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L. DIXON
RECORDER
LAKE COUNTY,
UTAH

DECLARATION OF CONDOMINIUM

FOR

THE GATEWAY

A Condominium Project
on Leased Ground

APPROVED

APR 1 1986

CITY RECORDER

March 26, 1986

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EXHIBIT "A"

UNIT NO., UNDIVIDED OWNERSHIP INTEREST, VOTES

EXHIBIT "B"

DESIGNATED PARKING STALLS AND STORAGE COMPARTMENTS

EXHIBIT "C"

BYLAWS OF THE GATEWAY OWNERS ASSOCIATION

APPROVED

APR 1 1986

DECLARATION OF CONDOMINIUM
FOR
THE GATEWAY

CITY RECORDER

A Condominium Project*

THIS DECLARATION OF CONDOMINIUM is made and entered into as of this 26th day of March, 1986 by ZIONS SECURITIES CORPORATION, a Utah corporation, hereinafter referred to as the "Declarant".

RECITALS

A. Descriptive of Land. The condominium project that is the subject of this Declaration is situated in and upon the following described real property (the "Property") situated in the City and County of Salt Lake, State of Utah as said Property is more particularly described as follows:

Beginning at the northwest corner of Lot 9, Block 1, Plat I, Salt Lake City Survey and running thence North 89°58'42" East along the north line of said Block 181.50 feet; thence South 0°07'33" West 120.00 feet; thence South 89°58'42" West 2.21 feet to a point on a 43.50 foot radius curve, the center of which bears North 71°31'10" West; thence Southwesterly along arc of said curve to the right through a central angle of 69°38'48" a distance of 52.88 feet; thence South 19°16'33" West 1.85 feet; thence North 70°43'27" West 29.67 feet; thence North 89°52'27" West 110.88 feet to the west line of said Block 1; thence North 0°07'33" East 141.33 feet to the beginning. Contains 25777.0 square feet or 0.5918 Acres.

B. Owner of Property. Deseret Title Holding Corporation, a Utah corporation, (the "Property Owner") is the owner in fee simple of the Property described in Recital "A".

C. Lease of Property. Declarant is entitled to the exclusive use and occupancy of the Property strictly in accordance with the terms and conditions of that certain Ground Lease, which in

*Note: This condominium project has been constructed on leased property and is therefore subject to a ground lease as more fully explained herein.

This Declaration requires every owner of a condominium unit to notify the fee owner of the real property if the owner intends to sell its condominium unit and reserves unto such fee owner the right to purchase any condominium unit at the same price and terms as it is to be sold to any other party. Reference must be made to Article XIX for the full text of such provisions.

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accordance with the terms and conditions thereof, shall be effective as of March 2, 1986 (the "Master Lease") wherein Deseret Title Holding Corporation is the "Landlord" and Declarant is the "Tenant". A Memorandum of Ground Lease has been recorded in the Salt Lake County Recorder's Office, State of Utah on March 25, 1986, as Entry No. 4219475, in Book 5748 beginning at Page 1914. The Property Owner has demised the Property to Declarant in accordance with the provisions of the Master Lease.

D. Building and Improvements. The Declarant has undertaken to improve the Property by constructing thereon a Building (as defined herein) which is to be used primarily as a residential condominium project and also for limited commercial purposes and certain other Improvements (as defined herein) incidental to the use and enjoyment thereof, all as more particularly herein described.

E. Record of Survey Map. The Declarant intends to execute, acknowledge and record in the office of the County Recorder of Salt Lake County, State of Utah, a certain instrument pertaining to the Property and Improvements entitled "Record of Survey Map for The Gateway, a condominium project on leased ground."

F. Intent and Purpose. In order to create a condominium project consisting of the Property and the Improvements to be constructed thereon, the Declarant hereby submits all of its interest in said Property and Improvements to the provisions of the Condominium Act as a condominium project and does impose upon said Property mutually beneficial restrictions under a general plan of improvement for the benefit of the Property, the Building and Improvements constructed thereon and each individual Owner thereof. Deseret Title Holding Corporation joins in said submission during the term of the Master Lease, together with any and all extensions thereof.

NOW, THEREFORE, the Declarant does hereby make, and Deseret Title Holding Corporation does hereby consent to, the following declaration:

ARTICLE I

DEFINITIONS

1.01 Defined Terms. Unless the context clearly indicates otherwise, certain terms as used in this Declaration and the foregoing Recitals shall have the meanings set forth in this Article I.

1.02 "Assessments" shall have the meaning ascribed to it in Article XII herein and shall include any and all charges levied by the Association for the operation and maintenance of the Project.

1.03 "Association" shall mean The Gateway Owners Association, a Utah non-profit corporation, organized to be the Association referred to herein.

1.04 "Board of Trustees" shall mean the governing board of the Association, appointed or elected in accordance with this Declaration and the Articles of Incorporation and Bylaws of the Association.

1.05 "Bylaws" shall mean the Bylaws of the Association, recorded in the office of the County Recorder for Salt Lake County, State of Utah attached hereto as Exhibit "C" and by this reference made a part hereof, as same may be amended from time to time in accordance with the provisions thereof and recorded in the office of said County Recorder, as required under the provisions of the Condominium Act.

1.06 "Building" shall have the same meaning as the term the Condominium Building.

1.07 "Commercial Condominium" shall mean a Condominium in the Project consisting of a Commercial Unit as identified on Exhibit "A" hereto and on the Map, together with all other incidents of ownership appurtenant to a Condominium as defined herein and subject to the provisions applicable to commercial ownership as described in Article VI hereof.

1.08 "Commercial Owner" shall mean the Owner of a Commercial Condominium.

1.09 "Commercial Trustee" shall mean the Trustee elected by the Commercial Owners in accordance with the Articles of Incorporation and the Bylaws of the Association.

1.10 "Commercial Unit" shall mean a Unit located on the first floor of the Building and designated as a Commercial Unit on the Map and identified in Exhibit "A" attached hereto.

1.11 "Common Areas" shall mean all physical portions of the Project, except all Units. Common Areas are identified on the Map as "Areas Under Common Ownership".

1.12 "Common Expense Fund" shall have the meaning ascribed to it in Section 12.02.02 herein.

1.13 "Common Facilities" shall mean all furniture, furnishings, equipment, facilities and other property whether real, personal or mixed and interest therein at any time leased, acquired, owned or held by the Association for the use and benefit of all Owners and all other property hereinafter purchased in accordance with this Declaration with monies from the Common Expense Fund. Common Facilities shall be deemed to be part of the Common Areas, except as otherwise expressly provided in this Declaration.

1.14 "Condominium" or "Condominium Unit" shall mean (i) the fee simple interest in and to a Unit; (ii) the fee simple ownership interest of the Percentage Interest in the undivided ownership in the Common Areas appurtenant to such Unit; and (iii) the undivided

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interest (expressed as a percentage of the entire leasehold estate demised under the Master Lease) in the Leasehold appurtenant to such Unit, as set forth in Section 4.10 herein. The term Condominium Unit shall include both Residential Condominiums and Commercial Condominiums.

1.15 "Condominium Act" shall mean the Utah Condominium Ownership Act and any amendments thereto as set forth in Title 57, Chapter 8, Utah Code Annotated.

1.16 "Condominium Building" shall mean that certain Building constructed upon the Property and which contains a total of fifty-five (55) Residential Condominiums and three (3) Commercial Condominiums, as said Building is shown on the Map and described herein.

1.17 "Condominium Project" shall have the same meaning as the term Project.

1.18 "Declarant" shall mean Zions Securities Corporation, a Utah corporation, and its respective successors and assigns.

1.19 "Declaration" shall mean this Declaration of Condominium for The Gateway, a condominium project.

1.20 "Improvements" shall mean all structures, walkways, driveways, patios, fences, decorative planters, light posts and other similar or dissimilar improvements which have been constructed or installed upon the Property and which are not included with the Building.

1.21 "Leasehold" shall mean the leasehold estate of Declarant under the terms of the Master Lease.

1.22 "Limited Common Areas" shall have all the attributes of Common Areas, including, without limitation, common ownership and common maintenance thereof, except that Limited Common Areas shall be Common Areas that have been designated for exclusive use by the Owner or Owners of a particular Unit or Units or for the non-exclusive use by a designated group of Owners as more particularly described in Section 4.09 hereof. Limited Common Areas are identified on the Map as "Areas Under Limited Common Ownership". Structural separations between Units or the space which would be occupied by such structural separations may become Limited Common Areas for the exclusive use of the Owner or Owners of the Units on either side thereof.

1.23 "Maintenance Fee" shall have the meaning ascribed to it in Article XII herein.

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

1.25 "Map" shall mean the "Record of Survey Map for The Gateway, a condominium project on leased ground," pertaining to the Project and to be recorded in the Office of the County Recorder of Salt Lake County, State of Utah and referred to in Recital "E" hereof.

1.26 "Master Lease" shall mean that certain Ground Lease referred to in Recital "C" hereof.

1.27 "Member" and "Membership" shall have the meaning ascribed to them in Section 10.02 herein.

1.28 "Mortgage" shall mean any mortgage, deed of trust or other security instrument, by which a Condominium or any part thereof or any interest therein is encumbered.

1.29 "Mortgagee" shall mean (i) any person named as the mortgagee or beneficiary under any Mortgage by which the interest of any Owner is encumbered or (ii) any successor to the interest of such person under such Mortgage.

1.30 "Owner" shall mean the person or entity, including Declarant, owning a Condominium in the Project, as such ownership is shown upon the records of the County Recorder of Salt Lake County, State of Utah. The term Owner shall not refer to any Mortgagee (unless such Mortgagee has acquired title for other than security purposes) or to any person or persons who shall temporarily occupy a Condominium under any other arrangement or agreement or any person or entity which shall be purchasing a Condominium under contract until such contract is fully performed and legal title to the Condominium is conveyed of record.

1.31 "Percentage Interest" shall mean the portion of the undivided ownership interest in the Common Areas expressed as a percentage of the entire ownership interest in the Common Areas of the Project which shall be appurtenant to each respective Unit and owned by each respective Owner as a tenant in common with all other Owners, as said undivided ownership interest is set forth on Exhibit "A" attached hereto.

1.32 "Project" shall mean the Property, the Building and any and all other Improvements located on the Property which have been submitted by this Declaration and the Map to the provisions of the Condominium Act as same is described herein and shown on the Map.

1.33 "Property" shall mean that certain real property referred to in Recital "A" hereof and as more particularly described therein.

1.34 "Property Owner" shall mean Deseret Title Holding Corporation, a Utah corporation, or its successors or assigns.

1.35 "Regular Assessments" shall have the meaning ascribed to it in Section 12.02 herein.

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1.36 "Residential Condominium" shall mean a Condominium in the Project consisting of a Residential Unit as identified on Exhibit "A" hereto and on the Map, together with all other incidents of ownership appurtenant to a Condominium as defined herein and subject to the provisions applicable to residential ownership as described in Article V herein.

1.37 "Residential Owner" shall mean the Owner of a Residential Condominium.

1.38 "Residential Trustees" shall mean the Trustees elected by the Residential Owners in accordance with the Articles of Incorporation and Bylaws of the Association.

1.39 "Residential Unit" shall mean a Unit located in the Building and not designated as a Commercial Unit on the Map and identified in Exhibit "A" hereto. Each Residential Unit is designated on the Map as "Unit 1-A," "Unit 1-B", and so forth.

1.40 "Rules and Regulations" shall have the meaning ascribed to it in Section 11.05 herein.

1.41 "Special Assessments" shall have the meaning ascribed to it in Section 12.03 herein.

1.42 "Total Votes" shall mean the total number of votes appertaining to all Condominiums in the Project as shown on Exhibit "A" hereto.

1.43 "Trustee" shall mean a member of the Board of Trustees which has been duly elected in accordance with the provisions of the Bylaws.

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

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ownership, which is identified on the Map with a Unit number, shall be part of that Unit for all purposes.

1.45 "Use Fees" shall have the meaning ascribed to it in Section 9.04 herein.

ARTICLE II

SUBMISSION, DIVISION & DESCRIPTION OF PROJECT

2.01 Submission by Declarant. The Declarant hereby submits its Leasehold interest in the Property, the Condominium Building, and all other Improvements now existing or hereafter made in or upon the Property to the provisions of the Condominium Act to be governed thereby and the provisions of this Declaration thereby creating condominium estates in each of the Condominiums located within the Project. All portions of the Project are and shall hereafter be held, conveyed, devised, mortgaged, encumbered, leased, rented, used, occupied, improved, and otherwise affected as a condominium project to be known as The Gateway. All of the Project is and shall hereafter be subject to the covenants, conditions, restrictions, uses, limitations, and obligations set forth herein, each and all of which are declared and agreed to be for the benefit of the Project and in furtherance of a plan for improvement of Property and a division of the Condominium Building into Condominiums. Each and all of the provisions hereof shall be deemed to run with the land and shall be a burden and a benefit to the Declarant, its successors and assigns, and to any person or entity acquiring or comprising the Project, and the heirs, personal representatives, successors, and assigns of any such person or entity. The foregoing submission is made subject to all patent reservations and exclusions, all easements and rights-of-way of sight or record, an easement for each and every pipe, line cable, wire, utility line, or similar facility which presently does or in the future may traverse or partially occupy the Property, 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.

2.02 Submission by Property Owner. The Property Owner hereby submits the Property to the provisions of the Condominium Act to be governed thereby and the provisions of this Declaration. This submission is made for the term of the Master Lease and any and all extensions and/or renewals thereof permitted under the terms thereof or evidenced by a writing signed by Property Owner. The expiration of said Master Lease in accordance to the provisions thereof shall constitute termination of this submission. Property Owner's execution hereof shall constitute its consent to permit the construction of the Project in accordance with the plan of development of Declarant, but shall not be construed to make Property Owner a party or participant of any nature whatsoever or however characterized in the development, construction, sale, marketing, ownership and/or operation of the Project or any part thereof. Property Owner shall have no liability, express or

implied, with respect to the design, construction and/or the operation of the Project.

2.03 Division into Condominiums. The Project is hereby divided into Condominiums, each such Condominium consisting of (i) the fee simple interest in and to a Unit; (ii) the fee simple ownership interest of the Percentage Interest in the undivided ownership in the Common Areas appurtenant to such Unit; and (iii) the undivided interest (expressed as a percentage of the entire leasehold estate demised under the Master Lease) in the Leasehold appurtenant to such Unit, as set forth in Section 4.10 herein.

2.04 Building and Improvements. The Building and Improvements which comprise the Project are depicted on the Map. The Building contains eight (8) stories above ground (including ground level) and two (2) sub-surface parking levels. There are fifty-five (55) Residential Condominiums and three (3) Commercial Condominiums and such other elevators, stairways, ramps, hallways, trash disposal, security mechanical, electrical, heating, air conditioning and service facilities as are diagrammatically depicted on the Map. The principal materials of which Building is constructed are steel reinforced poured concrete floors, walls and support columns with exterior brick veneer; interior partitions of aluminum and steel stud walls with gypsum wallboard and elevator shafts of precast steel reinforced concrete.

2.05 Description of Units. The Map contains the Unit number, location and calculated square footage contained within each Unit. The square footage shown for each respective Unit has been calculated using plans and specifications of the Project; and, in each instance, such calculations have been made from the interior unfinished surfaces of all exterior walls of the Building, to the interior unfinished surfaces of all interior walls which constitute a common wall between such Unit and any and all corridors, maintenance areas, elevator shafts, stairwells and/or other Common Areas, and to the center of any and all interior walls which constitute a common wall between such Unit and any other Unit, but without exclusion for any and all structural support columns, bearing walls, pipes, conduits, ducts, shafts, flues and other such Common Areas which may be contained within the perimeter description of such Unit. Such calculation does not include any Limited Common Areas which are intended for the use by the Owner of such Unit. All identifying numbers used on Exhibit "A" hereto shall correspond with Units so identified on the Map.

2.06 Description of Common Areas. The Map designates all Common Areas within the Project. The Map also designates all Limited Common Areas. Use of Common Areas and Limited Common Areas shall be in accordance with the provisions of Article IV hereof.

2.07 Recreational Amenities. The Project contains no recreational amenities, group meeting rooms or other similar common usage areas. As hereinafter set forth, a Residential Owner shall have the right to use certain amenities which may be constructed

upon certain real property located adjacent to the Project as said rights may from time to time be granted to all Residential Owners by agreement with the owners of such adjacent real property and any improvements constructed thereon. Declarant hereby specifically declares that it makes no representation, covenant and/or warranty with any person or entity with the respect to (i) the availability of any recreational amenity which may or may not be available to any Residential Owner; (ii) the type, size, description or nature of any such amenity; (iii) the continued availability of any usage which may, in the future, be obtained by the Residential Owners; or (iv) any other matters concerning same which are not specifically set forth herein.

ARTICLE III

NATURE OF LEASEHOLD CONDOMINIUM

3.01 Ownership of Property. The Property upon which the Project is located is owned in fee simple by the Property Owner, which has leased same to Declarant in accordance with the terms and conditions of the Master Lease specifically referred to in Recital "C" hereof. The expiration of the term of the Master Lease, without the extension thereof, or the exercise of certain rights of the Property Owner upon the non-payment of amounts required to be paid thereunder which will result in a forfeiture of Declarant's right to occupy the Property will, subject to the provisions of Section 3.03 hereof, terminate the right to occupy the Property, or any part thereof of any person who has obtained such rights by or through Declarant. No portion of the Property will be owned by the Declarant or any Owner. No Owner, including Declarant, shall have the right to redeem or purchase any reversions under the Master Lease.

3.02 Master Lease. The Master Lease has been recorded in the office of the Salt Lake County Recorder's office as set forth in Recital "C". The original term of the Master Lease shall expire March 1, 2046. The Master Lease may be renewed at the election of the Property Owner for successive terms of five (5) years for each such extension term. In the event that Property Owner shall elect not to extend the term of the Master Lease, Property Owner shall be required to purchase each and every Condominium in the Project from each respective Owner thereof, at a price which shall be determined in accordance with the provisions of the Master Lease. The Master Lease requires that the Property Owner notify each respective Owner of its intent to not extend the term of the Master Lease at least one (1) year prior to the expiration of the original term thereof or any extension period. Reference to the Master Lease must be made for the full text of such provisions.

3.03 Waiver by Property Owner. Property Owner, as evidenced by the signature hereon of its duly authorized representative, does hereby waive any and all rights it may have under the provisions of the Master Lease to terminate the leasehold interest of any Owner

who (i) makes timely payment of said Owner's share of the rent, as said share is more particularly set forth in Article XII, to the persons designated in this Declaration and (ii) is otherwise in compliance with all other terms and conditions of the Master Lease. Said waiver shall be construed to limit Property Owner only as required under the provisions of Section 57-8-10(6) of the Condominium Act and shall not be construed to constitute a waiver of any other rights of Property Owner to enforce the provisions of the Master Lease, provided that the rights set forth in this Section 3.03 shall be preserved.

3.04 Ownership of the Building and Improvements. The Building and Improvements are being constructed by and shall be initially owned by the Declarant. Under the provisions of the Master Lease, upon termination or expiration thereof, the ownership of the Building and Improvements shall automatically revert to the Property Owner; provided, however, the Master Lease contains provisions under which each respective Owner shall receive compensation for the value of its respective Condominium as said value is determined upon expiration of the term of such Master Lease. No portion of the Building or the Improvements may be removed by any Owner.

3.05 Agent for Master Lease. Each Owner, upon acceptance of a conveyance of a Condominium, appoints the Association as its agent to act for said Owner in any manner with respect to the Master Lease; including, without limitation, the negotiation of any amendments, extensions or renewals thereof, the payment of any and all sums to be paid thereunder and such other matters as may from time to time arise. For purposes of Section 3.03, payment by an Owner to the Association shall constitute payment to Property Owner for purposes of the waiver set forth in said Section 3.03; provided, however, that nothing contained herein shall be construed to limit or restrict any and all rights of Property Owner, short of termination of the occupancy of any Owner who is in compliance with the provisions of Section 3.03, to collect, by suit or otherwise against the Association, any and all amounts due and payable under the Master Lease. Nothing in this Section 3.05 shall be construed as to prohibit any Owner from negotiating directly with the Property Owner concerning the amount of the compensation which shall be paid to such Owner for said Owner's Unit upon expiration of the Master Lease.

ARTICLE IV

NATURE OF CONDOMINIUM OWNERSHIP

4.01 Separate Ownership. Each Condominium in the Project is and shall hereafter be a parcel of real property which may be separately held, conveyed, devised, mortgaged, encumbered, leased, rented, used, occupied, improved and otherwise affected in accordance with and subject to the provisions of this Declaration. A Condominium within the Project may be held or owned by any person

or entity, or in any combination thereof, in any manner which title to any other real property may be owned in the State of Utah, including without limitation, joint tenancy or tenancy in common.

4.02 Legal Description of Condominium. Every agreement or contract for the sale, conveyance or transfer of a Condominium and every other instrument affecting title to a Condominium in the Project may describe a Unit by its identifying number or symbol as indicated in this Declaration or as shown on the Map. Such description will be construed to describe the Unit, together with its appurtenant Percentage Interest in the undivided interest in the Common Areas and an assignment of an undivided interest in the Leaschold appurtenant to such Unit, as set forth in Section 4.10, and to incorporate all of the rights incident to ownership of a Condominium in the Project and all of the limitations on such ownership. The acceptance of any such conveyance shall be deemed to be an acceptance of all duties and responsibilities of the lessee/tenant under the Master Lease, but only with respect to each respective Owner's undivided interest appurtenant to said Owner's Unit.

4.03 Sale of Condominiums By Declarant. Declarant intends, but is not required, to sell each respective Condominium within the Project. Each such sale shall constitute a conveyance of all of the incidents of ownership associated with a Condominium, as defined herein. Nothing contained herein shall be construed to obligate Declarant to sell any or all of the Condominiums within the Project. Declarant shall have the right, in its sole and absolute discretion, to retain the ownership of any or all of the Condominiums, to enter into agreements with others for the occupancy thereof; provided, however that such ownership shall be in compliance with the provisions of this Declaration. Any decision by Declarant to not sell or otherwise convey any or all of the Condominiums within the Project shall not be construed to constitute any diminution in the value of the condominium of any other Owner.

4.04 Use and Occupancy. Subject to the limitations contained in this Declaration, each Owner shall have (i) the exclusive right to use and enjoy said Owner's Unit, (ii) the non-exclusive right to use and enjoy the Common Areas, (iii) the exclusive right to use and enjoy any Limited Common Areas designated for the exclusive use by the Owner of such Unit; and (iv) the non-exclusive right to use the Limited Common Areas designated for the exclusive use by the Owners of all Condominiums which are located on the same floor level of the Building. The use of a Residential Unit shall be subject to the provisions of Article V hereof. The use of a Commercial Unit shall be subject to the provisions of Article VI hereof.

4.05 Maintenance of Units. Each Owner shall have the exclusive right to paint, repaint, tile, wax, paper, carpet or otherwise decorate or redecorate the interior surfaces of the walls, ceilings, floors and doors forming the boundaries of his Unit and the surfaces of all walls, ceilings, floors and doors within such

boundaries. Each Owner shall keep the interior of his Unit including, without limitation, interior walls, interior and exterior windows, ceilings, floors and fixtures and appurtenances thereto in a clean and sanitary condition and in good repair. In the event that any such Unit shall develop an unsanitary or unclean 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 within fifteen (15) days after written notice thereof 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. In no event shall the Association, have any duty or obligation, express or implied, to correct or eliminate any such condition or state of disrepair.

4.06 Alteration. No Owner shall, without the express prior written consent of the Association in each specific instance, make or cause to be made any alteration, addition, or improvement in and to any walls, partitions, ceilings, floors, doors, electrical systems, plumbing or any other structural portions of said Unit or do any act that would impair the structural soundness or integrity of the Building or jeopardize the safety of persons or property within the Building.

4.07 Combining of Units. With the written consent of the Association, which consent shall not be unreasonably withheld, two or more Units may be utilized by the Owner or Owners thereof as if they were one Unit. To the extent permitted in the written consent of the Association, any walls, floors, ceilings or other structural separations between any two such Units, or any space which would be occupied by such structural separations, but for the utilization of the two Units as one Unit, may, for as long as the two Units are utilized as one Unit, be utilized by the Owner or Owners of the adjoining Units as Limited Common Areas, except to the extent that any such structural separations are necessary or appropriate, or contain facilities necessary or appropriate, for the support, use, or enjoyment of other parts of the Project. At any time upon the written request of the Owner of one such adjoining Units, any opening between the two Units, which, but for joint utilization of the two Units, would have been occupied by structural separation, shall be closed, at the equal expense of the Owner or Owners of each of the two Units. Nothing contained in this section shall be construed to permit the partition or partial division of any Unit or the combination of one Unit with less than all of another Unit.

4.08 Ownership and Usage of Common Areas. The Percentage Interest in the undivided interest in the Common Areas appurtenant to each Unit in the Project shall be set forth in Exhibit "A" hereto. The Percentage Interest shall have a permanent character and shall not be altered without the unanimous written consent of all Owners set forth in an amendment to this Declaration, duly recorded. Except as otherwise provided in this Declaration, any Owner shall be entitled to non-exclusive use of the Common Areas

(other than Limited Common Areas) in any manner that does not hinder or encroach upon the rights of other Owners and is not contrary to the Rules and Regulations promulgated by the Association. This Section 4.08 shall not be construed to permit an Owner to have unrestricted access to Common Areas within the Project which are intended to be used for storage, electrical, mechanical and other operational and maintenance functions commonly associated with operation of a building of this nature and the Association or the Manager shall have the right to restrict access to such areas within the Building, even though such areas are designated on the Map as Common Areas or Limited Common Areas. No Owner shall be entitled to use the roof of the Building for any purpose without the express prior written consent of the Association.

4.09 Use of Limited Common Areas. Any hallways or corridors designated on the Map as Limited Common Areas which are intended to provide access to and from elevators and/or stairways and any and all Units located on the same level of the Building on which such hallway or corridor is located, shall constitute Limited Common Areas for the use of any Owner of a Unit on such level and any of such Owner's guests and invitees, and such usage shall be non-exclusive with all other Owners of a Unit on such level. Any designated parking stall or storage compartment that is identified on the Map with the same number or designation by which a Unit is identified shall be Limited Common Areas for the exclusive use of the Owner of the Unit bearing the same number or designation. Any Limited Common Areas which are located within or which are required for access to and from areas designated on the Map as "Owner Storage" shall constitute Limited Common Areas for the use of any Owner whose designated storage compartment is located within such Owner Storage area and such usage shall be non-exclusive with all other Owners whose designated storage compartment is also located within the same Owner Storage area. Any balconies, patios, porches, doorsteps or other apparatus intended to serve an individual Unit, but located outside the boundaries of said Unit, shall constitute Limited Common Areas appertaining to such Unit exclusively, whether or not such apparatus is specifically so identified herein or on the Map and the Owner of the Unit which such Limited Common Areas are intended to serve shall be entitled to the exclusive use thereof.

4.10 Ownership of Leasehold. The undivided interest in the Leasehold which shall be appurtenant to each Unit in the Project shall be exactly equal to the Percentage Interest appurtenant to such Unit. Such percentage of the undivided interest in the Leasehold shall have a permanent character and shall not be altered without the unanimous written consent of all Owners set forth in an amendment to this Declaration, duly recorded. The total of the percentages of the Leasehold which are appurtenant to the Units shall equal one hundred percent (100%). Any and all payments and expenses required to be paid by the Tenant under the terms of the Master Lease shall be apportioned among and assessed to all Owners in proportion to their respective undivided interest in the Leasehold. Each Owner's use of its appurtenant percentage of the Master Lease shall be non-exclusive and shall be specifically

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limited to using same in conjunction with all other Owners to collectively permit the construction, maintenance, ownership and operation of the Project upon the Property.

4.11 Inseparability. Title to no part of a Condominium in the Project may be separated from any other part thereof, and each Unit, the Percentage Interest in the undivided interest in the Common Areas appurtenant to such Unit and the undivided percentage interest in the Leasehold appurtenant to such Unit shall always be conveyed, devised, encumbered and otherwise affected only as a complete Condominium. Every lease, devise, encumbrance, conveyance, or other disposition of a Condominium, or any part thereof shall be construed to be a lease, devise, encumbrance, conveyance or other disposition, as applicable, of the entire Condominium, together with all appurtenant rights created by law or by this Declaration, including without limitation, appurtenant Membership in the Association. Furthermore, none of the interests in a Condominium may be separated in any manner which would attempt to separate the benefits and burdens associated therewith in any way.

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

4.13 No Subdivision or Timesharing. No Owner shall cause a Condominium to be divided or occupied in any manner which would provide that the exclusive use, occupancy or possession of the Condominium circulate among more than one (1) Owner or occupant or in any other manner which would violate the applicable ordinances of the applicable governmental authority. Any arrangement, however denominated, which would provide for a timesharing arrangement of any nature whatsoever shall be prohibited.

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

4.15 Separate Taxation. Each Condominium within the Project, including each Unit and appurtenant undivided interest in the Common Areas, shall be deemed to be a parcel and shall be assessed separately for all taxes, assessments, and other charges of the State of Utah or of any political subdivision or of any special improvement district or of any other taxing or assessing authority in accordance with the provisions of Section 57-8-27 of the Condominium Act. For purposes of such assessment, the valuation of

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the Common Areas shall be apportioned among the Units in proportion to the Percentage Interests appurtenant to each respective Unit. All such taxes, assessments, and other charges on each respective Condominium shall be separately levied against the Owner thereof, so long as same may be separately assessed under the provisions of said Section 57-8-27. At such time as said taxes and assessments shall not be separately levied then, to the extent that the Association shall be able to determine the portion of such taxes and assessments which have attributed by the appropriate governmental authority to each respective Condominium, each respective Owner shall remain responsible to pay same and such amounts shall be included within and considered, for all purposes, including the collection thereof, an Assessment. In the event that no such determination may be made, then the total of said taxes and assessments shall be levied against the Project as a whole and said taxes and assessments shall become part of the Common Expense as set forth in Article XII hereof and shall be apportioned among the Owners, as provided in Section 12.02.02. No forfeiture or sale of any Condominium for delinquent taxes, assessments, or other governmental charges shall divest or in any way affect the title to any other Condominium.

4.16 Mechanics' 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 contractor shall create any right to file a statement of mechanic's lien against the Unit of any other Owner not expressly consenting to or requesting such labor or material or against any interest in the Common Areas, except the undivided interest in the Common Areas appurtenant to the Unit of the Owner for whom such labor or materials, respectively, shall have been performed or furnished.

ARTICLE V

RESIDENTIAL CONDOMINIUMS

5.01 Use of Residential Unit. Each Residential Unit in the Project shall be used exclusively as a private single family residence and shall be restricted to such use. No Residential Unit shall be used for any business, industrial, or commercial purpose; provided, however, that (i) Residential Owners may rent or lease their Residential Units in accordance with the provisions of this Declaration; and (ii) the Declarant, its successors or assigns, may temporarily use any Residential Unit or Units for sales models or sales offices, provided that upon cessation of such temporary sales usage, such Units shall be returned to residential use and may not be used for any nonresidential use without first, obtaining a formal modification of Salt Lake City Board of Adjustment Case Nos. 9112 and 9531, as required by the then applicable procedures of the applicable government agency; and, second obtaining the prior written consent of the Association.

5.02 Children Restricted. No children under fourteen (14) years old shall reside or be permitted to reside in any Residential Unit in the Project; provided, however, that (i) children under

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fourteen (14) years old will be permitted to visit for stays not to exceed thirty (30) days in any sixty (60) day period, and (ii) a child born to a resident of a Residential Unit will be permitted to reside in such Residential Unit until the child is two (2) years old.

5.03 Leasing Restricted. No Residential Owner shall lease his Residential Unit for transient or hotel purposes, nor shall any Residential Owner lease less than his entire Residential Unit. If a Residential Owner leases his Residential Unit, then: (i) the Residential Owner shall promptly notify the Association thereof in writing, (ii) the Residential Owner shall provide to the Association the name of the tenant under such lease and the address of the Residential Owner during the term of the lease, and (iii) the lease shall include or be deemed to include a covenant on the part of the tenant substantially as follows: "Tenant agrees with the landlord (Owner) and with and for the benefit of the Association that during the term of this lease, tenant and his family and guests from time to time will use and occupy the premises and all parts of the Project in strict compliance with the Condominium Act, the Declaration, the Bylaws of the Association and all Rules and Regulations from time to time adopted by the Association as fully as if tenant were a Residential Owner." As used in this section, the term lease shall include a lease, rental arrangement, license, or other arrangement for third party use of a Residential Unit. Any Owner who shall lease his Residential Unit in accordance with the provisions of this Declaration shall remain personally liable in the manner set forth in this Declaration for any and all charges, costs and expenses properly charged against said Residential Unit during the time the occupancy of any lessee of said Owner.

5.04 Rules and Regulations. Each Residential Owner shall comply strictly with all Rules and Regulations adopted by the Association for the governance of the Units, the Common Areas, the Limited Common Areas, the Project, and all parts thereof, as such Rules and Regulations may from time to time be modified, amended, and construed by the Association.

5.05 Parking and Storage. Each Residential Condominium shall include, as Limited Common Area appurtenant to such Condominium, one (1) parking stall and one (1) locking storage compartment. Each Owner shall be entitled to the exclusive use of such parking stall and storage compartment which use shall be in compliance with the provisions of this Declaration. The parking stall and storage compartment which are appurtenant to each Residential Condominium shall be designated on Exhibit "B" attached hereto. The numerical designation of the parking stall and the storage compartment which are set forth in Exhibit "B" corresponds with the numerical designation for such parking stall and storage compartment on the Map.

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ARTICLE VI

COMMERCIAL CONDOMINIUMS

6.01 Use of Commercial Units. All Commercial Units in the Project shall be used exclusively for business offices, banking and financial facilities, data processing facilities and offices, travel agencies, brokerage offices, property management offices, sales offices, professional offices, restaurants or food service facilities, retail shops or stores, medical or dental offices, theatres, recreation facilities, entertainment facilities, or for similar commercial or retail purposes. No Commercial Unit within the Project shall be used for industrial or manufacturing facilities. Any use of a Commercial Unit shall be in strict compliance with any and all applicable zoning and/or licensing ordinances of the applicable governmental entity or agency.

6.02 Leasing. A Commercial Owner may from time to time lease all or any part or parts of his Commercial Unit; provided, however, that (i) the Commercial Owner shall promptly notify the Association of each such lease in writing, (ii) the Commercial Owner shall provide to the Association the name of the tenant under each such lease and the current address of the Commercial Owner, (iii) each such lease shall include or be deemed to include a covenant on the part of the tenant substantially as follows: "Tenant agrees with the landlord (Commercial Owner) and with and for the benefit of the Association that during the term of this lease, tenant will use and occupy the premises and all parts of the Project in strict compliance with the Condominium Act, the Declaration, the Bylaws of the Association, and all Rules and Regulations from time to time adopted by the Association as fully as if tenant were a Commercial Owner"; and (iv) shall provide that the customers guests, invitees and patrons of the business being conducted within each respective Commercial Unit shall use the exterior entrances to each respective Commercial Unit and that such persons, unless said persons are Owners or the lessees or tenant of such Owner, shall not be entitled to use any portion of the Common Areas of the Project, except such portions as shall be located outside the Building adjacent to dedicated public rights of way, and as may be reasonably necessary to provide ingress and egress to and from a Commercial Unit. Each Commercial Unit shall have a continuing easement for ingress and egress over and across all such exterior Common Areas. As used in this section, the term lease shall include a lease, rental arrangement, license, or other arrangement for third party use of a Commercial Unit or any part or parts thereof.

6.03 Rules and Regulations. Each Commercial Owner shall comply strictly with all Rules and Regulations adopted by the Association for the governance of the Units, the Common Areas, the Limited Common Areas, the Project, and all parts thereof, as such Rules and Regulations may from time to time be modified, amended and construed by the Association.

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6.04 Rights of Tenants of Commercial Units. A Commercial Owner may, in accordance with its written agreement with its tenant, transfer any and all of its rights to use and occupy a Commercial Unit to its tenant; provided, however, that no person shall be entitled to cast the votes applicable to such Commercial Unit without complying with the provisions hereof with respect to the form, content and presentation of proxies. Said Commercial Owner shall be responsible to notify the Association of the nature of the rights being granted to a tenant by such Commercial Owner.

6.05 Rights of Commercial Owners. Notwithstanding any other provision of this Declaration, any Commercial Owner shall be entitled to remodel and renovate the interior of said Commercial Owner's Unit in order to meet valid business purposes, including, without limitation, the combining of Commercial Unit B and Commercial Unit C, without first obtaining approval from the Association; provided, however, that such remodeling and renovation shall not interfere with the normal incidents of residential ownership and shall not impair the structural integrity of the Building.

6.06 Provisions Applicable to Commercial Owners. No Commercial Owner shall be entitled to any reciprocal use rights that may accrue to Residential Owners pursuant to Article IX hereof. Each Commercial Owner shall be required to maintain any and all insurance coverage normally associated with the conduct of its business, and shall, and hereby does, agree to indemnify and hold the Association harmless from any and all claims costs and expenses, including attorneys fees, incurred by reason of any claim derived from the conduct of any business in said Owner's Commercial Unit. Each Commercial Owner shall be specifically responsible to pay any and all costs and expenses associated with the repair and replacement of any and all windows contained within each Commercial Unit. All commercial activities shall be conducted within the boundaries of the Commercial Units, except as may be otherwise permitted upon the express prior authorization of the Association. The Association shall not be responsible for, nor shall it maintain, any security personnel or systems for any Commercial Unit, except as may be incidental to any security being provided for all Owners.

6.07 Parking and Storage. Each Commercial Condominium shall include, as Limited Common Area appurtenant to such Condominium, a minimum of one (1) parking stall and one (1) locking storage compartment. The parking stall and storage compartment which shall be appurtenant to each Commercial Condominium are designated on Exhibit "B" attached hereto. The numerical designation of the parking stall and the storage compartment which are set forth in Exhibit "B" corresponds with the numerical designation for such parking stall and storage compartment on the Map.

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ARTICLE VII

PROJECT RESTRICTIONS

7.01 General Limitations. No noxious or offensive activity shall be carried on, in or upon any part of the Project, nor shall anything be done or placed in or upon any part of the Project which is or may become a nuisance or which may cause unreasonable disturbance or annoyance to Owners generally. No activity shall be conducted, nor improvements constructed in or upon any part of the Project which are or may become unsafe or hazardous to any person or property. No person shall conduct any activity which shall be in violation of law or ordinance of any municipal or state government which shall be applicable to the Project which law or ordinance may now or may in the future exist.

7.02 Smoking or Drinking in Common Areas. No Owner, or any guest or invitee of any Owner, nor any other person shall be permitted to use or consume, nor permit to be used or consumed in or upon any part of the Common Areas or Limited Common Areas (i) any alcoholic beverages or products or any other beverage or drink which shall contain alcohol; (ii) any tobacco products of any nature whatsoever, smokeless or otherwise, including, without limitation, cigarettes, cigars and/or pipes; and (iii) use or consume any other substance of whatever nature that shall be in violation of any law or regulation which shall be applicable to the Project and its Owners, occupants and their guests. Such restrictions shall apply to any and all persons who shall occupy any Unit pursuant to any agreement with any Owner.

7.03 Window Coverings. All window coverings visible from the outside of a Unit must be of a white or neutral color and must be approved in writing by the Association. No treatment of exterior windows (including tinting, mirror finish, sunscreen applications, etc.), shall be permitted without the prior written approval of the Association.

7.04 Pets or Animals. No pets or animals of any kind or nature whatsoever, shall be permitted in any Unit in the Common Areas or in any other part of the Project, except upon the express prior written consent of the Association.

7.05 Alteration of Common Areas. No Owner shall, without the prior written consent of the Association in each specific instance, make or cause to be made any alteration, addition or improvement in or to the Common Areas or Limited Common Areas or any part thereof, or do any act that would impair the structural soundness or integrity of the Buildings or jeopardize the safety of persons or property or impairing any easement or hereditament appurtenant to the Project.

7.06 Obstruction of Common Areas. No Owner shall obstruct the Common Areas or any part thereof. No Owner shall store or cause to be stored in the Common Areas or Limited Common Areas (except the

storage compartments), any property whatsoever, unless the Association shall consent thereto in writing.

7.07 Display of Signs. No signs, flags, or advertising devises of any nature, including without limitation, commercial, political, informational or directional signs or devises shall be erected or maintained in any part of the Project without the express prior inspection and written approval of the Association (except as may be necessary to temporarily caution or warn of danger). If the Association consents to the erection of any such signs or devises, the same shall be removed promptly at the request of the Association. Notwithstanding any other provision hereof, the Declarant shall have the right to install advertising and directional signs in the Project during the sales period. No Commercial Owner shall have the right to install advertising signs on the exterior of the Building or upc the windows within its Commercial Unit without the express prior written consent of the Association, which consent shall not be unreasonably withheld in light of the commercial uses for which the Commercial Units are intended. Any sign authorized in accordance with this Section 7.07 must also comply with any and all applicable ordinances of the applicable municipal government.

7.08 Use of Balconies. No Owner shall permit or store or cause to be stored any property on any balcony which shall be designated a Limited Common Area for said Owner's Unit. No Owner shall cause or permit anything (including without limitation, signs, awnings, sunscreens, canopies, shutters, radio or television antennas, satellite transmission or receiving dishes or other facilities, bicycles, exercise equipment, towels, rugs, or any other materials) to be displayed, hung, draped, affixed, or to be otherwise placed on any balcony. It is expressly understood that each and every balcony for which access is available only through an open window, has been constructed for the purpose of providing access to the exterior of windows for the maintenance thereof and that no such balcony shall be used for the placement of any items whatsoever without the express prior written consent of the Association. Balconies for which access is available through sliding glass doors may be used for such purposes as may be normally associated with the use thereof; provided, however, that said balcony shall not be used for storage and that any items placed thereon for the usage thereof shall be neutral in color and shall not be in excess of forty inches (40") in height from the surface of said balcony. Any and all plants placed in the planter boxes shall be maintained by each respective Owner free and clear of weeds; shall not be permitted to grow in excess of forty inches (40") in height when measured from the surface of said balcony; shall not be permitted to attach itself or be attached to any part of the Building or the balcony railings; and shall be removed at the end of the applicable growing season.

7.09 Overloading of Units. 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 the floor of

his Unit. No Owner shall permit the use or operation of his Unit or any equipment, machinery or other apparatus that will in any manner injure, vibrate or shake the Building or any portions thereof.

7.10 Dangerous Activities. Except with the prior written consent of the Association, nothing shall be done or kept in any Unit in the Common Areas or in the Limited Common Areas or in any other part of the Project that would result in cancellation of the insurance on the Project or any part thereof, nor shall anything be done or kept in any Unit that would increase the rate of insurance on the Project or any part thereof over that which the Association, but for such specific activity, would pay. Nothing shall be done or kept in any Unit or in any Common Areas or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed and applicable requirement of any governmental authority. No damage to or waste of the Common Areas or any part thereof shall be committed by any Owner or guest of any Owner and each Owner shall indemnify and hold harmless the Association and all other Owners from and against any and all losses resulting from such damage or waste caused by such Owner or the guest, tenants, licensees or invitees of such Owner.

7.11 Compliance With Agreements. Each Owner shall comply strictly with all lawful covenants, conditions and restrictions contained in any easement agreement entered into by the Association in conjunction with the use of the Project or any Improvements, amenities or other facilities located adjacent thereto.

7.12 Use of Parking Facilities. Parking stalls shall be used exclusively to park motor vehicles owned or operated by the Owners. No Owner shall use, or permit its assigned parking stall to be used for any purpose except the parking of operable motor vehicles without the express prior consent of the Association. All persons operating a motor vehicle upon the Premises shall be subject to obey posted parking regulations and the Association shall have the right to promulgate such Rules and Regulations as may be necessary to provide for the safe use of motor vehicles upon the Project. No motor vehicle, trailer, or similar vehicle belonging to an Owner or his guests, tenants, licensees or invitees, shall be parked in such a manner as to impede or prevent ready access to any other Owner's parking space or those portions of the Project reserved for the ingress or egress of motor vehicle or pedestrian traffic. No Owner shall use nor permit his guests, tenants, licensees or invitees to use parking assigned to any other Owner.

7.12.01 Condition of Vehicles. No Owner shall permit any vehicle which is parked within its designated stall to be in or become in any state of disrepair. Any vehicle which, in the opinion of the Board of Trustees, shall be in an unacceptable state of disrepair shall be removed by said Owner within ten (10) days of notice from the Board of Trustees to remove same. Upon an Owner's failure to remove same, the Board of Trustees shall have the right to remove and store said vehicle at said Owner's sole cost and expense, which cost and expense shall be a lien against said Owner's

Condominium as provided by Section 12.05 hereof. No Owner, its guest or invitees shall use any portion of the Project for any mechanical work, or maintenance upon any motor vehicle, except emergency repairs necessary to make such vehicle operable.

7.12.02 No Open Storage. No parking stall, or any part thereof, shall be used for open storage of any kind.

7.12.03 Permitted Storage. An Owner may be permitted to construct or cause to be constructed strictly within the boundaries of the parking stall assigned to such Owner, certain storage facilities, provided that such storage facilities shall: (i) be constructed only upon the express prior written consent of the Association; (ii) not impair the use of any parking stall adjacent thereto; (iii) be completely enclosed and finished, including without limitation, the painting of all visible portions thereof; (iv) not impair or damage the structural integrity of the Building; (v) not impair access to any mechanical components of the Project; (vi) not violate any code or ordinance of the applicable municipal authority; (vii) be constructed and maintained at the sole cost and expense of the Owner thereof; and (viii) be subject to and in strict compliance with any and all requirements of the Association. Any and all decisions of the Association shall be final and such decisions of the Association shall first seek to preserve the appearance and utilization of the parking areas of the Project for the intended use thereof. The Owner shall be strictly responsible for any loss or damage to any and all items stored within any such approved area and the Association shall have no duty, express or implied, with respect to same. Upon removal of any storage facility constructed in accordance with the provisions hereof, the Owner thereof shall be responsible to restore the Project to the condition it was in prior to the construction thereof.

7.13 Use of Storage Compartments. No Owner shall use or permit its assigned storage compartment to be used for any purpose except the storage of personal property of said Owner. Nothing shall be stored within said compartment which shall be prohibited by this Declaration to be stored upon any other portion of the Project. Each Owner shall keep its storage compartment in a clean and sanitary condition. In the event that any such storage compartment shall develop an unsanitary or unclean condition or fall into a state of disrepair, the rights of the Association to correct the same conditions within a Unit as set forth in Section 4.05 hereof shall apply to such storage compartment. No person shall make any structural modifications to any storage unit without the prior written consent of the Association, provided that each Owner shall be entitled to install shelves or other storage facilities therein so long as such installation does not damage or otherwise interfere with the use of any other Owner's storage compartment. Each Owner shall be strictly responsible for any loss or damage to any and all items stored within its respective storage compartment. The Association shall have no duty, express or implied, to provide security for such storage compartments or the contents thereof. All

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insurance for any and all items of personal property stored upon the Project shall be maintained by each respective Owner thereof.

7.14 Rental of Parking and Storage. Any Owner may enter into any agreement with any other Owner, the Manager or the Association or a tenant/lessee of any Commercial Owner, but no other person, which agreement shall provide for the use of said Owner's assigned parking stall and/or storage compartment by such other Owner or the Manager or Association. Any Owner who enters into such agreement shall remain fully liable for the payment of any and all Assessments levied against such Limited Common Areas and the Association shall have no responsibility to collect same from any other person who may be the actual user thereof. No Owner may avoid or diminish any obligation with respect to such Assessments by the waiver, transfer or actual non-use of any such Limited Common Areas. No person who is not an Owner, the Manager, an employee of the Association or Manager, a tenant/lessee of any Commercial Owner or an employee thereof or the temporary guest or invitee of any of the above, shall be permitted to park any vehicle within the Project.

7.15 Construction Exemption. During the course of the actual construction of any of the permitted structures or Improvements within the Project, the provisions, covenants, conditions and restrictions contained in this Declaration shall be deemed waived to the extent reasonably necessary or convenient to permit such construction. It is provided, however, that during the course of such construction nothing shall be done which will result in a violation of any of said provisions, covenants, conditions or restrictions upon completion of the construction. Any person involved in the construction of any permitted structures or Improvements that shall cause damage to any portion of the Project shall be responsible to pay for the repair and/or replacement of such damage.

ARTICLE VIII

EASEMENTS

8.01 Easements Granted and Reserved. Each and every conveyance of a Condominium within the Project, whether by Declarant or any successor in interest of Declarant or any subsequent Owner or Owners of a Condominium shall be construed to include such grants and reservation of reciprocal easements as are provided for in this Declaration, even though no specific reference to such easements appear in any such conveyance.

8.02 Encroachments. If any part of the Common Area encroaches or shall hereafter encroach upon any Unit, 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 any portion of an adjoining Unit, an easement for such encroachment and for the maintenance of the same shall and does exist. Such encroachments shall not be

considered to be encumbrances either on the Common Areas or the Units, as applicable. Encroachments referred to herein shall include, without limitations, encroachments caused by error in the original construction of the Buildings or any Improvements constructed or to be constructed within the Project as shown on the Map, by error in the Map, by settling, rising or shifting of the earth or by changes in position caused by repair or reconstruction or the Project, or any part thereof, in accordance with the provisions of this Declaration.

8.03 Ingress, Egress and Support. Each Owner shall have the right to ingress and egress over, upon and across the Common Areas as necessary for access to such Owner's Unit and to any Limited Common Areas appurtenant to such Unit and shall have the right to horizontal, vertical and lateral support of such Unit and all of such rights shall be appurtenant to and pass with title to the Condominium.

8.04 Association's Rights of Association. The Association shall have an easement to make such use of the Common Areas as may be necessary or convenient to perform the duties and functions that it is obligated or permitted to perform pursuant to this Declaration, including, without limitation, the right to construct and maintain in the Common Areas (other than Limited Common Areas) facilities for use by Owners generally or by the Association and its agents exclusively.

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

8.06 Air Vent. The Property Owner does hereby grant unto the Association, for the benefit of the Project and all Owners, a perpetual easement for the maintenance and operation of an air vent and any and all structures and equipment related thereto, as same shall be shown and identified as an "Air Vent Easement" on Sheet 4 of the Map, in such dimensions as are shown thereon and to the depth below ground level as shall be required to permit the usage of the easement for the purpose it was granted. Property Owner and/or the Association shall have the right to modify from time to time the structure and/or configuration of such easement, provided that at

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all times the utilization of said easement for the purposes intended shall not be impaired.

8.07 Balcony. The Property Owner does hereby grant unto the Association, for the benefit of the Project, a perpetual air space easement for the ownership, usage, operation and maintenance of the balconies on the eighth level of the Project which extend outside the south property line of the Project, as said easement shall be shown and identified as a "Balcony Easement" on Sheet 11 of the Map. Said Balcony Easement shall be in such dimensions as are shown on the Map and in such depth as shall be reasonably necessary to permit the construction, maintenance and usage of such balconies.

8.08 Pedestrian Access. The Property Owner does hereby grant unto the Association, for the benefit of the Project and for the use and benefit of all Owners and their guests and invitees, a non-exclusive perpetual easement for pedestrian ingress and egress, as same shall be shown and identified as a "Pedestrian Easement" on Sheet 4 of the Map, and in such dimensions as are shown thereon. The Association shall have the right on behalf of all Owners to construct, maintain, repair and replace any and all sidewalks or other improved walkways, as it shall deem reasonably required to provide for the utilization of the easement granted by this Section 8.08. The Property Owner shall be entitled to assess to the Project an appropriate proportionate share of the cost and expense incurred by the Property Owner in constructing and/or maintaining any sidewalks or other improved walkways within said Pedestrian Easement and which the Owners have the right to use as part of said easement. The cost of any such assessment shall be changed to and apportioned among all Owners as a cost of maintaining the Projects and assessed as set forth in Article XII.

8.09 Passageway. There is hereby reserved and preserved unto The Corporation of the President of the Church of Jesus Christ of Latter-day Saints, a Utah corporation sole, (the "Corporation") an exclusive easement under and through such portions of the Project as may be legally required for the construction, ownership, operation and maintenance of a passageway through the exterior foundation wall of the Building on Parking Level 2, and through to the perimeter boundary of the Project as same shall be designated on Sheet 2 of the Map as the "Passageway Easement". Said Passageway Easement shall be maintained by said Corporation without cost or expense to the Association or any Owner. No Owner shall have the right to use or have access to the Passageway Easement without the express consent of the Corporation. The Corporation shall have the right to construct and/or install such doors, gates or other structures or facilities as it shall determine shall be reasonably necessary to restrict access to said easement; provided, however, that (i) no such structures shall impair any Owner's right to use any Common Area or Limited Common Areas to which it has a right to use; (ii) such structures or facilities shall be constructed and maintained without cost to any Owner; and (iii) the Corporation shall be responsible to repair any damage to the Project occasioned by such construction or installation. The Association shall execute

on behalf of all Owners such documentation as may be reasonably required by the Corporation to protect, preserve and maintain the Passageway Easement. The owner of the Passageway Easement shall have an easement over and across such portions of the Common Areas or Limited Common Areas, as may be reasonably required for the construction, ownership, utilization and/or maintenance of the Passageway Easement.

8.10 Utility Access. There is hereby granted and reserved unto such persons or entities as may be appropriate, a non-exclusive easement over and across such portions of the Common Areas and Limited Common Areas of the Project as may be required to provide access to any and all persons and/or entities that shall own or maintain electrical, natural gas, telephone and other utility transmission and distribution lines, conduits, meters, transformers, switches, valves or any other similar or dissimilar parts of systems that shall provide utilities to any part of the Project, as said access shall be actually necessary for the maintenance and operation of such facilities.

8.11 Temporary Construction. The Declarant shall have a temporary transferable easement over and on the Common Areas for the purpose of completing the construction of the Project and making improvements thereon as shown on the Map and all things reasonably necessary or appropriate in connection therewith. To the extent that damage is inflicted on any part of the Project by any person utilizing said easement, Declarant and the person causing the damage shall be liable to the Association for the prompt repair of such damage.

ARTICLE IX

ADDITIONAL USE RIGHTS

9.01 Apartment Project. Property Owner is also developing certain improvements on real property adjacent to the Project, which improvements are to be used and occupied as a residential apartment project to be known as the Eagle Gate Apartments (the "Apartment Project"). Declarant intends to grant certain easements over the Project to the Property Owner and the Property Owner intends to grant certain use rights to the Residential Owners all in accordance with provisions hereof. Such easements granted to Property Owner herein shall inure to the benefit of any successor in interest of Property Owner who shall own or operate the Apartment Project. To the extent required by law to grant, convey and/or reserve the rights set forth in this Article IX, Declarant and Property Owner do hereby agree that the rights and privileges set forth in this Article IX are hereby granted, conveyed and/or reserved, as applicable, all as hereinafter set forth.

9.02 Vehicle Right-of-Way Easement. Declarant hereby grants to Property Owner for the benefit and use of all occupants of the Apartment Project a non-exclusive easement for vehicular traffic over and across certain portions of the Project designated on Sheets

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1-4, inclusive, of the Map as a "Vehicle Right of Way Easement". Property Owner shall have the right to permit the occupants of all residential and commercial portions of the Apartment Project, and their guests and invitees to utilize the Vehicle Right-of-Way Easement for ingress and egress in such manner as may be reasonably required to permit such occupants and their guests and invitees vehicular access to the parking facilities which have been constructed for use by the occupants of the Apartment Project. The term occupant, as used in this Article IX, shall be deemed to include any and all residential and commercial occupants of the Apartment Project, together with the guests and invitees or said occupants and any other person or persons which shall have the right to obtain vehicular access to any and all parking facilities constructed upon the Apartment Project. Usage of the Vehicle Right-of-Way Easement by the occupants of the Apartment Project shall be non-exclusive in conjunction with such usage by the Owners and shall be subject to reasonable Rules and Regulations adopted from time to time by the Association regarding such usage and any and all security procedures adopted by the Manager or the Association. Said Vehicle Right-of-Way Easement shall be appurtenant to the Apartment Project and the rights thereto may be assigned by Declarant to any subsequent owner of the Apartment Project; provided, however, that said Vehicle Right-of-Way Easement may not be assigned, transferred or conveyed except as part of the ownership of the Apartment Project.

9.02.01 No access to Project. Except for the right-of-way for vehicular traffic over the Vehicle Right-of-Way Easement granted pursuant to Section 9.02, no tenant or occupant of the Apartment Project, or any of the guests or invitees thereof, shall have any right to park any vehicle upon any portion of the Project or to have any access to any part of the Project for any purpose whatsoever, except as an Owner or as a guest or invitee of an Owner.

9.02.02 Assessment for Vehicle Right-of-Way. The Property Owner, as owner of the Apartment Project, shall be responsible to pay to the Association a share of the cost of any and all expenses associated with the ownership, maintenance and operation of the Vehicle Right-of-Way Easement and security facilities associated therewith. Such costs and expenses shall be allocated and charged to the owner of the Apartment Project based upon the proportion that the vehicles from the Apartment Project which shall have the right to use such Right-of-Way Easement bears to the total number of vehicles which shall have such right. Said costs and expenses shall be billed to the owner of the Apartment Project by the Association at least annually and shall be due and payable by said owner in the same manner as any other Assessment levied by the Association pursuant to Article XII hereof. The Association shall be entitled to any and all rights and remedies at law or in equity to collect said assessment, except that this Declaration shall not be construed to create any right to lien the Apartment Project for any assessment not paid by the Property Owner, except as said lien may otherwise exist in law or in equity.

9.03 Right to Use Apartment Facilities. Property Owner hereby grants unto each Residential Owner, their guests and invitees, a right to use any and all areas and facilities within the Apartment Project which now exist, or which may in the future exist, for the non-exclusive use and benefit of all the occupants of the Apartment Project, which areas and facilities shall include by way of illustration and not limitation, the social, party or meeting rooms; exercise facilities and/or equipment; swimming pool, whirlpool and sauna and related facilities; outdoor courtyards, lawns, gardens and related facilities; any and all other facilities that may from time to time exist within the Apartment Project or any replacements or substitutions for same and such portions of hallways and corridors as may be necessary to gain access to such areas and/or facilities (the "Apartment Facilities"). Property Owner makes no representations or warranties with respect to whether or not any or all of such Apartment Facilities will be constructed or, if such are constructed, if same will be maintained. Property Owner specifically reserves the right to include within the Apartment Project such facilities as it may determine, in its sole discretion, are necessary and desirable for the operation of the Apartment Project. Property Owner does, however, hereby grant each Residential Owner the right to use any and all Apartment Facilities as may from time to time exist within the Apartment Project and such right may not be unilaterally withdrawn by Property Owner or its successors or assigns; provided, however, that such usage shall be strictly in accordance with such rules and regulations as may be applicable and uniformly applied to all persons who are entitled to use same, including both Residential Owners and all apartment residents/tenants.

9.04 Assessment for Apartment Facilities. The Association shall pay to Property Owner a portion of the actual costs of the operation, maintenance and refurbishing of such Apartment Facilities, which portion shall be reasonably determined based up the cost of such operations being allocated among all Apartments and Condominium Units entitled to use such Apartment Facilities. The total of such costs charged to the Association shall be referred to herein as the "Use Fees". The total Use Fees charged to the Association shall be allocated among and charged to all Residential Owners on a pro rata basis by dividing the total Use Fees by the number of all Residential Condominiums. Each Residential Owner's share of the Use Fees shall be separately itemized on any statement sent to a Residential Owner for notification and/or collection of Assessments, but for all other purposes shall be part of and collected as Assessments levied against the Residential Owners pursuant to Article XII hereof. No Residential Owner may avoid or diminish its obligation to pay its pro rata share of the Use Fees by waiver of its right to use such Apartment Facilities or by the actual non-use thereof. The assessment for use of the Apartment Facilities shall not commence until such time as the Apartment Facilities shall be actually completed and available for usage by the Residential Owners and shall terminate at such time as the Apartment Facilities shall cease to exist or be available for usage by the Residential Owners.

9.05 Association as Agent. The Association shall act as agent for the Owners in entering into any and all agreements or easements which may be required to provide for the implementation of the provisions of this Article IX, negotiation of Use Fees and rules and regulations applicable to the use of Apartment Facilities by the Residential Owners and such other matters as may be required to provide for the cooperative and mutually beneficial ownership, management and operation of the Project and the Apartment Project; provided, however, that the Association shall enter into no agreement or take no action that shall affect an Owner's rights under this Declaration, except by with an amendment hereto which has been duly adopted in accordance with the provisions hereof.

ARTICLE X

THE ASSOCIATION

10.01 The Association. The administration of this Project shall be through The Gateway Owners Association, a Utah non-profit corporation, which has been organized and will be operated to perform the functions and provide the services contemplated in this Declaration. Said Association shall operate in accordance with the laws of the State of Utah and with the Articles of Incorporation of the Association and the Bylaws of the Association which have been adopted in accordance therewith. A true copy of the duly adopted Bylaws of the Association is attached hereto as Exhibit "C" and shall be recorded herewith. The provisions of this Article X may be amplified by the Articles of Incorporation and Bylaws of the Association; provided, however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners set forth in this Declaration.

10.02 Members of Association. Each Owner shall be entitled and required to be a Member of the Association. Membership shall begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Condominium is held by more than one person, the Membership appurtenant to that Condominium shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which title to the Condominium is held. An Owner shall be entitled to one Membership for each Condominium owned by him. Each Membership shall be appurtenant to the Condominium to which it relates and shall be transferred automatically by conveyance of that Condominium. Ownership of a Condominium within the Project cannot be separated from Membership in the Association appurtenant thereto, and any devise, conveyance, or other disposition of a Condominium shall be construed to be a devise, conveyance, or other disposition, respectively, of the Owner's Membership in the Association and rights appurtenant thereto. No person or entity other than an Owner may be a Member of the Association, and Membership in the Association may not be transferred except in connection with the transfer of a Condominium.

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10.03 Management of Association. The affairs of the Association shall be managed by a Board of Trustees consisting of five (5), or such other number as shall be set forth by amendment to the Articles of Incorporation and Bylaws of the Association. The Board of Trustees shall be elected, qualified and managed by the Association in accordance with the provisions of the Bylaws. The Association shall act only through the Board of Trustees and officers duly elected thereby; and no Owner shall, in the capacity of an Owner and not as an officer of the Association, have the authority to bind the Association. The Board of Trustees shall initially consist of persons appointed by Declarant. At the time of the first annual meeting of the Members, the Members (including Declarant) shall elect, in accordance with the Bylaws, a Board of Trustees replacing the initial Board of Trustees as defined in the preceding sentence.

10.04 Vote of Owners. Each Owner shall be entitled to vote on all matters brought before the Association for a vote thereon. The name of the Owner entitled to cast the votes appurtenant to a Condominium shall be determined in accordance with procedures set forth in the Bylaws. No Owner shall be denied the right to exercise its right to vote or participate at any meeting of the Owners solely upon the failure of said Owner to pay Assessments levied against such Owner. The number of votes which an Owner shall be entitled to cast during a vote of the Owners shall be the number of votes appurtenant to each respective Condominium as shown in Exhibit "A" hereto. The number of votes appurtenant to each Condominium, as shown in said Exhibit "A", shall have a permanent character and shall not be altered without the unanimous written consent of all Owners expressed in an amendment to this Declaration duly recorded.

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

ARTICLE XI

RIGHTS AND DUTIES OF THE ASSOCIATION

11.01 Management of Project. The Association shall have general responsibility for the exclusive management, control maintenance and operation of all areas of the Project, excluding the Units and all appliances, fixtures, facilities and equipment located within said Units which are designed for and are for the exclusive utilization of the Owner of such Unit. Said responsibility shall be subject to the rights and duties of the Owners, as set forth in this Declaration. The Association may obtain and pay for out of the Common Expense Fund the services of such personnel as the

Association shall determine 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 also obtain and pay for out of the Common Expense Fund legal and accounting services necessary or desirable in connection with the operation of the foregoing. The Association may acquire and pay for out of the Common Expense Fund water, sewer, garbage collection, electrical, gas, and other necessary or desirable utility services for the Common Areas and insurance, bonds, and other goods and services common to the Units.

11.02 Common Areas. The Association, subject to the rights and duties of the Owners as set forth in this Declaration, shall be responsible for the exclusive management, control, operation, and maintenance of the Common Areas and all Improvements thereon (including the Common Facilities), and shall keep the same in a good, clean, attractive, safe, and sanitary condition, order, and repair; provided, however, that each Residential Owner shall keep the Limited Common Areas, if any, designated for the exclusive use in connection with his Unit in a good, clean, attractive, safe, and sanitary condition. Notwithstanding the foregoing, the Association shall be responsible to maintain all Limited Common Areas which constitute hallways or corridors on each level of the Project and all areas on Parking Levels 1 and 2, designated as Parking Stalls; provided, however, that each Owner shall be responsible to use reasonable care in using such areas. The Association shall not be responsible to maintain any balconies, except for general repainting or refurbishing which shall be done with respect to all such balconies, nor shall the Association be responsible to maintain any flowers or other plants in any planter boxes which exist on any balcony. The Association shall be responsible for the maintenance and repair of the exterior of the Condominium Building and the grounds, including without limitation painting thereof, repair and replacement of exterior trim and roofs, and maintenance of landscaping, walkways, and driveways. The Association shall also be responsible for maintenance, repair, and replacement of Common Areas within the Condominium Building, including without limitation, hallways, utility lines, elevators (except those that are designated as part of a Unit) and all Common Facilities, Improvements, or other materials located within or used in connection with the Common Areas. The specification of duties of the Association with respect to particular Common Areas shall not be construed to limit its duties with respect to other Common Areas, as set forth in the first sentence of this Section 11.02. All goods and services procured by the Association in performing its responsibilities under this Section 11.02 shall be paid for with funds from the Common Expense Fund.

11.03 Property Ownership. The Association may acquire (by purchase, lease, or otherwise) and hold real, personal, and mixed property of all types for the use or benefit of all Owners, and may dispose of such property or any part thereof by sale or otherwise. The costs of acquiring all such property, including Common

Facilities, shall be paid for out of the Common Expense Fund, and all proceeds from disposition thereof shall be part of the Common Expense Fund.

11.04 Agreements. The Association may, without the 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 and enter into such other agreements as it shall deem in the interest of the Owners for the operation of the Project as a first class residential condominium project, provided that no such agreement shall be in derogation of any Owner's rights under this Declaration.

11.05 Rules and Regulations. The Association may make reasonable Rules and Regulations governing the use of the Units, Common Areas, and/or Limited Common Areas; provided, however, that such Rules and Regulations shall be consistent with the rights and obligations established by this Declaration. The Association or any aggrieved Owner may initiate and prosecute as permitted by law appropriate legal proceedings against an offending Owner to enforce compliance with such Rules and Regulations or to recover damages for noncompliance therewith. In the event the Association shall initiate any such legal proceedings, the Association shall be entitled to recover from the offending Owner costs and expenses incurred by the Association in connection with such proceedings, including court costs and reasonable attorneys' fees.

11.06 Duties and Powers in Act. All duties, responsibilities, rights and powers imposed upon or granted to the "management committee" or to the "manager" under the Condominium Act shall be duties, responsibilities, rights and powers of the Association hereunder.

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

11.08 Manager. The Association may by written contract delegate in whole or in part to a professional Manager such of the Association's duties, responsibilities, functions, and powers hereunder as are properly delegable. The services of any Manager retained by the Association shall be paid for with funds from the Common Expense Fund. The written contract by which the Manager shall be engaged shall:

(a) Authorize and obligate the Manager to perform such of the duties and obligations of the Association specified in this Article XI as shall be delegated properly to the Manager hereunder.

(b) Provide for a term of not more than three (3) years, except that such agreement may provide that the term will be

automatically renewed for successive annual terms unless notice of non-renewal is given by either party not then in default thereunder no later than ninety (90) days prior to the end of the term thereof. The agreement shall be subject to termination by the Association as follows: (i) At any time, for cause, upon the vote of eighty percent (80%) of all members of the Board of Trustees; and (ii) At any time, with or without cause, if required to do so by the affirmative vote of at least fifty-one percent (51%) of the Total Votes of the Association.

(c) Provide that the Manager may resign only after giving the Association written notice of its intended resignation at least ninety (90) days prior to the effective date therefor.

(d) Provide for the compensation to be paid to the Manager.

(e) Contain such other matters as the Association and the Manager shall deem appropriate and desirable.

In the event that the Manager shall dispute a termination by the Association pursuant to subparagraph 11.08(b)(i) above, the dispute shall be submitted to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

11.09 Limitation on Power of the Association and the Manager. Notwithstanding the powers of the Association as set forth in this Article, neither the Association (nor the Manager when acting on behalf of the Association) shall enter into a contract with a third person or entity whereby such person or entity will furnish goods or services for the Project for a term longer than one (1) year unless authorized by at least fifty-one percent (51%) of the Owners, except for:

(a) The agreement authorized pursuant to Section 11.08.

(b) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Service Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

(c) Prepaid casualty and/or liability insurance policies not to exceed three (3) years duration provided that the policy permits short-rate cancellation by the insured.

(d) A lease of Common Facilities.

11.10 Financial Records and Disclosure. The Association shall cause financial statements for the Association to be regularly prepared and cause copies thereof to be distributed or made available to all Owners as follows:

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(a) A pro forma operating statement (budget) for each fiscal year shall be distributed not less than thirty (30) days before the beginning of the fiscal year.

(b) An annual report shall be made available, within one hundred twenty (120) days after the close of the fiscal year, consisting of a balance sheet as of the end of the fiscal year and an operating (income) statement for the fiscal year. The annual report shall be prepared by an independent accountant in any fiscal year in which the gross income to the Association exceeds \$30,000. If the annual report is not prepared by an independent accountant, the annual report shall be accompanied by the certificate of an authorized officer of the Association that the statements were prepared without audit from the books and records of the Association.

ARTICLE XII

ASSESSMENTS

12.01 Obligation to Pay Assessments. The Declarant, for each Condominium owned by it within the Project and as the owner of the Project and every part thereof, and each Owner of any Condominium by the acceptance of instruments of conveyance and transfer therefor, whether or not it be so expressed in said instruments, shall be deemed to covenant and agree with each other and with the Association to pay to the Association its proportionate share of any and all costs and expenses incurred in the ownership, operation and/or maintenance of any and all parts of the Project, except the Units. Funds for the payment of such costs and expenses shall be collected by a charge or levy against each and every Condominium. Such charges or levies shall be collectively referred to herein as "Assessments". All such Assessments shall be made by the Association for the purposes provided in this Declaration and shall be fixed, established and collected from time to time as provided in this Article XII. Any and all such Assessments may be referred to as the "Maintenance Fee".

12.02 Regular Assessments. The recurring costs of the ownership, operation and/or maintenance of the Project shall be paid through an annual Assessment to all Owners. Each Owner's share of the total annual costs and expenses shall be referred to herein as a "Regular Assessment". Regular Assessments shall be computed and assessed on an annual basis against all completed Condominiums in the Project as set forth in this Section 12.02 as follows:

12.02.01 Common Expense. Regular Assessments shall be based upon advance estimates of the Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with the maintenance and operation of the Common Areas those portions of the Limited Common Areas to be maintained by the Association, the provision of utility services (to the extent not separately metered or billed) and other common items to the Project. Such estimated expenses may include, by way of explanation but not

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by way of limitation, the following: expenses of management; governmental taxes and special assessments, other than real property taxes, unless and until the Condominiums are separately assessed for such taxes or assessments; real property taxes charged to the Project in accordance with the provisions of the Master Lease which are not otherwise separately assessed and collected; premiums for all insurance that the Association is required or permitted to maintain hereunder; repairs and maintenance; wages for Association employees, including fees for a Manager, if any; utility charges (including charges for utility services for the Units to the extent not separately metered or billed); legal and accounting fees; any deficit remaining from a previous accounting; creation of a reasonable contingency reserve, surplus and/or sinking fund; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners or by reason of this Declaration. The Common Expense shall specifically include any and all amounts required to be paid under the Master Lease. All expenses of the Association shall constitute the Common Expense. All items of expense must be approved by a majority of the Trustees, but only to the extent reasonably necessary to insure that the Board of Trustees shall be responsible for, and control the use of, monies collected pursuant to this Article XII.

12.02.02 Apportionment. Common Expenses shall be apportioned among and assessed to all Owners in proportion to their respective Percentage Interest and all funds received from each such Regular Assessments shall be part of the Common Expense Fund.

12.02.03 Use Fees. Use Fees to be levied against a Residential Unit pursuant to Section 9.04 shall be assessed as part of the Regular Assessment for such Residential Unit; provided, however, that such Use Fees shall be separately itemized on any annual notice of Regular Assessment and such Use Fees shall not be subject to apportionment, as set forth in Section 12.02.02. For all other purposes the Use Fees shall be considered part of the Regular Assessment, including, without limitation, notice of Assessment; method of collection; interest which shall accrue on any unpaid balance thereof; and the creation of a lien for the non-payment thereof.

12.02.04 Annual Budget. Regular Assessments shall be determined on the basis of a fiscal year beginning January 1 and ending December 31 next following. It is provided however that the first fiscal year shall begin on the date of the date that this Declaration is recorded in the Office of the County Recorder of Salt Lake County, State of Utah and ending on the December 31, 1986. On or before November 1, 1986 and, on or before November 1st of each year thereafter, the Association shall prepare and furnish to each Owner or cause to be prepared and furnished to each Owner, an operating budget for the upcoming fiscal year. The budget shall itemize the estimated Common Expenses, for such fiscal year, anticipated receipts (if any) and any deficits or surpluses from the prior operating period. The budget shall serve as the supporting document for the Regular Assessment for the upcoming fiscal year and

as a major guideline under which the Project shall be operated during such annual period.

12.02.05 Notice and Payment. Except with respect to the first fiscal year, the Association shall notify each Owner as to the amount of the annual Regular Assessment against his Condominium on or before December 1 each year for the fiscal year beginning on January 1 next following. It is provided, however, that the annual Assessment for the first fiscal year shall be based upon such portion of the first fiscal year as shall remain and shall be payable in such installments and at such times as the Association may determine. Each Regular Assessment shall be due and payable on or before the first day of each respective fiscal year of the Association. It is provided, however, that each Regular Assessment may be payable in twelve (12) equal monthly instalments, with one such installment due on the first day of each calendar month during the fiscal year to which the Assessment relates. Any Owner which shall not have paid his annual Regular Assessment in full on or before January 1 of each year shall be deemed to have elected to pay such Regular Assessment in twelve (12) equal monthly installments. The Association may, but shall not be required to send out monthly statements to any Owner and each such installment shall be due and payable on the first day of each month without notice or demand. Any monthly installment of any Regular Assessments which shall not have been received by the Association on or before the fifth day of any month in which it is due shall be assessed a late charge in an amount to be determined from time to time by the Association, but which shall not be in an amount in excess of the amount of the maximum then permitted under the Utah Uniform Consumer Credit Code and the amount of the unpaid assessment shall bear interest at the rate of one and one-half percent (1.5%) per month from the date each such installment becomes due until same shall be paid. Late charges and interest on any unpaid monthly installments of any Regular Assessment may be charged according to procedures established by the Association, whether or not monthly statements shall be sent. Failure of the Association to give timely notice of any Regular Assessment as provided herein, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration or a release of any Owner from the obligation to pay such Regular Assessment or any other Assessment. It is provided, however, that the date on which payment shall become due in such case shall be deferred to a date fifteen (15) days after notice of such Regular Assessment shall have been given to the Owner in the manner provided in this Declaration. The Association shall have the right to establish a fee for costs and expenses incurred in maintaining records of the installment payment of Regular Assessments, which fee shall be charged only to Owners who pay such Regular Assessments on an installment basis.

12.02.06 Inadequate Funds. In the event that the Common Expense Fund shall prove inadequate at any time for whatever reason, including nonpayment of any Owner's Regular Assessment, the Association may levy additional Assessments in accordance with the

procedure set forth in Section 12.03, provided, however, that the vote therein specified shall be unnecessary.

12.03 Special Assessments. In addition to the Regular Assessments authorized by this Article, the Association may levy at any time and from time to time, upon the affirmative vote of at least fifty percent (50%) of the Total Votes of the Association, Special Assessments, payable over such periods as the Association may determine. Such Special Assessments shall be levied for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration. This Section 12.03 shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections or Articles hereof. Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to their respective Percentage Interests. 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. All unpaid portions of any Special Assessment shall bear interest at the rate of one and one-half percent (1.5%) per month from the date such portions become due until paid. All funds received from Assessments under this Section 12.03 shall be used specifically for the purpose for which such Special Assessment shall be levied.

12.04 Collection of Assessments. In addition to any other right or remedy specifically set forth herein for the collection of unpaid Assessments, the Association shall have the right to establish procedures for the collection of Assessments, including charging of interest and late charges, and shall have any and all rights and remedies provided at law or equity for the collection of debts. Any or all such rights shall be exercised in such manner, on one or more occasions and in such order as the Association shall elect without waiver of any other right, remedy or lien set forth in this Declaration. Any failure of the Association to exercise any such right on one or more occasions shall not constitute a waiver of the right to so exercise such right in the future. In the event that the Association shall file a lien, commence legal proceedings or refer the collection of any unpaid Assessment to an attorney for collection thereof, then interest shall be deemed to accrue on any unpaid portion of the Assessment from the first day of the fiscal year for which any Regular Assessment shall be due or from the due date established for any other Assessment levied in accordance with the provisions of this Declaration.

12.05 Lien for Assessments. All sums assessed to Owners of any Condominium in the Project pursuant to the provisions of this Declaration, together with interest thereon as provided herein, shall be secured by a lien on such Condominium in favor of the Association. To evidence a lien for sums assessed pursuant to this Declaration, the Association shall prepare a written notice of lien

setting forth the amount of the Assessment, the date due, the amount remaining unpaid, the name of the Owner of the Condominium, and a description of the Condominium. Such notice shall be signed and acknowledged by a duly authorized officer of the Association and shall be recorded in the office of the County Recorder of Salt Lake County, State of Utah. No notice of lien shall be recorded until there is a delinquency in payment of the Assessment. Such lien may be enforced by sale or foreclosure of the Condominium encumbered by the lien at a foreclosure sale conducted by the Association and generally in accordance with the provisions of Utah law applicable to the exercise of powers of sale or foreclosure under deed of trust or mortgages or in any manner permitted by Utah law. In any such sale or foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees) and such costs and expenses shall be secured by the lien herein provided whether or not same shall be specifically set forth therein. The Owner shall also be required to pay to the Association any Assessments against the Condominium which shall become due during the period of foreclosure or sale, and all such Assessments shall be secured by the lien herein provided. The Association shall have the right and power to bid in any foreclosure or other sale, and to hold, lease, mortgage, or convey the subject Condominium. In the event of foreclosure, the Owner shall be required to pay a reasonable rental for the Unit and the Association shall be entitled to the appointment of a receiver to collect the rental without regard to the value of security.

12.06 Personal Liability of Owner. The amount of any Regular or Special Assessment, together with accrued interest and late charges, against any Condominium shall be the personal obligation of the Owner of such Condominium to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any such personal obligation by waiver of the use or enjoyment of any of the Common Areas or by abandonment of said Owner's Condominium or by waiving any services or amenities provided for in this Declaration. In the event of any suit to recover a money judgement for unpaid Assessments hereunder, the involved Owner shall pay the costs and expenses incurred by the Association in connection therewith, including reasonable attorneys' fees.

12.07 Statement of Account. Upon payment of a reasonable fee not to exceed \$10.00 and upon written request of any Owner, Mortgagee, prospective Mortgagee, or prospective purchaser of a Condominium, the Association shall issue a written statement setting forth the following: (i) the amount of the unpaid Assessments, if any, with respect to such Condominium; (ii) the amount of the current Regular Assessment and the date or dates upon which installments thereof become due; (iii) the amount of any current Special Assessment and the date or dates upon which the same or portions thereof become due; and (iv) any credit for advanced payments or prepaid items, including without limitations the Owner's share of prepaid insurance premiums. Such statement shall be

conclusive upon the Association in favor of persons who rely thereon in good faith.

12.08 Personal Liability of Purchaser. Subject to the provisions of Section 12.06 hereof, a purchaser of a Condominium shall be jointly and severally liable with the seller thereof for all unpaid Assessments against such Condominium up to the time of the grant or conveyance; provided, however, that the provisions of this Section 12.08 shall not prejudice the purchaser's right to recover from the seller the amount paid by the purchaser for such Assessments.

12.09 Amendment of this Article. This Article XII shall not be amended unless the Owners holding at least eighty percent (80%) of the Total Votes of the Association shall consent and agree to such amendment upon a vote of the Owners held for such purpose. Such vote shall be duly certified by the Board of Trustees in the written amendment hereto, and said amendment shall be effective upon the recordation thereof in the official records of Salt Lake County, State of Utah.

ARTICLE XIII

INSURANCE

13.01 Project Insurance. The Association shall obtain and keep in full force and effect at all times the following types of insurance coverage to be provided by companies licensed to do business in the State of Utah:

13.01.01 Fire and Casualty Insurance. The Association shall obtain a policy or policies of insurance on the Project in such amounts as shall provide for replacement of the Project in the event of damage or destruction from the casualty against which such insurance is obtained. Such insurance shall be in accordance with coverage customarily maintained by other condominium projects similar in location, construction, design, and use, and shall include fire and extended coverage, vandalism and malicious mischief, and such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection. The Association may comply with the above requirements by the purchase of blanket coverage and may elect such "deductible" provisions as in the Association's opinion are consistent with good business practice.

13.01.02 Public Liability and Property Damage Insurance. The Association shall obtain a broad form of comprehensive liability insurance coverage, in such amounts (but in no event less than \$1,000,000.00 per occurrence) and in such forms as it deems advisable to provide adequate protection against liability for personal injury, death, and property damage. Coverage shall include without limitation liability for operation of automobiles on behalf

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of the Association and all activities in connection with the ownership, operation, maintenance, and other use of the Project.

13.01.03 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 applicable law.

13.01.04 Fidelity Insurance or Bond. The Association shall purchase, in such amounts and in such forms as it deems appropriate, fidelity insurance or bonds to cover against dishonesty of the Manager or of Trustees, officers, or employees of the Association, destruction or disappearance of money or securities, and forgery.

13.02 Policy Requirements. Each respective policy of insurance coverage on the Project, insofar as possible, shall be in compliance with the applicable provisions of the following requirements:

13.02.01 General Requirement. The Association shall make every effort to secure insurance policies that will provide for the following: (i) the insurer shall waive all rights of subrogation as to any claims against the Association, the Declarant, the Manager, the Owners, and their respective servants, agents, and guests; (ii) the policy or policies on the Project cannot be cancelled, invalidated, or suspended on account of the conduct of any one or more individual Owners; (iii) the policy or policies on the Project cannot be cancelled, invalidated, or suspended on account of the conduct of any Trustee, officer, or employee of the Association, without a prior demand in writing that the Association cure the defect; (iv) any "no other insurance" clause in the policy or policies on the Project shall exclude individual Owners' policies from consideration; (v) each hazard insurance policy shall be written by a hazard insurance carrier that has a current rating by Best's Insurance Reports of B/VI or better; and (vi) each public liability policy shall include a "severability of interest" endorsement which shall preclude the insurer from denying the claim of any Owner because of the negligent acts or omissions of the Association or any other Owner or Owners.

13.02.02 Fire and Casualty Insurance. Casualty insurance shall be carried in a form or forms naming the Association as insured, as trustee for the Owners, and such policy or policies shall specify the interest of each Owner (Owner's name, Unit number, and appurtenant undivided interest in the Common Areas). Each policy shall provide a standard, noncontributory mortgagee clause in favor of each Mortgagee which from time to time shall give notice to the Association of its Mortgage. Each policy also shall provide that it cannot be cancelled either by the insured or by the insurance company until after fifteen (15) days prior written notice is first given to each Owner and to each Mortgagee which has requested such notice in writing. The Association shall furnish to

each Owner, and to each Mortgagee requesting the same, a certificate of coverage, including an identification of the Owner's interest.

13.02.03 Liability and Property Damage Insurance. Public liability and property damage insurance shall name the Association as the insured, as trustee for each Owner and for the Declarant (whether or not Declarant is an Owner), and shall protect the Association, each Owner, and the Declarant against liability for acts or omissions of the Association, the Owners, the Declarant, the Manager, and other persons relative to the ownership, operation, maintenance, and other use of the Project. Each such policy shall provide that it cannot be cancelled either by the insured or by the insurance company until after fifteen (15) days prior written notice thereof is given to the Association, to each Owner, to the Declarant, and to each Mortgagee who has requested such notice in writing.

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

13.04 Authority of Association. Exclusive authority to adjust losses under policies hereafter in force on the Project shall be vested in the Association. In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Owners or their Mortgagees.

13.05 Owners to Insure Personal Property. The Association shall not maintain any insurance for any personal property of any Owner or any other contents of any Unit or any storage compartment or for any motor vehicles upon the Project. Said insurance coverage shall be the sole and absolute responsibility of each respective Owner. Therefore, in addition to all other insurance required to be maintained by the Association, each Owner may obtain, at his own expense, insurance coverage for his Condominium, his personal property, his personal liability and covering such other risks as he may deem appropriate; provided, however, that each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Declaration. If obtainable under industry practice without an unreasonable additional charge for such waiver, all such insurance of the Owner's Condominium and risks associated therewith shall contain a waiver of the insurance company's right of subrogation against the Association, the Declarant, the Manager, other Owners, and their respective servants, agents, and guests.

13.06 Annual Review. The Association shall review annually the coverage and policy limits of all of its insurance on the Project and adjust the same at its discretion. Such annual review

may include an appraisal of the Improvements in the Project by a representative of the insurance carrier or carriers providing the policy or policies on the Project, or by such other qualified appraisers as the Association may select.

13.07 Amendment of this Article. Any amendment to this Article which shall have the effect of reducing the minimum amount and/or type of insurance coverage required under this Declaration shall not be effective without the express prior written consent of the Property Owner.

ARTICLE XIV

DAMAGE OR DESTRUCTION

14.01 Attorney in Fact. All of the Owners irrevocably constitute and appoint the Association as their true and lawful attorney in fact in their name, place and stead for the purpose of dealing with the Project upon its damage or destruction as hereinafter provided. Acceptance by any grantee of a deed from the Declarant or from any Owner shall constitute an appointment by said grantee of the Association as said grantee's attorney in fact as herein provided. As attorney in fact, the Association shall have full and complete authorization, right, and power to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an Owner which may be necessary or appropriate to exercise the powers herein granted.

14.02 Procedures. In the event any part of the Project is damaged or destroyed, the Association shall proceed as follows:

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

14.02.02 Insurance Proceeds. If the proceeds of the insurance maintained by the Association exceed the estimated costs to repair and reconstruct the damaged or destroyed part of the Project, then such repair and reconstruction shall be carried out in accordance with the provisions of this Article XIV. In the event the proceeds of such insurance subsequently prove to be insufficient to pay the actual costs of such repair and reconstruction, the Association shall levy a Special Assessment sufficient to provide funds to pay such actual costs of repair and reconstruction. Such Special Assessment shall be allocated and collected as provided in Section 12.03 hereof, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected (together with the proceeds of insurance) subsequently prove to be insufficient to pay all actual costs of such repair and reconstruction.

14.02.03 Insufficient Insurance - Less than 75% Destruction. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project and if less than seventy-five percent (75%) of the Building is destroyed or substantially damaged, then such repair and reconstruction shall nevertheless be carried out as provided in Section 14.03 hereof. The Association shall levy a Special Assessment sufficient to provide funds to pay the actual costs of such repair and reconstruction to the extent that such insurance proceeds are insufficient to pay such costs. Such Special Assessment shall be allocated and collected as provided in Section 12.03 hereof, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected (together with the proceeds of insurance) subsequently prove to be insufficient to pay all actual costs of such repair and reconstruction.

14.02.04 Insufficient Insurance - 75% or More Destruction. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project and if seventy-five percent (75%) or more of the Buildings are destroyed or substantially damaged, then such damage or destruction shall be repaired and reconstructed as provided in Section 14.03 hereof if, but only if, within one hundred (100) days following the damage or destruction, the Owners shall elect by a vote of at least seventy-five percent (75%) of the Total Votes of the Association to carry out such repair and reconstruction. If, however, the Owners shall not, within one hundred (100) days after such damage or destruction, elect by a vote of at least seventy-five percent (75%) of the Total Votes of the Association to carry out such repair and reconstruction, then the Association shall record in the office of the County Recorder of Salt Lake County, State of Utah, a notice setting forth such facts. Upon the recording of such notice, the following shall occur: (i) the Project shall be deemed to be owned in common by the Owners; (ii) the Percentage Interest owned by each respective Owner in common within all other Owners shall be the Percentage Interest of such Owner in the Project as a whole; (iii) any liens affecting any of the Condominiums shall be deemed to be transferred, in accordance with existing priorities, to the Percentage Interest of the respective Owner in the Project; and (iv) the Project shall be subject to an action for partition at the suit of any Owner. In the event of such suit for partition, the net proceeds of any sale resulting from such suit for partition, together with any net proceeds of the insurance on the Project and any monies in the Common Expense Fund, shall be considered as one fund and after paying any and all obligations of the Project, including any and all amounts due under the Master Lease, shall be divided among all Owners in a percentage equal to the Percentage Interest of each respective Owner, after first paying out of the respective share of each Owner, to the extent sufficient for such purposes, all liens on the undivided interest in the Project owned by such Owner. Notwithstanding any provision of this Declaration, any termination

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of the Project by reason of a suit for partition brought pursuant to this Article XIV shall not be completed unless and until the Master Lease shall be terminated in accordance with the provisions thereof.

14.03 Repair or Reconstruction. If the damage or destruction is to be repaired and reconstructed as provided above, the Association shall, as soon as practicable after receiving the said estimate of costs, commence and diligently pursue to completion the repair and reconstruction of that part of the Project damaged or destroyed. The Association, as attorney in fact for the Owners, may take all necessary or appropriate action to effect repair and reconstruction, and no consent or other action by any Owner shall be necessary in connection therewith, except as otherwise expressly provided herein. The terms repair and reconstruction shall mean that the Project shall be restored or repaired to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas having substantially the same vertical and horizontal boundaries as before.

14.04 Disbursement of Funds for Repair and Reconstruction. If repair or reconstruction is to occur, the insurance proceeds held by the Association and any amounts received from Assessments made pursuant to Sections 14.02.02 and 14.02.03 hereof shall constitute a fund for the payment of costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for cost of repair and reconstruction shall be made from insurance proceeds; and if there is a balance after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the respective Percentage Interest of each Owner, taking into consideration the actual contribution to such fund by any such Owner.

14.05 Amendment of this Article. This Article XIV shall not be amended unless the Owners of all Condominiums in the Project unanimously consent and agree to such amendment as shall be certified and evidenced in a duly recorded instrument. No such amendment which shall seek to alter the rights of the Property Owner shall be effective without the prior written consent thereof.

ARTICLE XV

CONDEMNATION

15.01 Condemnation. If at any time or times all or any part of the Project shall be taken or condemned by any public authority under power of eminent domain, the provisions of this Article shall apply. A voluntary sale or conveyance of all or any part of the Project in lieu of condemnation, but under threat of condemnation, shall be deemed to be a taking by power of eminent domain. The provisions of this Declaration shall apply only with respect to the Building and Improvements and shall not be construed to grant to the Association or any Owner any right to receive any award or proceeds

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based upon the value of any Property taken pursuant to such condemnation.

15.02 Proceeds. All compensation, damages, and other proceeds from any such taking by power of eminent domain (hereinafter the "condemnation award"), which shall constitute compensation for the taking of any portion of the Building or Improvements, shall be made payable to the Association and shall be distributed by the Association as herein provided. Any portion of any proceeds which shall constitute compensation for the taking of any portion of the Property shall be made payable and distributed directly to the Property Owner. No proceeds from any such taking shall be disbursed until the proceeds shall have been allocated between the Building and Improvements and the Property, either by judicial decree or by agreement of the Property Owner and the Association on behalf of all Owners. Unless the context clearly is otherwise, any reference to the distribution of any condemnation award shall be in reference to the distribution of that portion of any award allocable to the Building and Improvements. There shall be no allocation of any condemnation award to any Owner until such time as the obligations to restore the Property as set forth in the Master Lease shall have been satisfied.

15.03 Complete Taking. In the event that the entire Project is taken by power of eminent domain, condominium ownership pursuant hereto shall terminate and the condemnation award shall be allocated among and distributed to the Owners in proportion to their respective Percentage Interest. Such distribution shall be made by checks payable jointly to the respective Owners and their respective Mortgagees, as appropriate.

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

15.04.01 Allocation of Award. As soon as practicable, the Association shall, reasonably and in good faith, apportion the condemnation award between compensation, severance damages, or other proceeds, and shall allocate such apportioned amounts and pay the same to the Owners as follows: (i) the total amount apportioned to taking of or injury to the Common Areas shall be allocated among and distributed to all Owners (including Owners whose entire Units have been taken) in proportion to their respective Percentage Interest; (ii) the total amount apportioned to severance damages shall be allocated among and distributed to the Owners of those Condominiums that have not be taken, in proportion to their respective Percentage Interest; (iii) the respective amounts apportioned to the taking of or injury to a particular Unit shall be allocated and distributed to the Owner of such Unit; (iv) the total amount apportioned to consequential damages and any other takings or injuries shall be allocated and distributed as the Association determines to be equitable under the circumstances; (v) notwithstanding any provision hereof to the contrary, if apportionment or allocation is already established by negotiation, judicial decree, statute, or otherwise,

the Association shall employ such apportionment and allocation to the extent it is relevant and applicable; and (vi) distribution of allocated proceeds shall be made by checks payable jointly to the respective Owners and their respective Mortgagees, as appropriate.

15.04.02 Reorganization. If less than the entire Project is taken by power of eminent domain, condominium ownership pursuant hereto shall not terminate, but shall continue. In such event the Project shall be reorganized as follows: (i) if any partial taking results in the taking of an entire Unit, then the Owner thereof shall cease to be a Member of the Association and all voting rights and the Percentage Interest appurtenant to such Unit shall be reallocated to, and shall appertain to, the remaining Units in proportion to their respective Percentage Interest; (ii) if any partial taking results in the taking of a portion of a Unit and if there is no determination that such taking makes it impractical to use the remaining portion of such Unit for any lawful purpose permitted by this Declaration, then the fair market value of such remaining portion of the Unit shall be determined and all voting rights and the Unit shall be reduced in proportion to the diminution in fair market value of such Unit resulting from the taking. The voting rights and Percentage Interest so divested from such Unit shall be reallocated to, and shall appertain to, such Unit and the other Units in the Project in proportion to their respective Percentage Interest; provided, however, that such Unit shall participate in such reallocation on the basis of the Percentage Interest reduced in accordance with the preceding sentence; (iii) if any partial taking results in the taking of a portion of a Unit and if there is a determination that such taking makes it impractical to use the remaining portion of such Unit for any lawful purpose permitted by this Declaration, then all voting rights and the entire Percentage Interest appurtenant to such Unit shall be reallocated to, and shall appertain to, the remaining Units in proportion to their respective Percentage Interest, and the remaining portion of such Unit shall thereafter be part of the Common Area; and (iv) the Association shall have the duty and authority to make all determinations and to take all actions necessary or appropriate to effectuate reorganization of the Project under the provisions of this Section 15.04.02; provided, however, that if any such determination shall have been made or such action taken by judicial decree, the Association shall defer thereto and proceed in accordance therewith.

15.04.03 Repair and Reconstruction. Any repair or reconstruction necessitated by condemnation shall be governed by the provisions specified in Article XIV hereof for cases of damage or destruction; provided, however, that the provisions of said Article XIV dealing with sufficiency or insufficiency of insurance proceeds shall not be applicable.

ARTICLE XVI

OBSOLESCENCE

16.01 Adoption of Plan. Owners holding eighty-five percent (85%) or more of the Total Votes of the Association may at any time agree that the Project is obsolete and adopt a written plan for the renewal and reconstruction of the Project; provided, however, that such plan must be (i) approved in writing by all first Mortgagees of record at the time of the adoption of such plan and (ii) approved in writing by the Property Owner. Written notice of the intent to adopt such a plan and the actual adoption of such a plan shall be given to all Owners.

16.02 Payment for Renewal and Reconstruction. The Association shall levy a Special Assessment sufficient to provide funds to pay the estimated expenses of renewal or reconstruction. Such Special Assessment shall be allocated and collected as provided in Section 12.03 hereof, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner (without the necessity of any vote) if the amounts collected prove insufficient to pay the actual expenses of such renewal or reconstruction. In the event amounts collected pursuant hereto are in excess of the amounts required for renewal or reconstruction, such excess shall be distributed to the Owners in the same proportions as their respective Percentage Interest, unless such Owner shall not have fully paid said Owner's respective share of any such Special Assessment.

16.03 Sale of Project. Notwithstanding any other provision of this Declaration, the Owners may at any time, by an affirmative vote of at least eighty-five percent (85%) of the Total Votes of the Association, at a special meeting of the Members of the Association duly called for such purpose, elect to sell or otherwise dispose of the Project, subject to the provisions of the Master Lease. No such sale shall operate as a termination of the Master Lease or any abatement of the rent due and payable thereunder. Any such sale shall be subject to the provisions of Article XIX hereof. In such event, the Association shall forthwith record in the office of the County Recorder of Salt Lake County, State of Utah, a notice setting forth such facts, and upon the recording of such notice by the Association, the Project shall be sold or otherwise disposed of by the Association as attorney in fact for all of the Owners. Such action shall be binding upon all Owners, and each Owner shall have the duty to execute and deliver such instruments and to perform all acts in such manner and form as may be necessary or appropriate to effect such sale or other disposition of the Project. The proceeds of such sale or disposition shall be apportioned among the Owners in proportion to their respective Percentage Interest and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium. Each such account shall remain in the name of the Association and shall be further identified by the Condominium designation and the name of the Owner thereof. The Association, as attorney in fact, shall use and

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disburse the total amount of each such account, without contribution from one account to another, first to pay valid tax and special assessment liens on the Condominium in favor of any governmental assessing authority, second to pay Assessments made pursuant to this Declaration, third to pay other holders of liens or encumbrances on the Condominium in the order of priority of their liens, and the balance remaining, if any, to the respective Owner.

16.04 Amendment of this Article. This Article XVI shall not be amended unless the Owners of all Condominiums in the Project unanimously consent and agree to such amendment upon a vote of all Owners duly called for such purpose as evidenced and certified in a duly recorded instrument.

ARTICLE XVII

COMPLIANCE WITH DECLARATION AND BYLAWS

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

17.02 Enforcement and Remedies. The obligations, provisions, covenants, restrictions, and conditions contained in this Declaration, or in any supplemental or amended Declaration, with respect to the Association or Condominiums in the Project shall be enforceable by the Declarant or by any Owner, subject to this Declaration, by a proceeding for a prohibitive or mandatory injunction. The obligations, provisions, covenants, restrictions, and conditions contained in this Declaration, or in any supplemental or amended Declaration, with respect to a person or entity or property of a person or entity other than the Association or the Declarant shall be enforceable by the Declarant or by the Association or, in a proper case, by an aggrieved Owner by a proceeding for a prohibitive or mandatory injunction or by a suit or action to recover damages or to recover any amount due and unpaid.

ARTICLE XVIII

MORTGAGEE PROTECTION

18.01 Mortgage Protection. No breach of any of the covenants, conditions, restrictions, or limitations contained herein shall defeat or render invalid the lien of any Mortgage made in good faith and for value; provided, however, that all such covenants, conditions, restrictions or limitations contained herein shall be

binding upon an Owner whose title is derived through foreclosure, trustee's sale or by deed or assignment in lieu of foreclosure.

18.02 Notice of Noncompliance. From and after the time a Mortgagee makes written request to the Association therefore, the Association shall notify such Mortgagee in writing in the event that the Owner of the Condominium encumbered by the Mortgage held by such Mortgagee neglects, for a period of thirty (30) days or more, to cure any failure on the part of such Owner to perform any of his obligations under this Declaration.

18.03 Priority of Assessment Lien. The lien or claim against a Condominium for unpaid Assessments or charges levied by the Association pursuant to this Declaration shall be subordinate to a Mortgage affecting such Condominium which has been recorded prior to the date such Assessment became due. A Mortgagee who comes into possession of the Condominium pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall take the same free of such lien or claim for unpaid Assessments or charges, but only to the extent of Assessments or charges which accrue prior to foreclosure of the Mortgage exercise of a power of sale available thereunder, or delivery of a 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 Condominiums including the Condominium 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 being a burden to a Mortgagee coming into possession pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall be collected or enforced against a Mortgagee, a successor in title to a Mortgagee, or the Condominium affected or previously affected by the Mortgage concerned (to the extent any such collection or enforcement would prejudice the interests of the Mortgagee or successor in title to the Mortgagee interested in such Condominium).

18.04 Required Approval of Mortgagees. Unless all of the first Mortgagees of the individual Condominiums 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, except for abandonment provided by statute in case of substantial loss to the Units and Common Areas;

(b) To abandon, partition, subdivide, encumber, alter the boundaries of, sell, diminish, or transfer all or any of the Common Areas (except for the granting of easements for utilities and similar purposes consistent with the intended use of the Common Areas);

(c) 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;

(d) To change the Percentage 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 or for (ii) determining the proportionate share of ownership of each Unit in the Common Areas;

(e) To alter the provisions hereof in such a way as to diminish the insurance protection required to be afforded to the parties designed to be protected thereby, or to fail to maintain the insurance coverage described therein;

(f) To subject any Condominium to any unreasonable restraints on alienation not specifically provided for in this Declaration, which would adversely affect title or marketability of a Condominium, or the ability of the Mortgagee to foreclose its Mortgage lien and thereafter to sell or lease the mortgaged Condominium; or

(g) To allow any person handling funds of the Association, including without limitation employees of any professional Manager, to do so without first obtaining therefor appropriate fidelity bond coverage.

18.05 Financial Information. Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Association during reasonable business hours. From and after the time a Mortgagee makes written request to the Association therefor and at the expense of such Mortgagee, the Association shall furnish to such Mortgagee copies of such annual operating reports and other reports or writings summarizing or reflecting the financial position or history of the Project as may be prepared for distribution to or use by the Owners generally.

18.06 Reserve Required. The Association shall establish an adequate reserve to cover the cost of reasonably predictable and necessary repairs and replacements of the Common Areas, Common Facilities and any component thereof and shall cause such reserve to be funded by Regular Assessment or other periodic Assessments against the Condominiums rather than by Special Assessments.

18.07 Notification of Loss or Damage. 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 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 involving an amount in excess of, or reasonably estimated to be in excess of, Five Thousand Dollars (\$5,000.00). Said notice shall be given within ten (10) days after

the Association learns of such damage, loss, taking, or anticipated condemnation.

18.08 Article Supersedes All Others. 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 XVIII, 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.

18.09 Amendment of this Article. No amendment to this Article XVIII which has the effect of diminishing the rights, protection, or security afforded to Mortgagees shall be accomplished or effective unless all of the first Mortgagees of the individual Condominiums have given their prior written approval to such amendments. Any amendment to this Article XVIII shall be accomplished by an instrument executed by the Association and filed for record in the office of the County Recorder of Salt Lake County, State of Utah. In any such instrument, an officer of the Association shall certify under penalties of perjury that any prior written approval of first Mortgagees required by this Article XVIII as a condition to amendment has been obtained.

18.10 Notices to Mortgagee. Any notice to a Mortgagee under this Article XVIII shall be in writing and shall be sufficient for all purposes if personally delivered or if sent by first class mail, postage prepaid, and addressed to the Mortgagee at the address for notices from time to time specified by the Mortgagee in writing to the Association. Any such notice shall be deemed to have been given and received and shall be effective when personally delivered or when deposited in the U.S. mail in the form herein specified, whichever first occurs.

ARTICLE XIX

RIGHT OF FIRST REFUSAL

19.01 Right of First Refusal. There is hereby reserved unto the Property Owner and any successor in interest thereof, a right of first refusal to purchase any Condominium that is being sold, conveyed or otherwise transferred by any Owner (the "Selling Owner") to any person (the "Prospective Purchaser"), whether or not such transaction shall be by deed, contract for deed or otherwise. Any lease or other agreement which provides for the exclusive occupancy of the Condominium by any person other than the Owner for a term in excess of five (5) years shall be deemed to be subject to the provisions of this Article XIX, and any Owner intending to enter into such agreement shall be required to first comply with the provisions of this Article XIX. For purposes of this Article XIX, any sale, transfer or lease covered by this Article XIX or any other conveyance shall be referred to as a "sale" and the process of selling, transferring or leasing as set forth above shall be

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referred to as "to sell". The provisions of this Article XIX shall apply to any sale except as otherwise specifically set forth herein.

19.02 Noncomplying Transfers Void. In the event any Owner shall attempt to sell said Owner's Condominium without offering the Property Owner the right of first refusal herein provided for, such sale shall be null and void.

19.03 Notice to Property Owner. In the event that the Selling Owner shall wish to sell its Condominium and shall have received a bona fide offer therefor from a Prospective Purchaser, which offer is acceptable to the Selling Owner, the Selling Owner shall give written notice of such offer, together with a copy of the complete offer and any counter offer, as executed by the Prospective Purchaser and the Selling Owner, to the Property Owner. Such notice shall contain all details of the proposed sale, including all terms and conditions of the sale. Such notice shall be given in accordance with the provisions of Section 20.03.

19.04 Right of Property Owner to Purchase. Property Owner may purchase such Condominium at the same price and on the same terms as offered by the Proposed Purchaser. To exercise its right to purchase the Condominium, the Property Owner shall be required to provide to the Selling Owner, during the ten(10)-day period immediately following the giving of the notice required under Section 19.03, the following: (i) written notice of such election to purchase and (ii) a downpayment or deposit in the same amount that has been or is required under the terms of the offer.

19.05 Failure to Notify. If Property Owner fails to so notify the Selling Owner within the ten(10)-day period, the Selling Owner may sell to the Prospective Purchaser in accordance with the terms of the offer, but such sale shall close not later than one hundred twenty (120) days after the date of the notice to Property Owner. Any modification of the terms of the offer shall require the Selling Owner to comply again with the provisions of this Article XIX.

19.06 Nonwaiver. Property Owner's failure or refusal to exercise the right of first refusal shall not constitute a waiver of such right to purchase the Condominium when the Selling Owner receives any subsequent bona fide offer from a Prospective Purchaser, or receives an offer containing different terms and conditions. Property Owner's failure or refusal to exercise, on one or more occasions, the right of first refusal to purchase one or more Condominiums shall not be construed as or relied upon by any other Owner as a waiver of such right of first refusal to purchase any Condominium in connection with subsequent agreements.

19.07 Right to Mortgage Condominium. The right of first refusal reserved herein shall not affect the right of any Owner to subject any Condominium to a Mortgage or other security instrument. Any Mortgagee may become an Owner of a Condominium pursuant to the remedies provided in a Mortgage, by law or by deed in lieu of

foreclosure without any requirement, express or implied, that such Mortgagee comply with the requirements of this Article XIX. The right of first refusal shall thereafter apply to any subsequent sale of such Condominium.

19.08 Exempt Transactions. An Owner may sell or give its Condominium to said Owner's spouse, children or other lineal descendants, parents or brothers and sisters, or to a trust or trusts created for the benefit of any one or more of them, without first offering to sell the Condominium to the Property Owner.

19.09 Survival. The rights of Property Owner provided by this Article XIX shall survive any termination of this Declaration which may occur upon either a vote of the Owners or by operation of law. Any sale or attempted sale of all or any part of the Project upon a vote of the Owners shall be subject to the right of first refusal set forth in this Article XIX.

ARTICLE XX

GENERAL PROVISIONS

20.01 General Interpretation. The provisions of this Declaration, and any supplemental or amended Declaration, shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of a condominium project. Failure to enforce any provision, restriction, covenant, or condition contained in this Declaration, or in any supplement or amendment to this Declaration, shall not operate as a waiver of any such provision, restriction, covenant, or condition or of any other provisions, restrictions, covenants, or conditions.

20.02 Rules of Construction. This Declaration shall be governed by and construed in accordance with the laws of the State of Utah. The provisions hereof shall be in addition and supplemental to the provisions of the Condominium Act and all other provisions of applicable law. Whenever used herein, unless the context shall otherwise require, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, any gender shall include both other genders, and the term "person" shall include any individual, partnership, corporation, trust, or other association or entity or combination thereof. The article and section headings set forth herein are for convenience and reference only and are not intended to expand, limit, or otherwise affect the meaning or interpretation of this Declaration or any provision hereof. The provisions hereof shall be deemed to be independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof. Exhibits "A" and "B" and "C" attached hereto are by this reference incorporated herein and made a part hereof.

20.03 Notices. Each Owner shall register from time to time with the Association his current mailing address. All notices, demands, and other communications to any Owner as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally delivered or if sent by first class U.S. mail, postage prepaid, addressed to the Owner at his registered mailing address or, if no address has been registered, to the Unit of such Owner. All notices, demands, and other communications to the Association as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally delivered or if sent by first class U.S. mail, postage prepaid, addressed to the Association at its offices c/o Zions Securities Corporation, 55 South State Street, Salt Lake City, UT 84111, Attention: The Gateway Owners Association, or to such other address as the Association may hereafter designate by notice to the Owners as herein provided. All notices, demands, and other communications to the Property Owner as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally delivered or if sent by first class U.S. mail, postage prepaid, addressed to Deseret Title Holding Corporation, c/o Investment Properties Division, 57 West South Temple, Suite 780, Salt Lake City, Utah 84101, or to such other address as the Property Owner may hereafter designate by notice to the Owners as herein provided. Any notice, demand, or communication referred to in this Declaration shall be deemed to have been given and received when personally delivered or when deposited in the U.S. mail, postage prepaid, and in the form provided for in this Section 20.03, whichever first occurs.

20.04 Audit. The Association, at the expense of the Common Expense Fund, shall obtain an audit, by certified public accountants, of all books and records pertaining to the Project at no greater than annual intervals, and copies thereof shall be furnished to the Owners. Any Owner may at any reasonable time, upon appointment and at his own expense, cause an audit or inspection to be made of the books and records maintained by the Association.

20.05 Amendment. Except as otherwise provided herein or as otherwise required by the Condominium Act, this Declaration may be amended if Owners holding at least sixty percent (60%) of the Total Votes of the Association consent and agree to such amendment by a vote of the Members duly called for such purpose, and evidenced and certified by instruments which are duly recorded in the office of the County Recorder of Salt Lake County, State of Utah.

20.06 Effective Date. This Declaration shall take effect upon recording in the office of the County Recorder of Salt Lake County, State of Utah.

20.07 Agent for Service. The name and address of the person to receive service of process in all cases provided by the Condominium Act shall be the registered agent and address of the Association as shown on the official corporate records maintained in the office of the Lt. Governor/Secretary of State of the State of

Utah. On the date of this Declaration, the registered agent of the Association is W. Kent Money, and the registered address is c/o Zions Securities Corporation, 55 South State Street, Salt Lake City, Utah 84111.

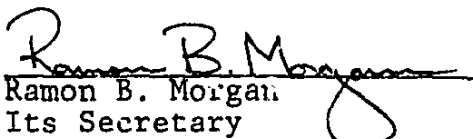
20.08 Limitation on Association's Liability. The Association shall not be liable for any failure of water service or other utility service (if any) to be obtained and paid for by the Association hereunder, or for injury or damage to any person or property caused by the elements or by another Owner or 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 Buildings or their drains, pipes, conduits, appliances, or equipment, or from any other place. No diminution or abatement of any Assessments under this Declaration shall be claimed or allowed for inconvenience or discomfort arising from the making of any repairs or improvements to or maintaining the 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.

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

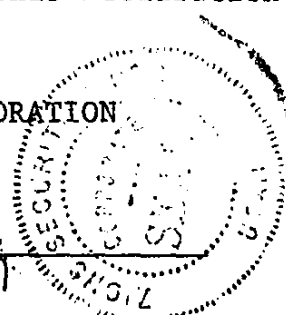
IN WITNESS WHEREOF, the Declarant has executed this Declaration as of the day and year first above written.

DECLARANT: ZIONS SECURITIES CORPORATION
a Utah corporation

ATTEST:


Ramon B. Morgan
Its Secretary

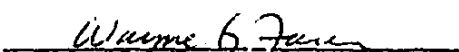
By 
W. Kent Money
Its President

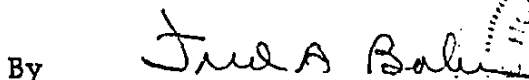


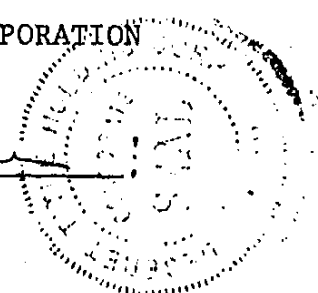
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PROPERTY OWNER: DESERET TITLE HOLDING CORPORATION
a Utah corporation

ATTEST:


Wayne G. Facer
Its Secretary

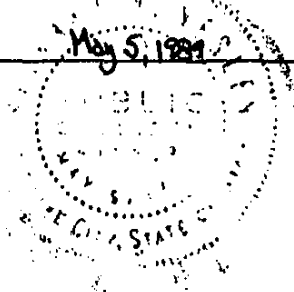
By 
Fred A. Baker
Its Vice President



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

On the 26th day of March, 1986, personally appeared before me the undersigned Notary Public, in and for said County of Salt Lake in said State of Utah, W. KENT MONEY and RAMON B. MORGAN, signers of this Declaration of Condominium, who duly acknowledged to me that they are the President and Secretary, respectively, of ZIONS SECURITIES CORPORATION, a Utah corporation, and that they did sign the same in behalf of and by authority of a resolution of its Board of Directors or Bylaws and that said corporation executed the within Declaration.

My commission expires:

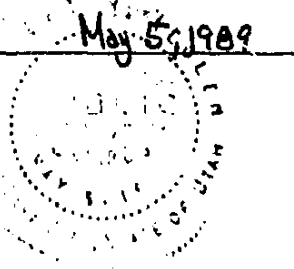
May 5, 1989


Richard P. Nalen
Notary Public
Residing at: SALT LAKE City, Utah

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

On the 26th day of March, 1986, personally appeared before me the undersigned Notary Public, in and for said County of Salt Lake, in said State of Utah, FRED A. BAKER and WAYNE G. FACER, signers of this Declaration, who duly acknowledged to me that they are the Vice President and Secretary, respectively, of DESERET TITLE HOLDING CORPORATION, a Utah corporation, and that they did sign the same in behalf of and by authority of a resolution of its Board of Directors or Bylaws and that said corporation executed the within Declaration.

My commission expires:

May 5, 1989


Richard P. Nalen
Notary Public
Residing at: SALT LAKE City, Utah

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SALT LAKE CITY APPROVAL

SALT LAKE CITY, a body corporate and politic, and the City in which The Gateway, a Utah condominium project, is located, by and through its duly elected Mayor, does hereby give final approval to the said Project, to the foregoing Declaration consisting of a Table of Contents, 55 pages of text and Exhibits "A", "B", and "C" attached thereto, the Record of Survey Map of The Gateway, a Condominium Project on leased ground and consisting of thirteen (13) sheets which is being recorded concurrently herewith, and to the attributes of the said Project which are mentioned in Section 57-8-35(3) of the Utah Condominium Ownership Act, as amended and expanded by the laws of Utah, 1975, Chapter 173, Section 18.

DATED this APR - 1 1986 day of March, 1986.

SALT LAKE CITY CORPORATION,
a body politic and corporate

By Palmer A. DePaulis
Palmer DePaulis
Mayor

ATTEST: CITY
Kathryn Marshall
Kathryn Marshall
City Recorder
CORPORATE SEAL

APPROVED

APR 1 1986

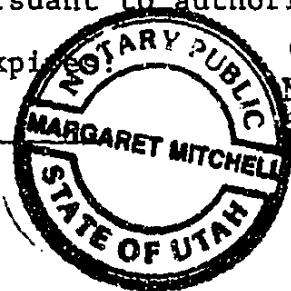
CITY RECORDER

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

On the APR - 1 1986 day of March, 1986, personally appeared before me Palmer DePaulis and Kathryn Marshall, known to me to be the Mayor and City Recorder, respectively, of SALT LAKE CITY CORPORATION, a body politic and corporate, who duly acknowledged to me that they executed the within and foregoing instrument in behalf of said municipality pursuant to authority.

My commission expires

10/25/89



Margaret Mitchell
Notary Public
Residing at: SL, Utah

032586-6/[CH2]

EXHIBIT "A"
TO
DECLARATION OF CONDOMINIUM
FOR
THE GATEWAY

UNIT, UNDIVIDED OWNERSHIP INTEREST, VOTES

<u>Unit No.</u>	<u>Square Feet</u>	<u>Undivided Ownership Interest (Percentage)</u>	<u>Votes</u>
Commercial:			
A	2,395	2.593%	2.59
B	940	1.018%	1.02
C	954	1.033%	1.03
Residential:			
1-A	1,156	1.251%	1.25
1-B	818	.885%	.89
2-A	1,529	1.655%	1.66
2-B	1,182	1.279%	1.28
2-C	779	.843%	.84
2-D	1,214	1.314%	1.31
2-E	1,146	1.241%	1.24
2-F	1,194	1.292%	1.29
2-G	1,573	1.703%	1.70
2-H	1,111	1.203%	1.20
2-J	1,328	1.438%	1.44
2-K	828	.896%	.90
3-A	1,529	1.655%	1.66
3-B	1,182	1.279%	1.28
3-C	779	.843%	.84
3-D	1,214	1.314%	1.31
3-E	1,146	1.241%	1.24
3-F	1,194	1.292%	1.29
3-G	1,573	1.703%	1.70
3-H	1,111	1.203%	1.20
3-J	1,328	1.438%	1.44
3-K	828	.896%	.90
4-A	1,529	1.655%	1.66
4-B	1,182	1.279%	1.28
4-C	779	.843%	.84
4-D	1,214	1.314%	1.31
4-E	1,112	1.204%	1.20
4-F	1,194	1.292%	1.29
4-G	1,573	1.703%	1.70
4-H	1,111	1.203%	1.20

REC- 5751 REC-2839

<u>Unit No.</u>	<u>Square Feet</u>	<u>Undivided Ownership Interest (Percentage)</u>	<u>Votes</u>
4-J	1,328	1.438%	1.44
4-K	828	.896%	.90
5-A	1,521	1.646%	1.65
5-B	1,977	2.140%	2.14
5-C	2,064	2.234%	2.23
5-D	2,431	2.631%	2.63
5-E	1,942	2.102%	2.10
5-F	1,976	2.139%	2.14
6-A	1,521	1.646%	1.65
6-B	1,977	2.140%	2.14
6-C	2,072	2.243%	2.24
6-D	2,449	2.651%	2.65
6-E	1,909	2.066%	2.07
6-F	1,976	2.139%	2.14
7-A	1,521	1.646%	1.65
7-B	1,983	2.147%	2.15
7-C	2,423	2.623%	2.62
7-D	2,072	2.243%	2.24
7-E	1,922	2.081%	2.08
7-F	1,935	2.095%	2.09
8-A	1,890	2.046%	2.05
8-B	1,836	1.987%	1.99
8-C	8,119*	8.790%	8.80
8-D	1,604	1.736%	1.74
8-E	1,380	1.494%	1.49
TOTAL	92,381	100.000%	100.00

*Square footage shown for Unit 8-C is the sum of the square footage owned on all levels of the Building which constitute part of Unit 8-C as shown on the Map.

032586-5/[CH21]

REC- 5751 FILE 2840

EXHIBIT "B"
TO
DECLARATION OF CONDOMINIUM
FOR
THE GATEWAY

DESIGNATED PARKING STALLS AND STORAGE COMPARTMENTS

<u>Unit No.</u>	<u>Parking Stall No.</u>	<u>Parking Level No.</u>	<u>Storage Compartment No.</u>	<u>Parking Level No.</u>
Commercial:				
A	16	1	45	2
B	28	1	36	2
C	30	1	47	2
Residential:				
1-A	62	2	55	2
1-B	64	2	56	2
2-A	53	2	43	2
2-B	54	2	42	2
2-C	29	1	31	2
2-D	56	2	40	2
2-E	57	2	51	2
2-F	58	2	52	2
2-G	59	2	54	2
2-H	60	2	53	2
2-J	27	1	22	1
2-K	31	1	32	2
3-A	43	2	28	2
3-B	44	2	39	2
3-C	32	1	33	2
3-D	46	2	37	2
3-E	47	2	26	2
3-F	63	2	58	2
3-G	49	2	49	2
3-H	50	2	46	2
3-J	51	2	50	2
3-K	52	2	44	2
4-A	24	1	19	1
4-B	25	1	30	2
4-C	26	1	21	1
4-D	33	1	35	2
4-E	9	1	3	1
4-F	34	1	34	2
4-G	8	1	2	1
4-H	10	1	4	1
4-J	5	1	18	1
4-K	42	2	29	2

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<u>Unit No.</u>	<u>Parking Stall No.</u>	<u>Parking Level No.</u>	<u>Storage Compartment No.</u>	<u>Parking Level No.</u>
5-A	18	1	12	1
5-B	3	1	13	1
5-C	20	1	14	1
5-D	21	1	15	1
5-E	22	1	16	1
5-F	23	1	17	1
6-A	13	1	8	1
6-B	14	1	20	1
6-C	15	1	11	1
6-D	19	1	25	1
6-E	7	1	23	1
6-F	17	1	24	1
7-A	55	2	41	2
7-B	61	2	57	2
7-C	45	2	38	2
7-D	48	2	48	2
7-E	11	1	5	1
7-F	12	1	6	1
8-A	1	1	7	1
8-B	2	1	10	1
8-C	39	2	27	2
8-D	6	1	9	1
8-E	4	1	1	1

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REF: 5751 REF: 2842

EXHIBIT "C"
to
Declaration of Condominium

BYLAWS
OF
THE GATEWAY OWNERS ASSOCIATION

a nonprofit corporation

Pursuant to the provisions of the Utah Nonprofit Corporation and Co-operative Association Act, the Board of Trustees of The Gateway Owners Association, a Utah nonprofit corporation, hereby adopts the following bylaws (the "Bylaws") for such nonprofit corporation.

ARTICLE I

NAME, PURPOSE AND PRINCIPAL OFFICE

1.01 Name. The name of the nonprofit corporation is THE GATEWAY OWNERS ASSOCIATION, hereinafter referred to as the "Association".

1.02 Purpose. The Association has been formed to operate, maintain and govern a condominium project known as The Gateway, (hereinafter referred to as the "Project"), which is located at 40 North State Street, Salt Lake City, Utah and is situated upon the following described real property in the City and County of Salt Lake, State of Utah:

Beginning at the northwest corner of Lot 9, Block 1, Plat I, Salt Lake City Survey and running thence North 39°58'42" East along the north line of said Block 181.50 feet; thence South 0°07'33" West 120.00 feet; thence South 89°58'42" West 2.21 feet to a point on a 43.50 foot radius curve, the center of which bears North 71°31'10" West; thence Southwesterly along arc of said curve to the right through a central angle of 69°38'48" a distance of 52.88 feet; thence South 19°16'33" West 1.85 feet; thence North 70°43'27" West 29.67 feet; thence North 89°52'27" West 110.88 feet to the west line of said Block 1; thence North 0°07'33" East 141.33 feet to the beginning.

1.03 Office. The principal office of the Association shall be located at the offices of Zions Securities Corporation, 55 South State Street, Salt Lake City, Utah 84111. Such offices may be changed from time to time as may be determined by the Association.

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ARTICLE II

DEFINITIONS

2.01 Definitions. Except as otherwise provided herein or as otherwise required by the context, all terms defined in the Declaration of Condominium for The Gateway, a Condominium Project on Leased Ground, (hereinafter referred to as the "Declaration"), shall have such defined meanings when used in these Bylaws.

ARTICLE III

MEMBERS

3.01 Members. All Owners of a Condominium within the Project shall be Members of the Association and therefore be entitled to all of the rights and privileges granted to Members in the Declaration, the Articles of Incorporation of this Association, these Bylaws and applicable provisions of Utah law.

3.02 Members of Record. Upon becoming an Owner of a Condominium in the Project, each Owner shall promptly furnish to the Association a conforming copy of the fully executed Condominium Conveyance and Ground Lease Assignment or other document which creates an ownership interest in such Condominium. Said copy shall be maintained in the records of the Association. The Association shall maintain a record of all Owners (the "Register of Owners") which shall be kept current and shall be used for all purposes as the official record of the Members of the Association. For purposes of determining Members entitled to notice or to vote at any meeting of the Members, or any adjournment thereof, the Board of Trustees may designate a record date for determination of the official Members of the Association which date shall not be more ninety (90) nor less than thirty (30) days prior to the meeting. If no record date is designated, the date on which notice of the meeting is mailed shall be deemed to be the record date for determining Members entitled to notice of or to vote at the meeting. The persons or entities appearing in the Register of Owners on such a record date as the Owner of each respective Condominium in the Project shall be deemed to be the Members of record entitled to notice of and to vote at the meeting of the Members. The officers and Trustees of the Association shall be entitled to rely upon the information contained in the Register of Owners and shall have no duty, express or implied to search any public record to determine who is entitled to vote.

ARTICLE IV

MEETINGS

4.01 Annual Meetings. The annual meeting of Members shall be held on the third Saturday in April of each calendar year at the

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hour of 10:00 a.m., beginning with the year following the year in which the Articles of Incorporation of the Association are filed. Said annual meeting shall be for the purpose of electing Trustees and transacting such other business as may come before the meeting. If the election of Trustees shall not be held on the date designated herein for the annual meeting of the Members, or at any adjournment thereof, the Board of Trustees shall cause the election to be held at a special meeting of the Members to be convened as soon thereafter as may be reasonably convenient. The Board of Trustees may from time to time by resolution change the date and time for the annual meeting of the Members.

4.02 Special Meetings. Special meetings of the Members may be called from time to time by the Board of Trustees or by the President and shall be immediately called by the President or the Board of Trustees upon the written request of Members holding not less than ten percent (10%) of the Total Votes of the Association. Such a written request by Members for special meetings shall state the purpose or purposes of the meeting and shall be delivered to the Board of Trustees or the President. In case the President or the Board of Trustees shall fail to call such special meeting within twenty (20) days after receipt of such a written request, such Members may call the same by proceeding in the manner provided by these Bylaws for the calling of such meetings. Except in special cases where other express provision is made by statute, these Bylaws or the Declaration, notice of such special meetings shall be given in the same manner as for annual meetings and may be given by any person or persons entitled to call such meetings. Notice of any special meeting shall specify, in addition to the place, day and hour of such meeting, the general nature of the business to be transacted. No other business may be transacted in any special meeting.

4.03 Place of Meetings. The Board of Trustees may designate any place in Salt Lake County, State of Utah, as the place of meeting for any annual meeting or any special meeting called in accordance with the provisions of these Bylaws. Waiver of notice signed by all of the Members may designate any place, either within or without the State of Utah, as the place for holding such meeting. If no designation is made, or if a special meeting is otherwise called, the place of meeting shall be the principal office of the Association as then designated.

4.04 Notice of Meetings. The Board of Trustees shall cause written or printed notice of the time, place and purpose of all meetings of the Members (whether annual or special), to be delivered, not more than forty-five (45) nor less than ten (10) days prior to the meeting, to each Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to have been delivered when deposited in the United States mail addressed to the Member at the address set forth in the Register of Owners, with first class postage thereon prepaid. Each Member shall register with the Association under such Member's current mailing address for purposes of notice hereunder. Such registered address may be

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changed from time to time by notice in writing to the Association. If no address is registered with the Association, the Member's Condominium address shall be deemed to be the registered address of such Member for purposes of notice hereunder. A waiver of notice signed by any Member entitled to receive such notice, whether before or after the time stated therein, shall be the equivalent to the giving and receipt of such notice.

4.05 Quorum. At any meeting of the Members, the presence of Members holding, or holders of proxies entitled to cast, more than fifty percent (50%) of the Total Votes of the Association shall constitute a quorum for the transaction of business. In the event a quorum is not present at a meeting, the Members present (whether represented in person or by proxy), though less than a quorum, may adjourn the meeting to a later date. Notice of such adjournment shall be delivered to the Members as provided above. At the reconvened meeting, the Members and proxy holders present shall constitute a quorum for the transaction of business. In the event that less than one-third (1/3) of the Total Votes of the Association is in attendance at such reconvened meeting, in person or by proxy, only those matters, of which the general nature of which was given in the notice of meeting, may be voted upon by the Members at such meeting.

4.06 Proxies. At each meeting of the Members, each Member entitled to vote shall be entitled to vote in person or by written proxy provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Member himself or by his attorney thereunto duly authorized in writing. If a Membership is jointly held, the instrument authorizing the proxy to act must have been executed by all holders of such Membership or their attorneys thereunto duly authorized in writing. Such instrument authorizing a proxy to act shall be delivered at the beginning of the meeting to the Secretary of the Association or to such other officer or person who may be acting as secretary of the meeting. The secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting.

4.07 Votes. With respect to each matter (other than the election of Trustees) submitted to a vote of the Members, each Member entitled to vote at the meeting shall have the right to cast, in person or by proxy, the number of votes appertaining to the Condominium of such Member as shown in the Declaration. The affirmative vote of a majority of the votes entitled to be cast by the Members present or represented by proxy at a meeting at which a quorum was initially present, shall be necessary for the adoption of any matter voted on by the Members, unless a greater proportion is required by the Articles of Incorporation, these Bylaws, the Declaration or Utah law. If a Membership is jointly held, all or any holders thereof may attend each meeting of the Members, but such holders must act unanimously to cast the votes relating to their joint Membership.

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4.08 Cumulative Voting. At each election of Trustees, each Member entitled to vote at such election shall have the right to accumulate the votes appurtenant to such Membership as same are set forth in the Declaration by giving one candidate as many votes as shall equal the number of Trustees to be elected multiplied by the number of votes relating to such Membership, or by distributing such votes on the same principal among any number of candidates.

4.09 Informal Action by Members. Any action that is required or permitted to be taken at a meeting of the Members may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

4.10 Waiver of Irregularities. All inaccuracies and irregularities in calls or notices of meetings and in the manner of voting, form of proxies and method for ascertaining Members present shall be deemed waived if no objection thereto is made at the meeting.

ARTICLE V

BOARD OF TRUSTEES

5.01 General Powers. The property, affairs and business of the Association shall be managed by its Board of Trustees. The Board of Trustees may exercise all of the powers of the Association, whether derived from law or the Articles of Incorporation, except such powers as are by law, by the Articles of Incorporation, by these Bylaws, or by the Declaration vested solely in the Members. The Board of Trustees may, by written contract, delegate, in whole or in part, to a professional management organization or persons, such of its duties, responsibilities, functions and powers as are properly delegable.

5.02 Initial Board of Trustees. The initial Board of Trustees shall be composed of five (5) Trustees. The Trustees specified in the Articles of Incorporation and any replacements duly appointed by Declarant, shall serve until the first meeting of Members and until their successors are duly elected and qualified. The Trustees specified in the Articles of Incorporation and any replacements duly appointed by the declarant, need not be Members of the Association or residents of the State of Utah.

5.03 Elected Board of Trustees. At the first annual meeting of the Members, there shall be elected by the Members in accordance with the provisions of these Bylaws a Board of Trustees which shall be composed of five (5) Trustees of the following classifications and qualifications:

5.03.01 Residential Trustees. There shall be four (4) Residential Trustees, all of whom shall be Residential Owners (or officers, directors or partners or trustees of Residential Owners

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that are corporations or partnerships or trusts) and all of whom shall be separately elected by the Residential Owners. Residential Trustees need not be residents of the State of Utah.

5.03.02 Commercial Trustee. There shall be one (1) Commercial Trustee, which shall be a Commercial Owner (or an officer, director, partner or trustee of a Commercial Owner that is a corporation, or partnership or trust) and which shall be separately elected by the Commercial Owners. The Commercial Trustee need not be a resident of the State of Utah.

5.04 Election of Permanent Trustees. At the first annual meeting of Members: (a) the Residential Owners shall elect two (2) Residential Trustees to serve for a term of two (2) years and two (2) Residential Trustees to serve for a term of one (1) year; and (b) the Commercial Owners shall elect the Commercial Trustee to serve for a term of two (2) years. Elections of Trustees shall be conducted in accordance with the principles of cumulative voting by secret ballot.

5.04.01 Election of Residential Trustees. At each annual meeting of the Members thereafter the Residential Owners shall elect for a term of two (2) years as many Residential Trustees as shall be required to fill any vacancy created by the expiring term of any Residential Trustee. The Residential Trustees to be elected shall be the two (2) candidates, duly nominated in accordance with procedures duly adopted by the Members for such purpose, who receive the highest and the second highest number of votes cast by the Residential Owners present at such meeting, in person or by proxy.

5.04.02 Election of Commercial Trustee. At the annual meeting of the Members held in odd numbered calendar years (eg. 1989, 1991, etc.) the Commercial Owners shall elect for a term of two (2) years one Commercial Trustee to fill the vacancy created by the expiring term of the Commercial Trustee. Said Commercial Trustee shall be elected upon the majority vote of all Commercial Owners.

5.05 Regular Meetings. The regular annual meeting of the Board of Trustees shall be held without other notice than this Bylaw immediately after and at the same place as the annual meeting of the Members. The Board of Trustees may provide by resolution the time and place, within Salt Lake County, State of Utah, for the holding of additional regular meetings. Notice of the time and place of any additional regular meetings shall be given to each Trustee in writing not less than fifteen (15) days prior to the meeting. Written notice need not be given, however, to any Trustee who has signed a waiver of notice or a written consent to the holding of the meeting. Notice of every meeting of the Board of Trustees shall be posted in at least one (1) public place within the Common Areas of the Project at least seven (7) days prior to such meeting.

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5.06 Special Meetings. Special meetings of the Board of Trustees may be called by or at the request of any Trustee. The person or persons authorized to call special meetings of the Board of Trustees may fix any place, within Salt Lake County, State of Utah, as the place for holding any special meeting of the Board of Trustees called by such person or persons. Notice of any special meeting shall be given at least fifteen (15) days prior thereto by written notice delivered personally, or mailed to each Trustee at his registered address or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with first class postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Trustee may waive notice of a special meeting. Notice of every special meeting of the Board of Trustees shall be posted in at least one (1) public place within the Common Areas of the Project at least seven (7) days prior to such meeting.

5.07 Quorum and Manner of Acting. A majority of the authorized number of Trustees shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees. Except as otherwise required in these Bylaws, the Articles of Incorporation or the Declaration, the act of the majority of the Trustees present at any meeting at which a quorum is present shall be the act of the Board of Trustees. The Trustees shall act only as a Board and individual Trustees shall have no powers as such.

5.08 Compensation. No Trustee shall receive compensation for any services that he may render to the Association as Trustee; provided, however, that Trustees may be reimbursed for expenses incurred in performance of their duties as Trustees and, except as otherwise provided in these Bylaws, may be compensated for services rendered to the Association in a capacity other than as Trustee.

5.09 Resignation and Removal. Any person shall cease to be a Trustee at anytime that such person shall cease to be an Owner. A Trustee may resign at any time by delivering a written resignation to the President or the Board of Trustees. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Residential Trustee (other than a Trustee appointed by the Declarant) may be removed at any time, for or without cause, by the affirmative vote of Residential Owners holding at least sixty percent (60%) of the total number of votes appurtenant to all Residential Units in the Project, at a special meeting of the Members called specifically for such purpose. Similarly, the Commercial Trustee (other than a Trustee appointed by Declarant) may be removed at any time, for or without cause, by the affirmative vote of a majority of the number of all Commercial Owners, at a special meeting of the Members specifically called for such purpose. Any Trustee whose removal has been proposed by the Owners shall be given an opportunity to be heard at such meeting.

5.10 Vacancies. If one or more vacancies shall occur in the Board of Trustees by reason of the death, resignation or

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disqualification of a Trustee (other than a Trustee appointed by Declarant), or if the authorized number of Trustees shall be increased, the Trustees then in office shall continue to act and such vacancies or newly created trusteeships shall be filled by a vote of the Trustees then in office, though less than a quorum, in any way approved by such Trustees at an official meeting of the Board of Trustees. Any vacancy in the Board of Trustees which shall occur by reason of removal of a Trustee by the Members shall be filled by election at the meeting at which such Trustee is removed, provided, however, that Residential Trustees shall be elected by Residential Owners and Commercial Trustee shall be elected by Commercial Owners. If one or more vacancies shall occur in the Board of Trustees by reason of death, resignation or removal of a Trustee appointed by the Declarant, such vacancy shall be filled by appointments to be made by the Declarant. Any Trustee elected or appointed hereunder to fill a vacancy shall serve for the unexpired term of his predecessor or for the term of the newly created trusteeship, as the case may be.

5.11 Informal Action by Trustees. Any action that is required or permitted to be taken at a meeting of the Board of Trustees, may be taken without a meeting if a consent in writing, setting forth the actions so taken, shall be signed by all of the Trustees.

5.12 Open and Closed Meetings. Regular and special meetings of the Board of Trustees shall be open to all Members of the Association. Notwithstanding the foregoing, upon the motion of any Trustee, which motion shall be approved by the affirmative vote of not less than four (4) Trustees, the Board of Trustees shall have the power to close a portion of any regular or special meeting for the purpose of discussing, as a Board of Trustees, such matters as the Trustees shall determine; provided, however, that no vote on any matter shall be taken during any such closed portion, and immediately upon the termination of such closed portion the Board of Trustees shall report in open meeting a brief summary of the subject matter so discussed. The closure of the meeting and the brief summary shall be duly noted in the minutes of the meeting.

5.13 Minutes of Meetings. Within thirty (30) days after the adjournment of any meeting of the Board of Trustees a copy of the written minutes of such meeting shall be available, upon request, to each Member of the Association.

5.14 Amendments to This Article. The provisions of this Article V may not be amended, modified or repealed unless such amendment, modification or repeal is approved by (a) the affirmative vote of Residential Owners holding at least sixty percent (60%) of the total number of votes appurtenant to all Residential Units in the Project; and (b) the affirmative vote of a majority of the number of all Commercial Owners.

ECN 5751 REV 2850

ARTICLE VI

OFFICERS

6.01 Officers. The officers of the Association shall be a President, a Vice President, a Secretary, a Treasurer and such other officers as may, from time to time be appointed by the Board of Trustees.

6.02 Election, Tenure and Qualifications. The officers of the Association shall be chosen by the Board of Trustees annually at the regular annual meeting of the Board of Trustees. In the event of failure to choose officers at such regular annual meeting of the Board of Trustees, officers may be chosen at any regular or special meeting of the Board of Trustees. Each such officer, whether chosen at a regular annual meeting of the Board of Trustees or otherwise, shall hold office until the next ensuing regular annual meeting of the Board of Trustees and until a successor shall have been chosen and qualified or until the death of such officer, or until such officer resigns, is disqualified or removed in the manner provided in these Bylaws, whichever first occurs. Any one person may hold two or more of such offices, except that the President may not also be the Vice President, the Secretary or the Treasurer. No person holding two or more offices shall act in or execute any instrument in the capacity of more than one office. The President, and the Vice President shall be and remain Trustees of the Association during the entire term of their respective offices. No other officer need be a Trustee, but each shall be a Member of the Association.

6.03 Subordinate Officers. The Board of Trustees may from time to time appoint such such other officers or agents as it may deem advisable, each of whom shall have such title, hold office for such period, have such authority and perform such duties as the Board of Trustees may from time to time determine. The Board of Trustees may from time to time delegate to any officer or agent the power to appoint any such subordinate officers or agents and to prescribe their respective titles, terms of office, authorities and duties. Subordinate officers need not be Trustees or Members of the Association.

6.04 Resignation and Removal. Any person shall cease to be an officer at any time that such person shall cease to be an Owner or shall otherwise cease to meet the qualifications to hold such office. Any officer may resign at any time by delivering a written resignation to the President or to the Board of Trustees. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed by a majority vote of the Board of Trustees at any time, for or without cause.

6.05 Vacancies and Newly Created Offices. If any vacancy shall occur in any office by reason of the death, resignation, removal, disqualification or any other cause, or if a new office

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shall be created, such vacancies or newly created offices may be filled by the Board of Trustees at any regular or special meeting.

6.06 The President. The President shall preside at meetings of the Board of Trustees and at the meetings of the Members. The President shall execute on behalf of the Association all conveyances, mortgages, documents and contracts approved by the Board of Trustees and shall do and perform such other acts and things as the Board of Trustees may require.

6.07 The Vice President. The Vice President shall act in the place and stead of the President in the event of the President's absence or inability or refusal to act and shall do and perform such other duties as the Board of Trustees may require.

6.08 The Secretary. The Secretary shall keep the minutes of the Association and the Board of Trustees and shall maintain such books and records as these Bylaws, the Declaration or any resolution of the Board of Trustees may require to be kept. The Secretary shall be the custodian of the seal of the Association, if any, and shall affix such seal, if any, to all papers and instruments requiring the same. The Secretary shall perform such other duties as the Board of Trustees may require.

6.09 The Treasurer. The Treasurer shall have the custody and control of the funds of the Association, subject to the action of the Board of Trustees, and shall, when requested by the President to do so, report the state of the finances of the Association at each annual meeting of the Members and at any meeting of the Board of Trustees. The Treasurer shall perform such other duties as the Board of Trustees may require.

6.10 Compensation. No officer shall receive compensation for any services that may be rendered to the Association by such person as an officer, provided, however, that an officer may be reimbursed for expenses incurred in performance of duties required as an officer to the extent that such expenses are approved by the Board of Trustees and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association in a capacity other than the capacity of an officer.

ARTICLE VII

COMMITTEES

7.01 Designation of Committees. The Board of Trustees may from time to time by resolution designate such committees as it may deem appropriate in carrying out its duties, responsibilities, functions and powers. The membership of each such committee designated hereunder shall include at least two (2) Trustees. No committee member shall receive compensation for services that may be rendered to the Association as a committee member, provided, however that a committee member may be reimbursed for expenses actually incurred in the performance of responsibilities of a committee

member to the extent that such expenses are approved by the Board of Trustees and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in the capacity as a committee member. Such committees shall exist at the pleasure of the Board of Trustees and the existence thereof may be terminated at any time by resolution of the Board of Trustees. Each such committee shall have and exercise only such authority and prerogatives as shall be specifically delegated and, by the Board of Trustees and unless otherwise designated, shall act only in an advisory capacity to the Board of Trustees.

7.02 Proceedings of Committees. Each committee designated hereunder by the Board of Trustees may appoint its own presiding and recording officers and may meet at such place and times and upon such notice as such committee may from time to time determine. Each such committee shall keep a record of its proceedings and shall regularly report such proceedings to the Board of Trustees. Notice of any such meetings shall be given to all committee members at least three (3) days prior to the date of such meeting. All such meetings shall be open to any Member of the Association.

7.03 Quorum and Manner of Acting. At each meeting of any committee designated hereunder by the Board of Trustees, the presence of members constituting at least a majority of the authorized membership of such committee (but in no event less than two members) shall constitute a quorum for the transaction of business in the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such committee. The members of any committee designated by the Board of Trustees hereunder shall act only as a committee and the individual members thereof shall have no powers as such.

7.04 Resignation and Removal. Any member of any committee designated hereunder by the Board of Trustees may resign at any time by delivering a written resignation to the President, the Board of Trustees or the presiding officer of the committee of which said person is a member. Unless otherwise specified therein, such resignation shall take effect upon delivery. The Board of Trustees may at any time, for or without cause, remove any member of any committee.

7.05 Vacancies. If any vacancy shall occur in any committee designated by the Board of Trustees hereunder, due to the disqualification, death, resignation, removal or otherwise, the remaining members shall, until filling of such vacancy constitute the then total authorized membership of such committee and, provided that two or more members are remaining (at least one of which is a Trustee), may continue to act. Such vacancy may be filled at any regular or special meeting of the Board of Trustees.

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ARTICLE VIII

INDEMNIFICATION

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

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

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8.03 Determinations. To the extent that a person has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 8.01 or 8.02 hereof, or in any defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorney fees) actually and reasonably incurred by such person in connection therewith. Any other indemnification under Section 8.01 or 8.02 hereof, shall be made by the Association only upon the determination that indemnification of the person is proper in the circumstances because such person has met the applicable standard of conduct set forth respectively in Section 8.01 or 8.02 hereof. Such determination shall be made either: (a) by the Board of Trustees by a majority vote of disinterested Trustees or (b) by independent legal counsel in a written opinion or (c) by the Members by the affirmative vote of at least fifty-one percent (51%) of the Total Votes of the Association at a meeting duly called for such purpose.

8.04 Advances. Expenses incurred in defending the civil or criminal action, suit or proceeding that is contemplated in this Article VIII may be paid by the Association in advance of the final disposition of such action, suit or proceeding upon a majority vote of a quorum of the Board of Trustees and upon receipt of an undertaking by or on behalf of the person to repay such amount or amounts unless it is ultimately determined that such person is entitled to be indemnified by the Association as authorized under this Article.

8.05 Scope of Indemnification. The indemnification provided for by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision of the Association's Articles of Incorporation, Bylaws, Agreements, vote of disinterested Members or Trustees, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. The indemnification authorized by this Article shall apply to all present and future Trustees, officers, employees and agents of the Association and shall continue as to such persons who cease to be Trustees, officers, employees or agents of the Association and shall inure to the benefit of the heirs and personal representatives of all such persons and shall be in addition to all other rights to which such person may be entitled as a matter of law.

8.06 Insurance. The Association may purchase and maintain insurance on behalf of any person who was or is a Trustee, officer, employee or agent of the Association or who was or is serving at the request of the Association as a trustee, director, officer, employee or agent of another corporation, entity or enterprise (whether for profit or not for profit) against any liability asserted against or incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Association would have the power to indemnify such person against such liability under the laws of the State of Utah, as the same may be hereby amended or modified.

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8.07 Payments in Premiums. All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article, shall constitute expenses of the Association and shall be paid with funds from the Common Expense Fund referred to in the Declaration.

ARTICLE IX

FISCAL YEAR AND SEAL

9.01 Fiscal Year. The fiscal year of the Association shall begin on the first day of January each year and shall end on the 31st day of December next following, provided, however that the first fiscal year shall begin on the date of incorporation.

9.02 Seal. The Board of Trustees may by resolution provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation, the non-profit nature of the Association and the words "Corporate Seal".

ARTICLE X

RULES AND REGULATIONS

10.01 Rules and Regulations. The Board of Trustees may from time to time adopt, amend, repeal and enforce reasonable rules and regulations governing the use and operation of the Project, provided, however, that such rules and regulations shall not be inconsistent with the rights and duties set forth in the Articles of Incorporation, the Declaration or these Bylaws. The Members shall be provided with copies of all rules and regulations adopted by the Board of Trustees and with copies of all amendments and revisions thereof.

ARTICLE XI

ASSESSMENTS

11.01 Assessments. Members of the Association shall be subject to Assessments, by the Association from time to time in accordance with the provisions of the Declaration. Members shall be personally liable to the Association for payment of such assessments, together with interest thereon, and costs of collection as provided in the Declaration.

11.02 No Liability. Members of the Association shall not be individually or personally liable for debts or obligations of the Association.

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ARTICLE XII

REPORTS AND CORPORATE RECORDS

12.01 Maintenance and Inspection of Records. The accounting books, records and minutes of proceedings of the Members, the Board of Trustees, and any committees of the Board of Trustees shall be kept at such place or places designated by the Board of Trustees, or, in the absence of such designation at the principal office of the Association. The minutes shall be kept in written or typed form and the accounting books and records shall be kept in either written or typed form or in any other form capable of being converted into written, typed or printed form. The minutes and accounting books and records shall be open to inspection on the written demand of any Member at any reasonable time during usual business hours for a purpose reasonably related to the Member's interest as a Member. The inspection may be made in person or by an agent or attorney who has been authorized in writing by a Member to make such inspection and shall include the right to copy and make extracts. The Board of Trustees shall establish reasonable rules with respect: (a) notice to be given to the custodian of the records by the Member desiring to make the inspection; (b) hours and days of week when such inspection may be made; and (c) payment of the cost of reproducing copies of documents requested by a Member. Each Trustee shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Trustee includes the right to make extracts and copies of documents.

12.02 Annual Report to Members. The Association shall provide to the Trustees and make available or distribute to any Member, the financial reports referred to in the Declaration as follows:

(a) A proposed pro forma operating statement (budget) for each fiscal year shall be distributed to the Trustees and Members not less than thirty (30) days before the beginning of each fiscal year.

(b) An annual report shall be distributed to the Trustees and made available to the Members within one hundred twenty (120) days after the end of each fiscal year, consisting of the following: (i) a balance sheet as of the last day of the fiscal year; (ii) an operating (income) statement for such fiscal year; (iii) a statement of net changes in financial position for the Association during the fiscal year; (iv) a statement of any transaction or transactions during the previous fiscal year involving more than \$5,000.00, individually or in the aggregate, in which either of the following had a direct or indirect material financial interest; (1) any Trustee or officer of the Association; or (2) any holder of more than ten percent (10%) of the voting power of the Association; (v) a statement of any indemnification or advances aggregating more than \$1,000.00 paid during the recently concluded fiscal year to any Trustee or officer of the Association, unless the indemnification is approved by Members of the Association, and (vi) a list of the

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names, mailing addresses, and telephone numbers of the members of the Board of Trustees.

12.03 Roster of Members. The Association shall compile annually a roster of the names and addresses of the Members. Upon written request of a Member, the Association shall furnish such Member with a copy of the roster and may charge the Member a reasonable fee therefore. The roster is a corporate asset. Without the written consent of the Board of Trustees, the roster or any part thereof may not be used by any person for any purpose unrelated to a Member's interest as a Member. Without limiting the generality of the foregoing, without the written consent of the Board of Trustees, the roster or any part thereof may not be: (1) Used to solicit money or property unless such money or property will be used solely to solicit the vote of the Members in an election to be held by the Association; or (2) Used for any purpose which the user does not reasonably and in good faith believe will benefit the Association; or (3) Used for any commercial purpose or purpose in competition with the Association; or (4) Sold to or purchased by any person. Any person who violates the provisions of this Section 7.03 shall be liable for any damage such violation causes the Association and shall account for and pay to the Association any profit derived as a result of said violation. In addition, a court, in its discretion, may award exemplary damages for a fraudulent or malicious violation of this Section 12.03. Nothing in this section shall be construed to limit the right of the Association to obtain injunctive relief necessary to restrain misuse of the roster. In any action or proceeding under this section, a court may award the Association reasonable costs and expenses, including reasonable attorneys' fees in connection with such action or proceedings.

ARTICLE XIII

AMENDMENTS

13.01 Amendments. Except as otherwise provided by law, by the Articles of Incorporation, by the Declaration or by these Bylaws, these Bylaws may be amended, modified or repealed and new Bylaws may be made and adopted by the Members upon the affirmative vote of at least sixty percent (60%) of the Total Votes of the Association. It is provided, however, that such action shall not be effective unless and until a written instrument setting forth: (a) the amended, modified, repealed or new Bylaw; (b) the number of votes cast in favor of such action; and (c) the Total Votes of the Association, shall have been executed and verified by the current President of the Association and recorded in the office of the County Recorder of Salt Lake County, State of Utah.

[Signatures begin on following page]

IN WITNESS WHEREOF, the undersigned, constituting all of the Trustees of the Gateway Condominium Owners Association, have executed these Bylaws as of the 26th day of March, 1986.

W. Kent Money
W. Kent Money

P. David Jensen
P. David Jensen

Ramon B. Morgan
Ramon B. Morgan

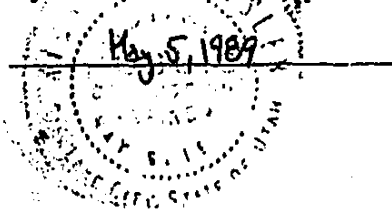
William W. Cannon
William W. Cannon

William E. Sutton
William E. Sutton

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

On the 26th day of March, 1986, personally appeared before me the undersigned Notary Public, in and for said County of Salt Lake, in the State of Utah, W. KENT MONEY, P. DAVID JENSEN, RAMON B. MORGAN, WILLIAM W. CANNON AND WILLIAM E. SUTTON, signers of the within and foregoing Bylaws of the Gateway Owners Association, each of whom duly acknowledged to me that he executed the same.

My Commission Expires:



Richard R. Nalen
Notary Public
Residing at: SALT LAKE CITY, Utah

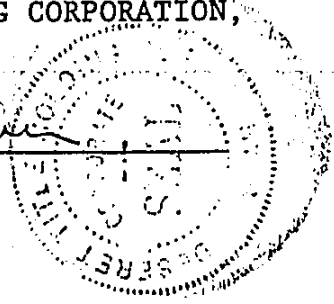
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DECLARANT AND OWNER'S CONSENT

On this 26th day of March, 1986, the undersigned, Deseret Title Holding Corporation, a Utah corporation, as the owner of the real property upon which the Project is located and Zions Securities Corporation, a Utah corporation as the lessee of said real property and the owner of all improvements which comprise the Project, do hereby consent to and execute these Bylaws in accordance with the provisions of the Utah Condominium Ownership Act.

DESERET TITLE HOLDING CORPORATION,
a Utah corporation

By Fred A. Baker
Fred A. Baker
Its Vice President

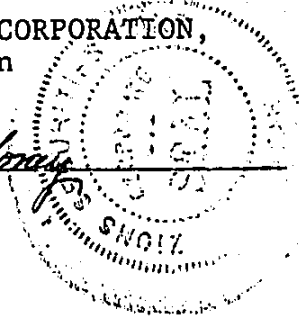


ATTEST:

Wayne G. Facer
Wayne G. Facer
Its Secretary

ZIONS SECURITIES CORPORATION,
a Utah corporation

By W. Kent Money
W. Kent Money
Its President



ATTEST:

Ramon B. Morgan
Ramon B. Morgan
Its Secretary

STATE OF UTAH)
 : ss
COUNTY OF SALT LAKE)

On the 26th day of March, 1986, personally appeared before me the undersigned Notary Public in and for said County of Salt Lake, State of Utah, FRED A. BAKER, and WAYNE G. FACER, the signers of the Consent to the Bylaws of the Gateway Owners Association, who duly acknowledged to me that they are the Vice President and Secretary, respectively, of DESERET TITLE HOLDING CORPORATION, a Utah corporation, and that they did sign the same in behalf of and by authority of a resolution of its Board of Directors or Bylaws and that said corporation executed the same.

My Commission Expires:

May 5, 1989

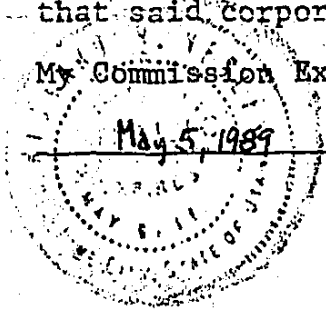
Richard P. Nelson
Notary Public
Residing at: Salt Lake City, Utah

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STATE OF UTAH)
 : ss
COUNTY OF SALT LAKE)

On the 26th day of March, 1986, personally appeared before me the undersigned Notary Public, in and for said County of Salt Lake, State of Utah, W. KENT MONEY and RAMON B. MORGAN, the signers of the Consent to the Bylaws of The Gateway Condominium Owners Association, who duly acknowledged to me that they are the President and Secretary, respectively, of ZIONS SECURITIES CORPORATION, a Utah corporation, and that they did sign the same in behalf of and by authority of a resolution of its Board of Directors or Bylaws and that said corporation executed the same

My Commission Expires:



Richard P. Nelson
Notary Public
Residing at: Salt Lake City, Utah

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