, that until such time as the responsibility for electing the Trustees is turned over to the Owners in accordance with Utah law (Section 57-8-16.5 Utah Code Annotated 1953), the Board of Trustees may consist of five (5) members selected by the Declarant. In addition to individual Unit Owners, partners of partnerships owning Units and officers of corporations owning Units shall be eligible for membership on the Board. The responsibility for electing the Trustees shall be turned over to the Owners upon the occurrence of the following, whichever first occurs: (a) the expiration of seven (7) years after the date on which this Declaration is filed for record in the Office of the Salt Lake County Recorder, State of Utah; or (b) Units to which an aggregate of at least three-fourths (3/4) of the Percentage Interest then appurtenant to this Project have been conveyed by Declarant.

6.3 Votes. The number of votes appurtenant to each respective Unit shall be equal to the Percentage Interest set forth in Exhibit "B" attached hereto. The number of votes appurtenant to each Unit as set forth in said Exhibit "B" (subject to revisions resulting from conversions of Convertible Spaces) shall have a permanent character and shall not be altered without the unanimous written consent of all Owners expressed in a duly recorded amendment to this Declaration.

VII. RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

7.1 Common Areas. The Association, subject to the rights of the Owners set forth in Article IV hereof, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including furnishings and equipment related thereto) and shall keep the same in good, clean, attractive and sanitary condition, order and repair; provided, however, that each Owner of a Unit shall keep the Limited Common Areas (other than automobile parking stalls) designated for use in connection with his Unit, in a good, clean, sanitary and attractive condition. The Association shall be responsible for the maintenance and repair of all Common Areas. The cost of such management, operation, maintenance, and repair by the Association shall be borne as provided in Article IX.

7.2 Miscellaneous Services. The Association may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel of the Association as it shall be determined to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration. The Association may arrange with others to furnish trash collection, snow removal, ground maintenance, and other common services to each Unit. The cost of such services shall be borne as provided in Article IX.

7.3 Personal Property for Common Use. The Association may acquire and hold for the use and benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as the respective Percentage Interests. Such interest shall not be transferable except with the transfer of a Unit. A transfer of a Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Unit under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosed Unit.

7.4 By-Laws. The Association shall have those rights, powers, duties, and obligations set forth in the By-Laws.

7.5 Rules and Regulations. The Association may make reasonable Rules and Regulations governing the use of the Units and of the Common Areas, which Rules and Regulations shall be consistent with the rights and duties established in this Declaration. Such Rules and Regulations may include, without limitation: a requirement that draperies, shades, or other interior window coverings, including the interior surfaces of any window or door glass used in Units shall present a uniform appearance of type and color from the exterior of the Building and that the Association shall have the right to reinspect and approve all proposed draperies, shades, or other interior window coverings to insure compliance with

such rule before installation thereof in a Unit. The Association may suspend any owner's voting rights in the Association during any period or periods during which such Owner fails to comply with such rules and regulations, or with any other obligations of such Owner under this Declaration. The Association may also take judicial action against the Owner to enforce compliance with such rules, regulations or other obligations or to obtain damages for non-compliance, all to the extent permitted by law.

7.6 Granting Easements. The Association may, without a vote or consent of the Owners, or of any other person, grant or create on such terms as it deems advisable, utility and similar easements and rights-of-way over, under, across, and through the Common Areas.

7.7 Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or By-Law, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

VIII. ASSESSMENTS

8.1 Agreement to Pay Assessment. Declarant, for each Unit owned by it within the Project, and for and as the owner of the Project and every part thereof, hereby covenants, and each Owner of any Unit by the acceptance of a deed therefor, whether or not it be so expressed in the deed, shall be deemed to covenant and agree with each other and with the Association to pay to the Association (1) annual common assessments or common expenses, (2) capital improvements assessments, (3) special assessments, and (4) reconstruction assessments; subject to provisions of this Declaration protecting first mortgagees, the personal obligation for delinquent assessments shall pass to the successors in interest of such Owner. The Board of Trustees shall establish no fewer than two (2) separate accounts (the "Arlington Place Maintenance Funds") into which shall be deposited all monies paid to the Association, and from which disbursement shall be made, as provided herein, in the performance of functions by the Association under the provisions of this Declaration. Each of the Arlington Place Maintenance Funds shall include: (1) an Operating Fund for current expenses of the Association, and (2) a Common Area Reserve Fund for replacements, painting, and repairs (which would not reasonably be expected to recur on an annual or less frequent basis) of the Common Area facilities to the extent necessary under the provisions of this Declaration. The Board of Trustees shall not co-mingle any amounts deposited into any of the Arlington Place Maintenance Funds with one another. Such assessments shall be fixed, established and collected from time to time in the manner provided in this Article.

8.2 Purpose of Common Assessments. The assessments levied by the Association shall be used to promote the common health, safety, benefit, recreation, and welfare of the owners and for the improvement and maintenance of the common area. The assessment shall also be for an adequate reserve to be used

as appropriate for maintenance and repairs of the common area and replacement of those elements of the common area that must be replaced on a periodic basis and are payable in regular installments rather than by special assessments. Structural maintenance area disbursements from the Operating Fund shall be made by the Board of Trustees for such purposes as are necessary for the discharge of its responsibilities herein for the common benefit of all of the Owners, other than those purposes for which disbursements from the Common Area Reserve Fund are to be used. Nothing in the Declaration shall be construed in such a way as to permit the Association to use any assessments to abate any nuisance or annoyance emanating from outside the boundaries of the Arlington Place Condominiums. Nothing contained herein shall limit, preclude, or impair the establishment of additional Arlington Place Maintenance Funds by the Association so long as the amounts deposited into any such Fund are earmarked for specified purposes authorized by the Declaration.

8.3 Annual Common Area Assessments. The total annual common area assessments against all Units shall be based upon advance estimates of cash requirements by the Association to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Areas or furnishing utility services (including power and light, heating and air conditioning) to the Units, which estimates may include, among other things, expenses of management, grounds maintenance, taxes and special assessments, until the Units are separately assessed as provided herein; premiums for all insurance which the Association is required or permitted to maintain pursuant hereto; common lighting and heating; water charges; trash collection; each annual common assessment shall constitute an aggregate of separate assessments for each of the Arlington Place Maintenance Funds, reflecting an itemization of the amounts assessed and attributable to prospective deposit into the Common Area Reserve Fund, the Operating Fund, and any other Arlington Place Maintenance Fund established by the Association. If the estimated sums prove inadequate for any reason, including non-payment of any Owner's Annual Common Assessment, the Board of Trustees may, at any time, levy supplemental Common Assessments, for any of the Arlington Place Maintenance Funds which shall be assessed equally against the Owner of each Unit.

Each annual Common Assessment may be paid by the Owner to the Association in one check or payment or in separate checks, as payments attributable to deposits into specified Arlington Place Maintenance Funds accounts. In the event that any installment of a Common Assessment payment is less than the amount assessed and the payment does not specify the Arlington Place Maintenance Fund or Funds into which it should be deposited, the receipt by the Association from that Owner shall be credited in order of the priority first to the operating fund until that portion of the Common Assessment has been satisfied, and second to the Common Area Reserve Fund.

At the end of any fiscal year of the Association, the Owners may determine that all excess funds remaining in the operating fund, over and above the amounts used for operation, may be returned to the members proportionately, or may be

retained by the Association and used to reduce the following year's Common Assessments. Notwithstanding anything contained in the Articles or By-Laws to the contrary, if prior to dissolution, the Association has not obtained tax exempt status from both the federal and state government, then upon such dissolution of the Association, any amounts remaining in the Common Area Reserve Funds shall be distributed to or for the benefit of the members in a proportion equal to their individual, respective contributions. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. A special assessment shall bear interest at the rate of eighteen percent (18%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date.

8.4 Capital Improvement and Reconstruction Assessments. In addition to the Common Assessment authorized above, the Board of Trustees of the Association may levy, in any assessment year, a Capital Improvement Assessment or Reconstruction Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a Capital Improvement or other such addition upon the Common Area, including fixtures and personal property related thereto; provided that any such assessment in excess of Five Thousand Dollars (\$5,000.00) shall have the vote or written assent of a majority of the votes of members who are subject to such assessment.

8.5 Rate of Assessment. Common Assessments, Capital Improvement Assessments, and Reconstruction Assessments provided for in this Article shall be computed as follows: Fifty percent (50%) of each assessment shall be fixed at an equal amount for each Unit within the Arlington Place Condominiums and fifty percent (50%) of each assessment shall be apportioned among all Owners in proportion to their respective Percentage Interest in the Common Areas.

8.6 Date of Commencement of Common Assessments: Due Date. The annual Common Assessments provided for the Owner shall commence as to all Units on the first day of the month following the closing on the purchase of the Unit. The first annual Common Assessment shall be adjusted according to the number of months remaining in the fiscal year as set forth in the By-Laws. The Board of Trustees shall fix the amount of the annual Common Assessment against each Unit at least thirty (30) days in advance of each Common Assessment period. Written notice of any change in the amount of the annual Common Assessment shall be sent to every Owner subject thereto, at least thirty (30) days prior to the effective date of such change. The due date shall be established by the Board of Trustees. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer or agent of the Association, setting forth whether the assessments on a specified unit have been paid.

8.7 Lien for Assessments. (a) All sums assessed to any Unit pursuant to this Article, together with interest thereon, as provided herein, shall be secured by a lien on such Unit in favor of the Association. Such lien shall be superior to all

other liens and encumbrances on such Unit, except only for: (a) valid tax and special assessment liens on the Unit in favor of any governmental assessing authority; and (b) a lien for all sums unpaid on a first Mortgage, or on any Mortgage to Declarant, duly recorded in the official records of Salt Lake County, State of Utah, including all unpaid obligatory advances to be made pursuant to such Mortgage and all amounts advanced pursuant to such Mortgage and secured by the lien thereof in accordance with the terms of such instrument. All other lienors acquiring liens on any Unit after this Declaration shall have been recorded in said records shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

(b) As set forth with more particularity below, to evidence a lien for sums assessed pursuant to this Article, the Association may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Unit and a description of the Unit. Such a notice shall be signed by the Association and may be recorded in the office of the County Recorder of Salt Lake County, Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial or non-judicial foreclosure by the Association in the same manner in which mortgages or trust deeds on real property may be foreclosed in Utah. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of filing the notice of lien and all reasonable attorneys' fees. All such costs, expenses and fees shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association by assessments against the Unit shall become due during the period of foreclosure. The Association shall have the right and power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof.

(c) A release of notice of lien shall be executed by the Association and recorded in the official records of Salt Lake County, Utah, upon payment of all sums secured by a lien, including all recordation costs and attorney fees made necessary by the filing, which has been made the subject of a recorded notice of lien.

(d) Any encumbrancer holding a lien on a Unit may pay, but shall not be required to pay, any amounts secured by the lien created by this Section, and upon such payment such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

8.8 Collection of Unpaid Assessments: Procedure:

(a) Effect. Any installment of a Common Assessment, Capital Improvement Assessment, Special Assessment or Reconstruction Assessment not paid within thirty (30) days after the due date shall bear interest from the due date of such installment at the rate of twelve percent (12%) per annum. If any

installment of an assessment is not paid within thirty (30) days after it is due, the Owner responsible therefor may be required further by the Board of Trustees to pay a late charge of Five Dollars (\$5.00) or five percent (5%) of the amount of the delinquent installment, whichever is greater. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. If any installment of a Common Assessment is not paid within thirty (30) days after its due date, the Board shall mail an acceleration notice to the Owner and to each First Mortgagee of a Lot which has requested a copy of the notice. The notice shall specify (1) the fact that the installment is delinquent, (2) the action required to cure the default, (3) a date, not less than thirty (30) days from the date the notice is mailed to the Owner, by which such default must be cured, and (4) that failure to cure the default on or before the date specified in the notice may result in acceleration of the balance of the installments of the Common Assessment for the then current fiscal year and sale of the Lot. The notice shall further inform the Owner of his right to cure after acceleration and to bring a court action to assert the nonexistence of a default or any other defense of the Owner to acceleration and sale. If the delinquent installments of Common Assessments and any charges thereon are not paid in full on or before the date specified in the notice, the Board at its option may declare all of the unpaid balance of the annual Common Assessment to be immediately due and payable without further demand and may enforce the collection of the full Common Assessment and all charges thereon in any manner authorized by law and this Declaration.

(b) Notice of Assessment. No action shall be brought to enforce any assessment lien herein, unless at least thirty (30) days has expired following the date a Notice of Assessment is deposited in the United States mail, postage prepaid, to the Owner of the Lot, and a copy thereof has been recorded by the Association in the office of the County Recorder in which the Properties are located; said Notice of Assessment must recite a good and sufficient legal description of any such Lot, the record Owner or reputed Owner thereof, the amount claimed (which may at the Association's option include interest on the unpaid assessment at twelve percent (12%) per annum, plus reasonable attorney's fees and expenses of collection in connection with the debt secured by said lien), and the name and address of the claimant. Such Notice of Assessment shall be signed and acknowledged by an officer or agent of the Association, and said lien shall be prior to any declaration of homestead recorded after the date on which this Declaration is recorded. The lien shall continue until fully paid or otherwise satisfied.

(c) Foreclosure Sale. Any such sale provided for above may be conducted by the Board of Trustees, its attorneys or other persons authorized by the Board in accordance with the provisions of the Utah Code Annotated, 1953 as amended, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. The Association, through duly

authorized agents, shall have the power to bid on the Lot at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same.

(d) Curing of Default. Upon the timely curing of any default for which a Notice of Assessment was filed by the Association, the officers thereof shall record an appropriate Release of Lien, upon payment by the defaulting Owner of a fee, to be determined by the Association, but not to exceed One Hundred Dollars (\$100.00), to cover the cost of preparing and recording such release. A certificate executed and acknowledged by any two (2) members of the Board stating the indebtedness secured by the liens upon any Lot created hereunder shall be conclusive upon the Association and the Owners as to the amount of such indebtedness as of the date of the certificate, in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Owner upon request at a reasonable fee, not to exceed Ten Dollars (\$10.00).

(e) Cumulative Remedies. The assessment liens and the rights of foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided.

(f) Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage (meaning any recorded mortgage with first lien priority over all other mortgages encumbering the Properties), on which the assessment came due. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure, trustee sale, or deed in lieu thereof, shall extinguish the lien of such assessments as to installments which came due prior to such sale or transfer. However, no sale or transfer shall relieve such Lot from liability for any installments of assessments thereafter becoming due or from the lien thereof.

8.9 Personal Obligation of Owner. The amount of any annual or special assessment against any Unit shall be the personal obligation of the Owner thereof to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of his Unit.

8.10 Statement of Account. Upon payment of a reasonable fee not to exceed Ten Dollars (\$10.00), or such other amount as the Act may allow, and upon written request of any Owner or any Mortgagee, prospective Mortgagee or prospective purchaser of a Unit, the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Unit; the amount of the current yearly assessment and the date that such assessment becomes or became due; credit for advanced payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums; and such

statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within twenty (20) days, all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a Mortgagee which required its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligations of the purchaser shall be released automatically if the statement is not furnished within the twenty (20) day period provided herein and thereafter an additional written request is made by such purchaser and is not complied with within ten (10) days, and the purchaser subsequently acquires the Unit.

8.11 Personal Liability of Purchaser for Assessments. Subject to the provisions of Section 8.8 a purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

8.12 Exempt Property. The following property subject to this Declaration shall be exempt from the assessments herein:

- (a) All properties dedicated to and accepted by a local public authority;
- and
- (b) The common area.

IX. INSURANCE

9.1 The Association shall secure and at all times maintain the following insurance coverages:

(a) Hazard Coverage. A multi-peril policy or policies of fire and other hazard insurance covering the entire Project (both Units and Common Areas), 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). 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 interests may appear. The assured shall be the Association as a trustee for the Unit Owners, or their authorized representative. Such insurance must provide protection against at least the following: loss by fire and other hazards covered by the standard extended coverage.

(b) Public Liability. The comprehensive policy of public liability insurance covering all of the Common Areas insuring the Association, the Board of Trustees, 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 One Million Dollars (\$1,000,000.00) covering all claims for personal property injury and/or property damage arising out of a single occurrence, including protection against water damage liability, liability for nonowned and hired automobile and liability for property of others. 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) Workmen's Compensation Insurance. The Association shall obtain and maintain workmen's compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association in the amounts and in the forms now or hereafter required by law.

(d) Fidelity Insurance or Bond. The Association shall purchase, in such amounts and in such forms as it deems appropriate, fidelity insurance or a bond to cover against dishonesty of trustees, officers, and employees, destruction or disappearance of money or securities, and forgery.

9.2 The following additional provisions shall apply with respect to insurance.

(a) In addition to the insurance and bond coverage described above, the Association 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 and use.

(b) All insurance policies shall be written by a company holding a financial rating of Class VI or better as designated in Best's Insurance Reports. Each insurer must be specifically licensed to transact business within the State of Utah. Policies are unacceptable where (i) under the terms of the carrier's charter, by-laws or policy contributions or assessments may be made against the Borrower or the Mortgagee; or (ii) 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, policy holders, or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent the Mortgagee or the borrower from collecting insurance proceeds.

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

(d) Insurance secured and maintained by the Association 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 Association 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 Association, the Manager, the Trustees, the Unit Owners, and their respective servants, agents, and guests; that it cannot be cancelled, suspended or invalidated due to the conduct of any member, officer, or employee of the Association 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 in writing any and all insureds, including the servicers on behalf of Mortgagees thereof at least thirty (30) days in advance of the effective date of any substantial modification 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 Association. Any Unit Owner who individually obtains insurance covering any portion of the Project shall supply the Committee with a copy of his policy within 30 days after he acquires such insurance.

(g) Insurance coverage required by this Article X must not be prejudiced by (i) any act or neglect of the Unit Owners when such act or neglect is not within the control of the Association, or (ii) any failure of the Association to comply with any warranty or condition regarding any portion of the Project over which the Association has no control.

(h) All policies of property insurance must provide that notwithstanding any provision affording the insurer the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable without the prior written approval of the Association (or any insurance trustee) or when in conflict with the provisions of any insurance trust agreement to which the insurance may be a party, or any requirement of law.

(i) The foregoing provisions of Article X shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage. In addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association may deem proper from time to time.

(j) The Association shall have no responsibility regarding insurance on the personal property of Unit Owners.

X. DAMAGE OR DESTRUCTION

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

(a) Insurance Proceeds Sufficient to Repair or Reconstruct.

If proceeds of the insurance maintained by the Association are alone sufficient to repair or reconstruct the damage or destroyed improvement, such repair or reconstruction shall be carried out.

(b) Damage and Destruction less than 75%. If less than 75% of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Association are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all Unit Owners shall be assessed for any deficiency on the basis of their respective Percentage Interest.

(c) Damage or Destruction Exceeds 75% If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Association 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 subsection (b) above.

(d) Substantial Damage or Destruction but Owners Do Not Elect to Repair or Reconstruct. If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Association 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 Association shall promptly record with the Salt Lake County Recorder a notice setting forth such facts. Upon the recording of such notice the provisions of the Act shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units.

10.2 Determination of Extent of Damage or Destruction. Any reconstruction or repair which is required to be carried out by this Article XI regarding the extent of damage to or destruction or Project improvements shall be made by three MAI appraisers selected by the Association. The decision of any two such appraisers shall be conclusive.

XI. OBSOLESCENCE

11.1 Adoption of a Plan. The Owners representing an aggregate voting interest of eighty percent (80%) or more of the Project may agree that the Project is obsolete and adopt a written plan for the renewal and reconstruction, which plan has the unanimous approval of all first Mortgagees of record at the time of the adoption of such plan. Written notice of adoption of such a plan shall be given to all Owners. Such plan shall be recorded in the official records of Salt Lake County, Utah.

11.2 Payment for Renewal and Reconstruction. The expenses of renewal or reconstruction shall be payable by all of the Owners as assessments against their respective Units. These assessments shall be levied in advance pursuant to ARTICLE IX hereof and shall be allocated and collected as provided in that Article. Further levies may be made in like manner if the amounts collected prove insufficient to complete the renewal and reconstruction.

11.3 Dissents from the Plan. An Owner not a part to such a plan for renewal or reconstruction may give written notice of dissent to the Association within fifteen (15) days after the recordation of such plan. The Association shall then give written advice of such dissents to all the Owners within five (5) days after the expiration of such fifteen (15) day period. Within fifteen (15) days of receipt of such notice from the Association the Owners representing an aggregate voting interest of more than twenty percent (20%) of the Project may cancel the plan by written instrument recorded in the official records of Salt Lake County, Utah. If the plan is not cancelled then the Units of each dissenter shall be purchased according to the following procedures. If the Owner and the Association can agree on the fair market value thereof, then such sale and conveyance shall be completed within sixty (60) days thereafter. If the parties are unable to agree, the date when either party notifies Owners in proportion to the respective undivided interest in the Common Areas, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Unit. Each such account shall remain in the name of the Association, and shall be further identified by the Unit designation and the name of the Owner. From each separate account the Association, as attorney in fact, shall use and disburse the total amount of such accounts without contribution from one account to the other, first to encumbrancers (including the Association) in the order of the priority of their liens and the balance remaining to each respective Owners.

11.4 Distribution of Excess. In the event amounts collected pursuant to Section 12.2 are in excess of the amounts required for renewal and reconstruction, the excess shall be returned to the Owners by the Association by a distribution to

each Owner in an amount proportionate to the respective amount collected from each such Owner.

XII. CONDEMNATION

12.1 Consequences of Condemnation. If at any time or times during the continuance of the condominium ownership pursuant to this Declaration, all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the following provisions shall apply.

12.2 Proceeds. All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award", shall be payable to the Association.

12.3 Complete Taking. In the event that the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant thereto shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to the respective Percentage Interest in the Common Areas, provided that if a standard different from the value of the Project as a whole is employed to measure the Condemnation Award in the negotiation judicial decree, or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

On the basis of the principle set forth in the last preceding paragraph, the Association shall soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable in the same manner provided in Section 13.4 of this Declaration.

12.4 Partial Taking. In the event that less than the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award to be determined in the following manner: (a) as soon as practicable the Association shall, reasonably and in good faith, allocate the Condemnation Award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated to taking of or injury to the Common Areas shall be apportioned among Owners in proportion to their respective Percentage Interests in the Common Areas, (b) the total amount allocated to severance damages shall be apportioned to those Units which were not taken or condemned, (c) the respective amounts allocated to the taking of or injury to a particular Unit and/or improvements an Owner has made within his own Unit shall be apportioned to the particular Unit involved, and (d) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If an allocation of the Condemnation Award is already established in negotiation, judicial decree, or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of

apportioned proceeds shall be made by checks payable jointly to the respective Owners and their respective Mortgagees.

12.5 Reorganization. In the event a partial taking results in the taking of a complete Unit, the Owner thereof automatically shall cease to be a member of the Association. Thereafter the Association shall reallocate the ownership, voting rights, and assessment ratio determined in accordance with this Declaration according to the same principles employed in this Declaration at its inception and shall submit such re-allocation to the Owners of remaining Units for amendment of this Declaration as provided.

12.6 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article XI, above.

XIII. USE OF UNITS AND COMMON AREAS

13.1 Unit Use Restrictions and Office Use. Each of the Units in the Project is intended to be used for single family residential housing and is restricted to such use. For purposes of this Section, "family" shall mean (1) a group of natural persons related to each other by blood or legally related to each other by marriage or adoption, or (2) a group of not more than three (3) persons not also related, inclusive of their domestic servant, who maintain a common household in a unit.

13.2 Adults Only: Limitation on Occupancy by Children. Declarant has deemed it desirable, for the efficient preservation of the values and amenities in the real property described above, to designate the project for adult living. Neither the Units nor the Common Areas and facilities are designed to accommodate children. No person under eighteen (18) years of age may permanently reside in any Unit; provided, however, a child born to an occupant of any Unit may reside in Arlington Place Condominiums until but not after the child reaches two (2) years of age.

13.3 Lease of Units. With the exception of a lender in possession of a Unit following as a result of 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 rent or lease his Unit for transient, hotel, or time share purposes. All leases shall be in writing, a Unit Owner may not lease less than the entire Unit (except a parking space may be leased to another Unit Owner) nor lease the Unit for less than thirty (30) days. All lease agreements shall be required to provide the following: (a) that the terms of the lease shall be subject in all respect to the provisions of this Declaration and the By-Laws attached hereto; (b) that any failure by the lessee or tenant to comply with the terms of such documents shall constitute a default under the lease; and (c) notice that the Owner has granted and conveyed, and Owner hereby grants and conveys, to the Association the right and power to evict those tenants who refuse to abide by the Declaration, By-Laws, or Rules and Regulations. Other than the foregoing, while there shall be no other

restrictions on the right of any Unit Owner to lease his Unit, the Unit Owner shall notify the Association of the names of each lessee.

13.4 Use of Common Areas. There shall be no obstruction of the Common Areas by the Owners and/or their invitees without the prior consent of the Association. The Association may by Rules and Regulations prohibit or limit the use of the Common Areas as may be reasonably necessary for the purpose of protecting the interests of all the Owners or protecting the Units or the Common Areas. Nothing shall be kept or stored on any part of the Common Areas without the prior written consent of the Association, except as specifically provided herein. Nothing shall be altered on, constructed in, or removed from, the Common Areas except upon the prior written consent of the Association.

13.5 Prohibition of Damage and Certain Activities. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would result in the cancellation of the insurance on the Project or any part thereof or increase of the rate of the insurance on the Project or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Association and other Owners harmless against all loss resulting from such damage or waste caused by him or his invitees; provided, however, that any invitee of the Declarant shall not be under any circumstances deemed to be an invitee of any other Owner. No noxious, destructive or offensive activity shall be carried on in any Unit or in the Common Areas or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other owner or to any person at any time lawfully occupying a Unit in the Project.

13.6 Rules and Regulations. No Owner shall violate the Rules and Regulations for the use of the Units and of the Common Areas as adopted from time to time by the Association.

13.7 Structural Alterations. No structural alterations to any Unit shall be made, and no plumbing, electrical or similar work within the Common Areas shall be done, by any Owner without the prior written consent of the Association.

13.8 Restriction on Signs. No signs, flags, or advertising devices of any nature shall be erected or maintained on any part of the Project without the prior written approval of the Association, except as may be necessary temporarily to caution or warn of danger. If the Association consents to the erection of any such signs or devices, the same shall be removed promptly at the request of the Association.

13.9 Animals. No pets or animals of any kind or nature whatsoever shall be permitted in any Unit, in the Common Areas, or any other part of the Project.

13.10 No Overloading. No Owner shall bring anything into his Unit or permit anything to be done in his Unit that will cause damage to the Building. No Owner shall overload a floor of his Unit. No Owner shall permit the use or operation in his Unit of any equipment or other device that will in any manner injure the Building or portions thereof.

13.11 Exemption of Declarant. Notwithstanding anything contained herein to the contrary, until the Declarant has completed and sold all of the Units, neither the Unit Owners who have purchased Units from the Declarant nor the Association nor the Committee shall interfere with the completion of improvements and sale of all remaining Units. The Declarant reserves the right to use any Units owned by Declarant as models, management offices, or sales offices until such time as Declarant conveys title thereto to Unit Owners. Declarant reserves the right to relocate the same from time to time within the Project; upon relocation or sale of a model, management office, or sales office, the furnishings thereof may be removed. Declarant further reserves the right to maintain on the Project such advertising signs, which may be placed in any location on the Project and may be relocated or removed, all at the sole discretion of Declarant.

XIV. MORTGAGEE PROTECTION

From and after the time a Mortgagee makes written request to the Association therefor, the Association shall notify such Mortgagee in writing in the event that the Owner of the 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.

The lien or claim against a Unit for unpaid assessments or charges levied by the Association pursuant to this Declaration or the Act shall be subordinate to the Mortgage affecting such Unit, and the Mortgagee thereunder which comes into possession of or which obtains title to the Unit 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 thereunder, 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 Units including the 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 to burden a Mortgagee which comes into possession or which obtains title shall be collected or enforced by the Association from or against a Mortgagee, a successor in title to a Mortgagee, or the Unit affected or previously affected by the Mortgage concerned.

Unless at least seventy-five percent (75%) of the Mortgagees (based upon one vote for each Mortgage) or Owners (other than Declarant) of the individual Units

have given their prior written approval, the Association shall not be entitled, by act, omission, or otherwise:

- (a) To abandon or terminate the Project or to abandon or terminate the arrangement which is established by this Declaration and the Map.
- (b) To partition or subdivide any Unit.
- (c) To abandon, partition, subdivide, encumber, sell, or transfer all or any part of the Common Areas (except for the granting of easements for utilities and similar purposes consistent with the intended use of the Common Areas, and except as such matters which might result from Declarant's conversion of Convertible Spaces pursuant to the provisions of Article VI.
- (d) To use hazard insurance proceeds resulting from damage to any part of the Project (whether to Units or to the Common Areas) for purposes other than the repair, replacement, or reconstruction of such improvements, except as provided in Article XI.
- (e) To change the pro rata interests or obligations of any Unit which apply for (i) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards and for (ii) determining the pro rata share of ownership of each Unit in the Common Areas, except as such changes may occur as a result of Declarant's conversion of the Convertible Spaces pursuant to the provisions of Article VI.

The Association shall not: (i) alter the provisions of Article X in such a way as to diminish the insurance protection required to be afforded to the parties designed to be protected thereby; or (ii) fail to maintain the insurance coverage described in said Article.

Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Association. The Association shall establish an adequate reserve to cover the cost of reasonably predictable and necessary major repairs, maintenance and replacements of the Common Areas and shall cause such reserve to be funded by regular monthly or other periodic assessments against the Units rather than by special assessments.

From and after the time a Mortgagee makes written request to the Association 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: (i) The Common Areas involving an amount in excess of, or reasonably estimated to be in excess of, Ten Thousand Dollars (\$10,000.00); or (ii) Any Unit encumbered the Mortgage held by such Mortgagee, if the amount involved in such damage, loss, or taking is 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 Association learns of such damage, loss, taking or anticipated condemnation.

No provision of this Declaration gives or may give a Unit Owner or any other party priority over any rights of Mortgagees pursuant to their respective Mortgages in the case of a distribution to Unit Owners of insurance proceeds or condemnation awards for loss to or taking of Units and/or the Common Areas.

Any Mortgagee which obtains title to the Unit encumbered by its Mortgage pursuant to the remedies provided for in said Mortgage, pursuant to foreclosure of said Mortgage, pursuant to exercise of a power of sale available under said Mortgage, or pursuant to deed or assignment in lieu of foreclosure, shall be exempt from and shall in no way be governed by or subject to any "right of first refusal" which may be contained in or provided for in this Declaration.

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 XV, 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 Association with respect to the subject concerned.

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

XV. AMENDMENT

15.1 Except as provided in and/or subject to the terms of items (a) through (c) below, the vote of at least sixty-seven percent (67%) of the Percentage Interest in the Common Areas shall be required to amend this Declaration or the Map. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Association. In such instrument the Committee shall certify that the vote required by this Article for amendment has occurred. The foregoing right of amendment shall, however, be subject to the following:

(a) Any amendment to the foregoing Article XV ("Mortgagee Protection") shall be subject to the matters treated by the last Paragraph of said Article.

(b) Declarant shall have the right unilaterally to amend and supplement this Declaration and the Map in conjunction with its each and every conversion of the Convertible Spaces, all in the manner and to the extent, but only in the manner and to extent, provided for in Article VI.

(c) Until the Declarant has sold all Units (including Units converted from Convertible Spaces) which it intends to sell to purchasers, no amendment to the Map or to any provision of this Declaration which has or may have the effect of diminishing or impairing any right, power, authority, privilege, protection, or control accorded to Declarant (in its capacity as Declarant) herein shall be accomplished or effective unless the instrument through which such amendment is purported to be accomplished is consented to in writing by the Declarant.

XVI. GENERAL PROVISIONS

16.1 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.

16.2 Alterations by Declarant. For two (2) years immediately 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 such change shall be reflected by an Amendment of this Declaration and of the Map, which may be executed by the Declarant alone, notwithstanding anything herein to the contrary.

16.3 Covenants to Run With Land. This Declaration and all the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of Declarant, all other signatories hereto, all parties who hereafter acquire any interest in a Unit or in the Project, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. Each Owner or occupant of a Unit shall comply with, and all interests in all Units shall be subject to, the terms of this Declaration and the provisions of any rules, regulations, agreements, instruments, supplements, amendments, and determinations contemplated by this Declaration. Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunctive relief or

both, maintainable by the Association on behalf of the Owners, or, in a proper case, by an aggrieved Owner. By acquiring any interest in a Unit or in the Project, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

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

16.5 Owner's Obligations Continue. All obligations of the Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may have leased or rented said interest, but the Owner of a Unit shall have no obligation for expenses or other obligations accruing after he conveys such Unit.

16.6 Owner's Obligations Continue. All obligations of the Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may have leased or rented said interest, but the Owner of a Unit shall have no obligation for expenses or other obligations accruing after he conveys such Unit.

16.7 Interpretation. To the extent the provisions of the Act are consistent with this Declaration, such provisions shall supplement the terms hereof and are incorporated herein. The captions which precede the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both other genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or unenforceability of the remainder hereof.

16.8 Agent for Service of Process. Von Callister, 405 South Main, Salt Lake City, Utah, is the person to receive service of process in the cases authorized by the Act. The Association shall, however, have the right to appoint a successor or 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.

