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PREPARED BY, AND WHEN
RECORDED, PLEASE RETURN TO:

Victor A. Taylor, Esq.
Parr, Waddoups, Brown, Gee & Loveless
185 South State Street, Suite 1300
Salt Lake City, Utah 84111
telephone: (801) 532-7840
telecopier: (801) 532-7750

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GARY W. OTT
RECORDER, SALT LAKE COUNTY, UTAH
ARCADE DEVELOPERS LLC
268 S STATE STE. 300
SLC UT 84111
BY: RDJ, DEPUTY - WI 44 P.

DECLARATION OF CONDOMINIUM AND BYLAWS

for

ALPHAGRAPHICS BUILDING CONDOMINIUMS,
a Utah Condominium Project

Dated as of June 24, 2002

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DECLARATION OF CONDOMINIUM AND BYLAWS
[AlphaGraphics Building Condominiums]

THIS DECLARATION (this "Declaration") is executed as of the 24th day of June, 2002, by ARCADE DEVELOPERS, LLC, a Utah limited liability company ("Declarant"), whose address is 268 South State Street, Suite 300, Salt Lake City, Utah 84111.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are acknowledged, Declarant agrees as follows:

1. Definitions. As used in this Declaration, each of the following terms shall have the meaning indicated:

1.1. "Act" means the Utah Condominium Ownership Act, §§ 57-8-1, *et seq.*, Utah Code Annotated, as amended on or after the date of this Declaration, and any successor or substitute statute.

1.2. "American Stores Agreement" means the Agreement of Right-of-Way and Easements, dated March 29, 2001 and recorded April 5, 2001 as Entry No. 7863200 in Book 8442 at Page 8978 of the Official Records.

1.3. "Association of Owners" means all of the Owners acting as a group in accordance with the Act and this Declaration.

1.4. "Atriums" means the two atriums of the Building shown on the Record of Survey Map, one of which is located in the Northeast corner of the Building, and the other of which is located in the Southwest corner of the Building.

1.5. "Building" means the building containing the Units and comprising a portion of the Project, which has five (5) stories above ground and one basement level having below grade vehicular access. The principal materials of which the Building is constructed are concrete, steel, stone and glass fiber-reinforced concrete.

1.6. "Commercial Units" means the three (3) commercial units comprising a portion of the Project, designated as Units C-1 through C-3, inclusive, and shown on the Record of Survey Map, each of which is a Convertible Space.

1.7. "Common Areas" means the following:

(a) the Land, together with all rights, titles, interests and obligations appurtenant to the Land under the American Stores Agreement;

(b) the foundations, columns, girders, beams, supports, main walls, floors, ceilings, windows, exterior doors (excluding only partitions within any individual Unit and the interior surface of the walls, floors, ceilings, windows and doors forming the perimeter

boundaries of each Unit), roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, entrances and exits of the Building;

(c) the yards, gardens and landscaped areas (including, without limitation, the wallscape and landscape contemplated by Paragraph 2.2 of the American Stores Agreement);

(d) the premises or space, if any, for lodging or exclusive use of janitors or Persons in charge of the Project;

(e) installations of central services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating;

(f) the elevators, tanks, pumps, motors, fans, compressors, pipes, vents, ducts, shafts, flues, chutes, conduits, wires and, in general, all apparatus and installations existing for common use;

(g) restrooms shown as Common Areas on the Record of Survey Map;

(h) those portions of the Units which become Common Areas pursuant to Paragraph 10.6; and

(i) all other parts of the Project necessary or convenient to its existence, maintenance and safety or normally in common use or shown on the Record of Survey Map as Common Areas, including all parts of the Project other than the Units and the Limited Common Areas.

1.8. "Common Expenses" means:

(a) all sums lawfully assessed against the Owners;

(b) expenses of operation (including utilities and services), management, maintenance, repair and replacement of the Common Areas and Limited Common Areas, including a reasonable reserve for the periodic maintenance, repair and replacement of the Common Areas and Limited Common Areas, including, without limitation, all expenses of compliance with the Façade Maintenance Agreement; provided, however, that to the extent reasonably possible:

(i) expenses and reserves relating to the Roof Plaza shall be allocated fairly and equitably on a pro rata basis among the Residential Unit Owners only (and shall not be borne by any other Owners);

(ii) expenses and reserves relating to the balcony located adjacent to the East of Units 410, 411 and 412 and shown as Limited Common Areas on the Record of Survey Map shall be allocated fairly and equitably on a pro rata basis among the Owners of those Units only (and shall not be borne by any other Owners);

(iii) expenses and reserves relating to the Atriums shall be allocated fairly and equitably on a pro rata basis among the Owners of those Units to which the Atriums are appurtenant only (and shall not be borne by any other Owners); and

(iv) expenses and reserves relating to the below grade vehicular access rights through the parking terrace adjacent westerly to the Project, set forth in the American Stores Agreement, the vehicular driveways within the Project accessing and servicing the Parking Units and Storage Units and the other areas within the underground parking area shown as Limited Common Areas on the Record of Survey Map, shall be allocated fairly and equitably on a pro rata basis among the Owners of the Parking Units and Storage Units only (and shall not be borne by any other Owners);

(c) the cost of culinary water and other utilities provided to the Units, if not separately metered;

(d) premiums for the insurance obtained by the Management Committee pursuant to Paragraph 9;

(e) any other cost, expense or fee properly incurred by the Management Committee in connection with the performance of its obligations under the Governing Documents including, without limitation, accountants', attorneys' and other professionals' fees and costs incurred by the Management Committee in connection with the enforcement of, or the performance of its obligations under, this Declaration;

(f) other expenses agreed on as common expenses by a Majority of the Owners;

(g) other expenses declared common expenses by the Act or this Declaration; and

(h) Common Expenses due but not paid to the Management Committee which are determined by the Management Committee not to be legally or practicably recoverable (after reasonable effort) from the responsible Owner, together with all interest on, and costs and attorneys' fees incurred in connection with, such unpaid Common Expenses, including, without limitation, those unpaid Common Expenses described in Paragraph 11; provided, however, that if such unpaid Common Expenses are later received by the Management Committee from or on behalf of the responsible Owner, any amounts previously paid by any other Owners pursuant to this Paragraph 1.7(h) shall be refunded pro rata to such other Owners.

1.9. "Condominium" means a Unit together with the Limited Common Areas, if any, and the Undivided Interest appurtenant to such Unit.

1.10. "Convertible Space" means a portion of the Building, which portion may be converted into one or more Units, Common Areas and/or Limited Common Areas in accordance with Paragraph 12.3 of this Declaration. Each Commercial Unit is a Convertible Space.

1.11. "Eligible Insurer or Guarantor" means an insurer or governmental guarantor of a Mortgage that has requested notice of certain matters from the Management Committee in accordance with Paragraph 11.

1.12. "Eligible Mortgagee" means a Mortgagee that has requested notice of certain matters from the Management Committee in accordance with Paragraph 11.

1.13. "Existing Documents" means the following, as amended on or after the date of this Declaration: (a) the Façade Maintenance Agreement; (b) the Special Warranty Deed, dated February 1, 2001 and recorded February 8, 2001 as Entry No. 7817353 in Book 8422 at Page 8702 of the Official Records; (c) the Block 57 Master Plan, revised June 1992; and (d) the Declaration of Covenants, Conditions, Restrictions and Easements Pertaining to a Portion of the Surface of Block 57, Salt Lake City, Utah, dated June 30, 1995 and recorded July 3, 1995 as Entry No. 6113370 in Book 7180 at Page 1501 of the Official Records, as amended on or after the date of this Declaration.

1.14. "Façade Maintenance Agreement" means Article XIV of the Purchase and Sale Agreement, dated January 4, 2001, notice of which was given pursuant to the Notice of Façade Maintenance Agreement, dated February 2, 2001 and recorded February 8, 2001 as Entry No. 7817355 in Book 8422 at Page 8718 of the Official Records.

1.15. "Governing Documents" means the Act, this Declaration, the Record of Survey Map, the Rules and Regulations and the Existing Documents, as applicable.

1.16. "Land" means the real property located in Salt Lake County, Utah, described as follows:

[Sidwell No. 16-06-152-080]

Beginning at the Southeast corner of Block 57, Plat "A", Salt Lake City Survey, and running thence North 89°50'34" West along the South line of Block 57 a distance of 145.12 feet to the East line of the parcel of land conveyed to American Stores Properties, Inc., a Delaware corporation, in that certain Fully Restated Special Warranty Deed with Final Easement Descriptions recorded November 10, 1999 as Entry No. 7509877 in Book 8322 at Page 1621 of the Official Records of the Salt Lake County Recorder; thence North 0°08'14" East along said East line of the American Stores parcel a distance of 211.56 feet to the South line of Gallivan Avenue; thence South 89°57'13" East along said South line of Gallivan Avenue a distance of 145.12 feet to the East line of said Block 57; thence South 0°08'14" West along said East line of Block 57 a distance of 211.84 feet to the point of beginning.

TOGETHER WITH a perpetual, non-exclusive right-of-way and easement for vehicular ingress and egress, as set forth in the Agreement of Right-of-Way and Easements, recorded April 5, 2001 as Entry No. 7863200 in Book 8442 at Page 8978 of the official records of the Salt Lake County Recorder on, over and

across the parking structure located on certain real property located in Salt Lake County, Utah, described as follows:

[Sidwell No. 16-06-152-075]

Beginning at the Southwest corner of Block 57, Plat "A", Salt Lake City Survey, said point being North 0°00'32" West 64.51 feet parallel to the Block Monument Line and North 89°59'08" East 67.10 feet parallel to the Block Monument Line from the Salt Lake City Block Monument in the intersection of Main Street and 300 South Street, and running thence North 0°09'09" East 326.84 feet along the westerly lines of Lot 2 and Lot 3 of said Block 57; thence North 89°59'26" East 149.83 feet; thence South 0°00'33" East 57.93 feet; thence South 89°57'13" East 365.32 feet; thence South 0°08'14" West 270.05 feet to the South line of Lot 1 of said Block 57; thence along the South line of Lots 1 and 2 of said Block 57, North 89°50'34" West 515.38 feet to the point of beginning.

TOGETHER WITH the appurtenant easements, rights, benefits and privileges which are created or provided for in that certain Declaration of Covenants, Conditions, Restrictions and Easements Pertaining to a Portion of the Surface of Block 57, Salt Lake City, Utah, dated June 30, 1995 and recorded July 3, 1995 as Entry No. 6113370 in Book 7180 at Page 1501 of the Official Records, as amended on or after the date of this Declaration.

1.17. "Limited Common Areas" means those Limited Common Areas designated in this Declaration or on the Record of Survey Map as reserved for the use of one or more Units to the exclusion of the other Units. The Limited Common Areas include, without limitation, the following:

(a) the Atriums, each of which is reserved for the exclusive use of the Owner(s) of, and is appurtenant to, that portion of Unit C-1 abutting the Atrium concerned; provided, however, that if the majority (by square footage) of Unit C-2 or the majority (by square footage) of Unit C-3 is owned or occupied by the same Person, such Person may, subject to the prior written approval of the Management Committee, place business name signage on the "exterior" walls of the Building enclosed within the Atriums (and the AlphaGraphics® signage currently affixed to such walls on the date of this Declaration is deemed approved for all purposes of this Declaration);

(b) the Roof Plaza, which is reserved for the exclusive use of the Owners of, and is appurtenant to, the Residential Units;

(c) the balcony located adjacent to the East of Units 410, 411 and 412 and shown as Limited Common Areas on the Record of Survey Map, which balcony is reserved for the exclusive use of the Owners of, and is appurtenant to, Units 410, 411 and 412;

(d) the vehicular access rights through the parking terrace adjacent westerly to the Project set forth in the American Stores Agreement, and the below grade vehicular driveways within the Project accessing and servicing the Parking Units and Storage Units, which rights and driveways are reserved for the exclusive use of the Owners of, and are appurtenant to, the Parking Units and Storage Units, and may also be used by any Persons to whom such Owners have properly granted the use of any Parking Units or Storage Units pursuant to a lease, rental agreement, license or other similar instrument;

(e) each area shown as Limited Common Areas on the Record of Survey Map and located between or adjacent to one or more of the Parking Units, each of which areas is reserved for the exclusive use of the Owner(s) of, and is appurtenant to, the Parking Units abutting the area concerned; and

(f) any Limited Common Areas created in accordance with Paragraph 3.10, which shall be reserved for the exclusive use of the Owner(s) of, and shall be appurtenant to, the adjoining Units concerned.

In addition, all shutters, awnings, window boxes, doorsteps, porches, balconies, patios or other apparatus intended to serve a single Unit, but located outside the boundaries of the Unit, shall constitute Limited Common Areas appurtenant to that Unit exclusively. 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(s) of the Units on either side of such separations or space as provided in Paragraph 3.10.

1.18. "Majority of the Owners" means the Owners of more than fifty percent (50%) in the aggregate of the Undivided Interests.

1.19. "Management Committee" means the Management Committee of the AlphaGraphics Building Condominiums, as described in Paragraph 5.

1.20. "Mortgage" means a mortgage, a deed of trust and any indenture secured by a security interest on any Condominium.

1.21. "Mortgagee" means a mortgagee under a mortgage, a beneficiary under a deed of trust and a beneficiary under any indenture secured by a security interest on any Condominium.

1.22. "Official Records" means the official records of the Salt Lake County Recorder, State of Utah.

1.23. "Owner" means the Person(s) owning each Condominium in fee simple, as shown in the Official Records, subject to the provisions of this Declaration regarding the Residential Association acting in the place and stead of the Residential Unit Owners.

1.24. "Parking Units" means the fifty-four (54) parking stalls comprising a portion of the Project, designated as Units P-1 through P-54, inclusive, and shown on the Record of Survey Map.

1.25. "Person" means an individual, corporation, partnership, limited liability company, association, trustee or other legal entity.

1.26. "Project" means the Land, the Building and all other structures and improvements constructed on the Land on or after the date of this Declaration and all easements, rights and appurtenances belonging to, and all articles of personal property (other than personal property owned by individual Owners) intended for use in connection with, the Land, the Building or any other structures or improvements on the Land. The Project is comprised of the Units, the Common Areas and the Limited Common Areas.

1.27. "Record of Survey Map" means the Record of Survey Map, recorded in the Official Records concurrently with the recordation this Declaration, entitled "Map of AlphaGraphics Building Condominiums," as the same may be amended on or after the date of this Declaration.

1.28. "Residential Association" means The Plaza Garden Penthouses at Gallivan Center Condominium Association, Inc., a nonprofit corporation formed exclusively for the Owners of the Residential Units pursuant to certain organizational documents including, without limitation, the Residential Association Bylaws.

1.29. "Residential Association Bylaws" means the bylaws attached as Exhibit A, incorporated by this reference.

1.30. "Residential Units" means the nine (9) residential units comprising a portion of the Project, designated as Units 410 through 418, inclusive, and shown on the Record of Survey Map.

1.31. "Roof Plaza" means the landscaped and otherwise improved plaza on the fourth floor of the Building, having, among other things, planters, a spa and walking and sitting areas, shown as Limited Common Areas on the Record of Survey Map and being appurtenant to the Residential Units. (The Roof Plaza does not include the balcony located adjacent to the East of Units 410, 411 and 412 and shown as Limited Common Areas on the Record of Survey Map.)

1.32. "Rules and Regulations" means the rules and regulations for the Project adopted by the Management Committee from time to time in accordance with this Declaration, including, without limitation, those rules and regulations set forth on the attached Exhibit B, incorporated by this reference, as such rules and regulations may be amended after the date of this Declaration. For purposes of this Declaration, the rules and regulations set forth on the attached Exhibit B shall be deemed to have been adopted by the Management Committee.

1.33. "Size" means the number of square feet of floor space within each Unit as computed by reference to the Record of Survey Map and rounded off to a whole number. The Size of each Unit is set forth in Paragraph 3.1.

1.34. "Storage Units" means the four (4) storage units comprising a portion of the Project, designated as Units S-1 through S-4, inclusive, and shown on the Record of Survey Map.

1.35. "Undivided Interest" means an undivided interest, expressed as a percentage, in the Common Areas made appurtenant to each Unit by the provisions of this Declaration, as set forth in Paragraph 3.1.

1.36. "Unit" means each separate physical part of the Project intended for any type of independent use, including one or more spaces located in one or more floors or parts of floors in the Building. Initially, the Units are comprised of the following, all as depicted on the Record of Survey Map: the Commercial Units; the Parking Units; the Residential Units; and the Storage Units.

(a) Each Commercial Unit, Residential Unit and Storage Unit is comprised of an individual air space unit, consisting of enclosed rooms or spaces occupying part of the Building and bounded by the interior surfaces of the walls, floors, ceilings, windows and doors along the perimeter boundaries of such air space, together with all fixtures and improvements contained within such air space. Paint and other wall, ceiling and floor coverings on interior surfaces shall be deemed to be a part of the Unit concerned. Notwithstanding the fact that they may be within the boundaries of such air space, the following are not part of a Unit insofar as they are necessary for the support or the use and enjoyment of another Unit, and shall be part of the Common Areas: bearing walls, floors, ceilings (except the interior surfaces of walls, floors and ceilings), roofs, foundations, ceiling equipment, tanks, pumps, motors, fans, compressors, pipes, vents, ducts, shafts, flues, chutes, conduits, wires and other utility installations, except the outlets of any of the foregoing when located within a Unit. The interior surface of a window or door means the location of such surface when such window or door is closed.

(b) Each Parking Unit is comprised of an individual air space having the following boundaries:

(i) base: the plane of the upper surface of the concrete flooring;

(ii) sides: a plane perpendicular to the base which runs from the base to the ceiling along the center of the full length of each painted line delineating the side of the Unit, or in those cases where a painted line is not used to delineate the side of the Unit or a portion of the side of the Unit, the plane of the surface of the concrete facing such Unit;

(iii) front and rear: a plane perpendicular to the base which runs from the base to the ceiling along the center of the full length of each painted line delineating the front or rear of the Unit, or in those cases where a painted line is not used to delineate the front or rear of the Unit or a portion of the front or rear of the Unit, the plane of the surface of the concrete

facing such Unit or the plane of an imaginary line extending horizontally from the end of one side line to the end of the other side line and extending vertically to the ceiling of the Unit; and

(iv) ceiling: the plane of the lower surface of the concrete above the Unit and, if applicable, the plane of the other surfaces of any beam or beams or other similar structures above the Unit.

1.37. "Unit Number" means the number, letter or combination of numbers and letters designating each Unit in this Declaration and in the Record of Survey Map. The Unit Number of each Unit is set forth in Paragraph 3.1.

2. Purpose; Submission to Act.

2.1. Purpose. Declarant is the owner of the Land and the Building. Various improvements have been and will be made to the Land and the Building so as to enable its use and operation as a condominium project. The construction and alteration of all of such improvements has been or will be performed in accordance with this Declaration and the Record of Survey Map. Declarant desires, by recording this Declaration and the Record of Survey Map, to submit the Land, the Building and all other improvements constructed on the Land on or after the date of this Declaration to the provisions of the Act as a condominium project to be known as the "AlphaGraphics Building Condominiums." Declarant intends to sell and convey fee title to certain Condominiums, subject to the provisions of the Governing Documents.

2.2. Submission to Act. It is intended that the Act apply to the Project and, therefore, the Project is submitted to the Act. Notwithstanding such submission, Declarant reserves for Declarant and the Management Committee such transferable, perpetual easements and rights of ingress and egress over, across, through and under the Project for the purpose of completing construction of the Units, making improvements and alterations to the Project, doing all things reasonably necessary and proper in connection with such improvements and alterations and performing all acts necessary or appropriate under the Governing Documents. In addition, Declarant and its duly authorized agents, representatives and employees may maintain one or more sales offices or model units within the Project, which may be of such size, and may be located, relocated or removed, as Declarant shall reasonably determine. Declarant also reserves the right to grant to one or more third parties rights-of-way, easements or similar rights with respect to the façade of the Building and the open space corridor located on the westerly twenty (20) feet of the Land.

3. Condominiums.

3.1. Division of Project. The Project is divided into Condominiums, each such Condominium consisting of a Unit, appurtenant Limited Common Areas, if any, and an appurtenant Undivided Interest, as follows:

Commercial Units

<u>Unit</u>	<u>Size</u>	<u>Undivided Interest</u>
C-1	16,643 square feet	19.03%
C-2	21,451 square feet	24.53%
C-3	21,451 square feet	24.53%

Parking Units¹

<u>Unit</u>	<u>Size</u>	<u>Undivided Interest</u>
P-1 through P-54, inclusive	149 square feet each	.17% each

Residential Units

<u>Unit</u>	<u>Size</u>	<u>Undivided Interest</u>
410	1,457 square feet	1.67%
411	1,506.9 square feet	1.72%
412	2,336.1 square feet	2.67%
413	2,321.1 square feet	2.65%
414	2,348.2 square feet	2.69%
415	2,363.6 square feet	2.70%
416	1,564.5 square feet	1.79%
417	2,352.1 square feet	2.69%
418	2,421 square feet	2.77%

Storage Units

<u>Unit</u>	<u>Size</u>	<u>Undivided Interest</u>
S-1	520 square feet	.59%
S-2	344 square feet	.39%
S-3	63 square feet	.11% ²
S-4	256 square feet	.29%

¹ The size and resulting Undivided Interest of each Parking Unit is approximate, being based on the Record of Survey Map which describes this size as both "minimum" and "typical." The exact size of any particular Parking Unit may be somewhat more or less than 149 square feet, but the size and resulting Undivided Interest set forth shall not be subject to alteration except as expressly set forth in the Act.

² (This number, .11%, is an agreed upon number used instead of the number (.07%) that would otherwise be produced if this percentage was calculated in the same manner as the other Undivided Interests. This agreed upon number was used so that the aggregate Undivided Interests would total 100.00%.)

3.2. Nature of Condominiums. Each Condominium shall for all purposes constitute real property, shall have the same incidents as real property, may be individually conveyed, leased, encumbered, inherited or devised by will and shall be subject to all types of juridic acts inter vivos or mortis causa as if it were sole and entirely independent of all other Condominiums, and the corresponding individual titles and interests in each Condominium shall be recordable. Any Condominium may be held and owned by more than one Person as joint tenants, as tenants in common or in any other real property tenancy relationship recognized under the laws of the State of Utah. Each Owner shall be entitled to the exclusive ownership and possession of its Unit and, to the extent applicable, any Limited Common Areas appurtenant to its Unit. Each Owner may separately mortgage or otherwise encumber its Condominium, provided that each Mortgage of any Condominium shall be subordinate to this Declaration. No Owner may mortgage or otherwise encumber the Common Areas, except to the extent of the Undivided Interest appurtenant to its Unit.

3.3. Nature of Undivided Interests. Each Owner shall be entitled to an Undivided Interest in the percentages expressed in Paragraph 3.1, which Undivided Interests are allocated proportionate to the Size of each Unit. Each Owner may use the Common Areas on a nonexclusive basis, but only in accordance with the purposes for which they were intended without hindering or encroaching on the lawful rights of the other Owners, and only in a manner which is consistent with their community nature and with the use and other covenants, conditions and restrictions applicable to the Units under the Governing Documents. Except as otherwise provided in this Declaration, each Owner shall have the right to use and enjoy any Limited Common Areas appurtenant to its Unit exclusive of other Owners to whose Units such Limited Common Areas are not appurtenant. Neither the Undivided Interest nor the right of exclusive use of any Limited Common Areas may be separated from the Unit to which they are appurtenant. Except as otherwise expressly provided by the Act or Paragraph 12.3 pertaining to the conversion of Convertible Spaces, the Undivided Interest of each Owner as described in this Paragraph 3 shall have a permanent character and shall not be altered without the consent of two-thirds (2/3) of the Owners expressed in an amendment to this Declaration duly approved, executed and recorded in the Official Records. The Common Areas and Limited Common Areas shall remain undivided and no Owner or other Person shall bring any action for partition or division of any part of the Common Areas or Limited Common Areas, unless the Project has been removed from the provisions of the Act in accordance with Paragraph 14.3 or as otherwise provided in the Act. Any covenants to the contrary shall be null and void. The common profits, if any, of the Project shall be distributed among, the Common Expenses shall be charged to, and the voting rights shall be available to, the Owners according to their respective Undivided Interests.

3.4. Use Restrictions.

(a) The Commercial Units are intended exclusively for office, retail or other commercial uses commonly found in first-class commercial developments, the Parking Units are intended exclusively for the parking of motor vehicles, the Residential Units are intended exclusively for residential use, and the Storage Units are intended exclusively for storage use, and all such Units are restricted to such uses, respectively. The Residential Units may not be (i) placed in a rental pool, (ii) rented or leased for transient purposes, or (iii) rented or leased for weekly,

monthly or any other periods shorter than twelve (12) consecutive months. The Residential Units may only be rented or leased to one or more Persons who intend to, and do in fact, occupy the Unit concerned as the residence of such Person(s) for a period of at least twelve (12) months. No hazardous substances, hazardous wastes, pollutants or contaminants may be placed in any Storage Unit at any time. The Project is also subject to all restrictions set forth in the Existing Documents.

(b) No Owner shall do or permit anything to be done in its Unit which may do any of the following: (i) increase the existing rate or violate the provisions of any insurance carried with respect to the Project; (ii) create a public or private nuisance, commit waste or unreasonably interfere with, annoy or disturb any other Owner or occupant of the Building; (iii) overload the floors or otherwise damage the structure of the Building; (iv) violate any present or future law, ordinance, regulation or requirement, including, without limitation, those relating to hazardous substances, hazardous wastes, pollutants or contaminants, those relating to access by disabled Persons and the requirements of any board of fire underwriters or other similar body relating to the Project; (v) lower the first-class character of the Project; or (vi) otherwise detract from the appearance or value of the Project.

(c) No portion of the Project shall be used for any of the following uses: (i) a dry cleaners with on-premises cleaning; (ii) a coin operated laundry; (iii) a thrift store, secondhand store or liquidation outlet; (iv) an establishment having nude or semi-nude dancing, entertainment or service providers or any other sexually oriented business; (v) a bowling alley; (vi) a flea market; (vii) a massage parlor; (viii) a funeral home; (ix) a facility for the sale of paraphernalia for use with illicit drugs; (x) a facility for the sale or display of pornographic or sexually explicit material, such as adult theaters or adult bookstores, as determined by community standards for the area in which the Project is located; (xi) an off-track betting parlor; or (xii) a facility for any use which is illegal.

(d) Each Owner shall indemnify, defend and hold harmless the Management Committee and each other Owner from and against any claim, liability, loss, damage, cost or expense (including attorneys' fees) caused by the failure to timely comply with any requirement of the Governing Documents by, or otherwise caused by any act or omission of, the indemnifying Owner, any tenant, employee, agent, licensee, guest or invitee of the indemnifying Owner, any employee, agent, licensee, guest or invitee of any tenant of the indemnifying Owner or any other Person using, occupying or visiting the Unit owned by the indemnifying Owner.

3.5. Conveyance of Units. Each deed, lease, Mortgage or other instrument may legally describe a Unit by its identifying number as designated in this Declaration or as shown on the Record of Survey Map. Every such description shall be good and sufficient for all purposes and shall be deemed to convey, transfer, encumber, release from liens or otherwise affect the Unit's Undivided Interest and the right of exclusive use of any Limited Common Areas even though the same are not expressly mentioned or described. Subject to the immediately preceding sentence, any deed, lease, Mortgage or other instrument may legally describe a Unit as follows:

Unit _____, ALPHAGRAPHICS BUILDING CONDOMINIUMS, a Utah Condominium Project, as the same is identified in the Declaration of Condominium and Bylaws, dated _____, 2002 and recorded _____, 2002 as Entry No. _____ in Book _____ at Page _____ of the official records of the Salt Lake County Recorder (as said Declaration may heretofore have been amended or supplemented), and in the Record of Survey Map, dated _____, 2002 and recorded _____, 2002 as Entry No. _____ of the official records of the Salt Lake County Recorder (as said Record of Survey Map may heretofore have been amended or supplemented); TOGETHER WITH the Limited Common Areas, if any, and a _____ percent undivided interest in the Common Areas appurtenant to such Unit, as more particularly described in said Declaration. Said Declaration covers, among other things, certain real property located in Salt Lake County, Utah, described as follows:

[Tax Parcel No. 16-06-152-080]

Beginning at the Southeast corner of Block 57, Plat "A", Salt Lake City Survey, and running thence North 89°50'34" West along the South line of Block 57 a distance of 145.12 feet to the East line of the parcel of land conveyed to American Stores Properties, Inc., a Delaware corporation, in that certain Fully Restated Special Warranty Deed with Final Easement Descriptions recorded November 10, 1999 as Entry No. 7509877 in Book 8322 at Page 1621 of the Official Records of the Salt Lake County Recorder; thence North 0°08'14" East along said East line of the American Stores parcel a distance of 211.56 feet to the South line of Gallivan Avenue; thence South 89°57'13" East along said South line of Gallivan Avenue a distance of 145.12 feet to the East line of said Block 57; thence South 0°08'14" West along said East line of Block 57 a distance of 211.84 feet to the point of beginning.

Whether or not the description employed in any such instrument is in the above-specified form, however, all provisions of this Declaration shall be binding on, and shall inure to the benefit of, any Person who acquires any interest in a Unit.

3.6. Improvement of Units. Subject to the provisions of this Paragraph, each Owner shall have the exclusive right to paint, repaint, tile, paper, carpet and otherwise decorate the interior surfaces of the walls, ceilings, floors and doors forming the perimeter boundaries of its Unit and the surfaces of all walls, ceilings, floors and doors within such boundaries. Each Owner may also construct partition walls, fixtures and improvements within such boundaries; provided, however, that such walls, fixtures and improvements shall: (a) comply with all applicable laws, ordinances, codes, rules and regulations; (b) not interfere with facilities necessary for the support, use or enjoyment of any other part of the Project; (c) not impair the structural integrity of the Building; and (d) not encroach on or interfere with any Common Areas or Limited Common Areas, unless the Management Committee consents in writing to such encroachment. No Owner shall do any work or make any alterations or changes which would jeopardize the soundness or safety of the Project, reduce its value or impair any easement or hereditament, without in every such case the unanimous written consent of all the other Owners being first obtained. No Owner shall do any

work on or make any alterations or changes to the Common Areas or Limited Common Areas without the prior written consent of the Management Committee.

3.7. Maintenance of Units. Each Owner shall keep the interior of its Unit, including, without limitation, interior walls, window glass, ceilings, floors, fixtures and other improvements in good condition and repair and in a clean and sanitary condition. In addition, each Owner shall maintain in good condition and repair the window glass and doors forming or situated at the exterior boundary of its Unit and shall immediately repair or replace any such window glass or door on removal, breakage or other damage. If any Unit develops an unsanitary or unclean condition or falls into a state of disrepair and the Owner of such Unit fails to correct such condition promptly following written notice from the Management Committee, or if any removed, broken or damaged window glass or door referred to in the preceding sentence is not immediately repaired or replaced by the Owner obligated to do so, the Management Committee may (but is not obligated to), at the expense of such Owner and without liability to such Owner for trespass or otherwise, enter the Unit concerned and correct or eliminate such unsanitary or unclean condition or such state of disrepair or repair or replace such window glass or door, as the case may be. Any funds expended by the Management Committee pursuant to this Paragraph 3.7, together with interest at the rate of eighteen percent (18%) per annum, both before and after judgment, and all costs of collection, including, without limitation, reasonable attorneys' fees, shall constitute a lien from and after the filing of a notice of lien with respect thereto on the Condominium concerned pursuant to Paragraph 8.3, which lien may be foreclosed by the Management Committee in accordance with such Paragraph.

3.8. Separate Taxation. Each Condominium shall be considered to be a parcel and shall be subject to separate assessment and taxation by each assessing unit and special district for all types of taxes authorized by law, including but not limited to, ad valorem levies and special assessments. For purposes of such assessment and taxation, the valuation of the Common Areas shall be apportioned among the Units in proportion to their respective Undivided Interests, and all Limited Common Areas shall be taxed to the Owner(s) of the Unit(s) to which they are appurtenant. Neither the Project, the Building nor any of the Common Areas or Limited Common Areas may be considered as a separate parcel for purposes of assessment or taxation. All taxes, assessments and other governmental charges on each Condominium shall be separately levied against the Owner of such Unit, and 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. In addition, no forfeiture or sale of the improvements or the Project as a whole for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to an individual Unit if all taxes and duly levied shares of any assessments and charges on the individual Unit are currently paid. Any exemption from taxes that may exist on real property or the ownership of the Project may not be denied by virtue of the submission of the Project to the Act.

3.9. Certain Compliance; Rules and Regulations. Each Owner shall comply strictly with the covenants, conditions and restrictions set forth in this Declaration and in the deed to its Unit and with the Rules and Regulations, as the same may be amended from time to time. Failure to so comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee on behalf of the Owners, or in a proper

case, by an aggrieved Owner. The attached Rules and Regulations may reasonably be amended from time to time by the Management Committee with the approval of a Majority of the Owners.

3.10. Right to Combine Units. After obtaining the prior written consent of the Management Committee, which consent shall not be unreasonably withheld, two or more Units may be utilized by their Owner(s) as if they were one Unit. To the extent permitted and set forth in the consent given by the Management Committee, any walls, ceilings, floors or other structural separations between any such Units, or any space which would be occupied by such structural separations but for the utilization of such Units as one Unit may, for as long as such Units are utilized as one Unit, be utilized by the Owner(s) of the adjoining Units as Limited Common Areas, except to the extent that any such structural separations are necessary or contain facilities necessary for the support, use or enjoyment of other Units. After such Units cease to be used jointly, any opening between such Units which, but for joint utilization of such Units, would have been occupied by structural separation shall be closed at the equal expense of the Owner(s) of such Units and the structural separations between such Units shall thereupon become part of the Common Areas. Combining Units shall not in any way affect voting rights or Undivided Interests under this Declaration.

3.11. General Provisions. At the time of the first conveyance of each Condominium, every Mortgage and other lien affecting such Condominium shall have been paid and satisfied of record, or the Condominium being conveyed shall have been released therefrom by a partial release duly recorded. The right of any Owner to sell, transfer or otherwise convey its Unit shall not be subject to any right of first refusal or similar restriction, unless created after the date of this Declaration. In interpreting the Record of Survey Map or any deed or other instrument affecting the Building or a Unit, the boundaries of the Building or such Unit constructed or reconstructed in substantial accordance with the Record of Survey Map shall be conclusively presumed to be the actual boundaries rather than the description expressed in the Record of Survey Map, regardless of the settling or lateral movement of the Building and regardless of any minor variance between the boundaries shown on the Record of Survey Map and those of the Building or such Unit.

4. Easements.

4.1. Easements for Encroachments. If on or after the date of this Declaration:

(a) any part of the Common Areas or Limited Common Areas encroaches on any part of a Unit;

(b) any part of a Unit encroaches on any part of the Common Areas or Limited Common Areas; or

(c) any part of the Common Areas, the Limited Common Areas or a Unit encroaches on other real property owned by Declarant as of the date of this Declaration and located outside the boundaries of the Land,

an easement for each such encroachment and for the maintenance of the same shall exist. Such encroachments shall not be considered to be encumbrances on any Unit, the Common Areas, the Limited Common Areas or such other real property. Such encroachments may include, without limitation, encroachments caused by error in the original construction of the Building or any other improvements constructed or to be constructed on the Land, error in the Record of Survey Map, settling, rising or shifting of the earth or changes in position caused by repair or reconstruction of the Project.

4.2. Easements for Maintenance, Etc. Some of the Common Areas or Limited Common Areas may be located within the Units or may be conveniently accessible only through the Units. The Management Committee shall have the right to have access to each Unit (a) from time to time during reasonable hours and after reasonable notice to the occupant of the Unit being entered, as may be necessary for the maintenance, repair or replacement of any of the Common Areas or Limited Common Areas, and (b) for making emergency repairs necessary to prevent damage to the Common Areas, the Limited Common Areas or a Unit, provided that a reasonable effort is made to provide notice to the occupant of the Unit prior to entry. As used in this Paragraph 4.2 and elsewhere in this Declaration, "emergency repairs" means any repairs which if not made in a timely manner will likely result in immediate and substantial damage to the Common Areas, the Limited Common Areas or a Unit, and "reasonable notice" means written notice which is hand delivered to the Unit at least twenty-four (24) hours prior to the proposed entry.

4.3. Easements for Units. Each Owner shall have the right of ingress and egress on, over and across the Common Areas as necessary for access to and from its 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. Each Unit shall have easements in common with all other Units for the pipes, sprinklers, wires, ducts, flues, cables, conduits, public utility lines, transformer and switch gear vaults and other Common Areas from time to time and at any time located in any other Units and serving its Unit. Each Unit shall be subject to easements in favor of all other Units for the pipes, sprinklers, wires, ducts, flues, cables, conduits, public utility lines, transformer and switch gear vaults and other Common Areas from time to time and at any time located in such Unit and serving any other Unit. All of such pipes, sprinklers, wires, ducts, flues, cables, conduits, public utility lines, transformer and switch gear vaults and other Common Areas may be installed or moved as may be reasonably necessary for use by the benefited Unit, so long as such movement does not unreasonably interfere with the burdened Unit and is approved in advance by the Management Committee, and so long as any construction activities are performed in a good and workmanlike manner and are prosecuted diligently to completion. On completion of any such construction activities, the benefited Owner shall immediately restore any portion of the burdened Unit affected to the same condition as existed prior to the commencement of such construction activities, using the same (or better) type and quality of materials previously used.

4.4. Easements for Signage. An easement for signage on the parapet above the first floor of the Building is reserved in favor of the Owners of the Units located on the first floor of the Building; provided, however, that no sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or fixed at any location on the exterior of the Building, within the other Common Areas or at any location within any Unit visible from the Common Areas without the prior written consent of the Management Committee. The Management Committee shall, acting

reasonably and in good faith, approve the location, type, quality, style, size, color and other characteristics of all signs, advertisements, notices and other lettering described in the immediately preceding sentence.

4.5. General Provisions. Each easement and right created by this Paragraph 4 is an appurtenance to the real property benefited thereby and is a burden on the real property burdened thereby, and may not be transferred, assigned or encumbered except as an appurtenance to the benefited real property. For the purposes of each such easement and right, the benefited real property shall constitute the dominant estate and the burdened real property shall constitute the subservient estate. All conveyances of Condominiums shall be deemed to be made together with and subject to the easements set forth in this Paragraph 4.

5. Management Committee.

5.1. Establishment. The Project shall be operated, managed and maintained by the Management Committee on behalf of the Owners, the cost of which (including, without limitation, the cost of the performance by the Management Committee of all obligations contemplated by this Paragraph 5 and other provisions of the Governing Documents) shall be part of the Common Expenses. The Management Committee shall be vested with, and shall have the right, power and authority to exercise, all rights, powers and authority given to a manager or the Association of Owners under the Act including, without limitation, the responsibility and authority to make and enforce all rules covering the operation and maintenance of the Project. The Management Committee shall, in connection with its exercise of any of the powers delineated in the Act or this Declaration, constitute a legal entity capable of dealing in its name. The Management Committee shall have, and is granted, the following irrevocable rights, authority and powers, in addition to all other rights, authority and powers existing or created on or after the date of this Declaration under the Governing Documents:

- (a) to have access to each Unit in accordance with Paragraph 4.2;
- (b) to acquire and hold real and personal property of all types for the use and benefit of all of the Owners and to dispose of such property by sale or other method;
- (c) to obtain and pay for the services of such personnel as are necessary or appropriate for the proper operation, management, maintenance, repair and replacement of the Project;
- (d) to pay for utility and municipal services, insurance and other goods and services common to the Units;
- (e) without the vote or consent of the Owners, Mortgagees, insurers or guarantors of Mortgages or of any other Person, to grant or create, on such terms as it deems advisable, reasonable permits, licenses, rights-of-way and easements over, under, across and through the Common Areas for utilities, roads and other purposes reasonably necessary or useful for the proper operation and maintenance of the Project, and to enter into reasonable amendments, modifications and supplements to the American Stores Agreement;

(f) to execute and record, on behalf of the Owners, any amendment to this Declaration or the Record of Survey Map that has been approved by the vote or consent necessary to authorize such amendment;

(g) to sue and be sued;

(h) to enter into contracts that in any way concern the Project, to convey or transfer any interest in real property, to purchase, acquire and accept title to any interest in real property and to add any interest in real property so obtained to the Project, so long as any vote or consent necessitated by the subject matter of the agreement has been obtained;

(i) to promulgate the Rules and Regulations set forth on the attached Exhibit B and other reasonable Rules and Regulations (whether similar or dissimilar to those set forth on the attached Exhibit B) as may be necessary or desirable to aid the Management Committee in carrying out any of its functions or to insure that the Project is maintained and used in a manner consistent with the interests of the Owners and this Declaration;

(j) to levy and collect general and special assessments for the payment of Common Expenses as provided in Paragraph 8;

(k) to make such use of the Common Areas and Limited Common Areas as may be necessary or convenient to perform the duties and functions that the Management Committee is obligated to perform pursuant to this Declaration; and

(l) to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions on behalf of the Owners.

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

5.2. Composition. The Management Committee shall be composed of three (3) members. At the first regular Owners' meeting, two (2) Management Committee members shall be elected for two-year terms and one (1) member for a one-year term. At each annual Owners' meeting thereafter, any vacant seat on the Management Committee shall be filled with a member elected for a two-year term. Only Owners and officers, partners, managers, members and agents of non-individual Owners shall be eligible for Management Committee membership. At each annual Owners' meeting the Undivided Interests appurtenant to a Unit may be voted in favor of as many candidates for Management Committee membership as there are seats on the Management Committee to be filled. Notwithstanding the foregoing provisions, until the first annual meeting of the Owners, the members of the Management Committee shall be the following Persons and each shall hold the office(s) indicated opposite his name:

Michael B. Witte
Fred Behle
John P. Lauer

President
Vice President
Secretary-Treasurer

On a vacancy prior to the expiration of the relevant term, the remaining Management Committee members shall elect a replacement to sit on the Management Committee until the expiration of the term for which the member being replaced was elected. Unless he forfeits or otherwise loses his seat as provided in this Declaration, a member shall serve on the Management Committee until his successor is elected and qualifies. Management Committee members shall be reimbursed for all expenses reasonably incurred in connection with Management Committee business provided that such expenses are first approved by the Management Committee. The Management Committee may fix such compensation for any member as may be reasonable in light of the Management Committee duties which that member is required to perform, subject to the approval of a Majority of Owners. Notwithstanding the foregoing, Declarant may appoint and remove some or all of the members of the Management Committee, or exercise powers and responsibilities otherwise assigned by the Act or this Declaration to the Management Committee or the Association of Owners. No amendment to this Declaration not consented to by all Owners shall increase the scope of the authorization set forth in the immediately preceding sentence, and no such authorization shall be valid after the first to occur of the following: (a) the expiration of three (3) years after the date on which this Declaration is recorded in the Official Records; or (b) the date on which Units to which three-fourths (3/4) of the Undivided Interests are appurtenant have been conveyed to a Person other than Declarant or a member of Declarant. If entered into during the period of control contemplated by the immediately preceding sentence, no management contract, lease of recreational areas or facilities or any other contract or lease designed to benefit Declarant which was executed by or on behalf of the Association of Owners shall be binding after such period of control unless then renewed or ratified by the consent of a Majority of the Owners.

5.3. Officers and Agents. The Management Committee shall perform its functions through those members who are elected as officers by the Management Committee and through such agents or employees as the Management Committee may appoint or employ. Any Management Committee officer, agent or employee may at any time be removed with or without cause by the vote of a majority of the Management Committee members. The officers of the Management Committee and their respective powers and functions shall be as follows:

(a) The President shall be the chief executive officer of the Management Committee and shall exercise general supervision over the Project and the affairs of the Project. The President shall preside over all meetings of the Management Committee and of the Owners, and shall execute all instruments on behalf of the Management Committee.

(b) The Vice President shall have all of the powers of the President in the President's absence or inability to act.

(c) The Secretary shall keep minutes of the meetings of the Management Committee and of the Owners and shall keep all records which are required or made necessary by the Act, this Declaration or the Management Committee.

(d) The Treasurer shall have custody and control of the funds available to the Management Committee. On request of the Management Committee, the Treasurer shall furnish the Management Committee with a bond, the cost of which shall be a Common Expense, in the amount specified by the Management Committee, conditioned on the faithful performance of his duties. The offices of Secretary and Treasurer or of Vice President and Treasurer may be held by the same Management Committee member.

5.4. Meetings. A regular meeting of the Management Committee shall be held immediately after the adjournment of each annual Owners' meeting. Other regular meetings shall be held at periodic intervals at such time and place as the Management Committee may decide. Either oral or written notice shall be given to each Management Committee member of the time and place of each regular Management Committee meeting at least three (3) days prior to such meeting. Special Management Committee meetings shall be held whenever called by the President or any two members of the Management Committee. Reasonable effort shall be made to give either oral or written notice of a special meeting to each Management Committee member at least three (3) days (but on an emergency, twenty-four (24) hours) before the time fixed for the meeting. Adequate notice of a special meeting shall be deemed to have been given to a member if such effort is made, even though the member concerned does not actually receive notice. The propriety of holding any meeting that is attended by all Management Committee members may not be challenged on grounds of inadequate notice. A quorum for the transaction of business at any Management Committee meeting shall consist of a majority of all of the members then in office.

5.5. Records. The Management Committee shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the Common Areas and Limited Common Areas, specifying and itemizing the maintenance and repair expenses of the Common Areas and Limited Common Areas and any other expenses incurred. Such records and the vouchers authorizing the payments involved shall be available for examination by the Owners at convenient hours on weekdays. The Management Committee shall maintain up-to-date records showing the following:

(a) the name of each Person who is an Owner, the address of such Person and the Unit that is owned by such Person;

(b) the name of each Person who is an Eligible Mortgagee, the address of such Person and the Unit that is encumbered by the Mortgage held by such Person; and

(c) the name of each Person who is an Eligible Insurer or Guarantor, the address of such Person and the Unit that is encumbered by the Mortgage insured or guaranteed by such Person.

On any transfer of a fee or undivided fee interest in a Unit, either the transferor or the transferee shall furnish the Management Committee with evidence establishing that the transfer has occurred and that the deed or other instrument accomplishing the transfer is of record in the Official Records. The Management Committee may for all purposes act and rely on the information concerning Owners and Unit ownership that is thus acquired by it or, at its option, the Management Committee

may act and rely on current ownership information respecting any Unit that is obtained from the Official Records. The address of an Owner shall be deemed to be the address of the Unit owned by such Owner unless the Management Committee is otherwise advised.

5.6. Professional Management. The Management Committee may (but is not obligated to) carry out through a professional manager any of its functions that are properly the subject of delegation. The professional manager so engaged shall be an independent contractor and not an agent or employee of the Management Committee, shall be responsible for managing the Project for the benefit of the Management Committee and the Owners and shall, to the extent permitted by law and by the terms of the agreement with the Management Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself. Any such management agreement shall run for a reasonable period not to exceed to three (3) years.

5.7. Liability. No member of the Management Committee shall be liable to the Owners for any mistake of judgment, for negligence or on other grounds, except for such member's own willful misconduct or bad faith. Without limiting the generality of the immediately preceding sentence, and notwithstanding any provision of the Governing Documents to the contrary, neither the Management Committee, the Association of Owners nor any member of the Management Committee shall be liable for any loss, injury, death or damage (including any consequential damage) to Persons, property or business resulting from any theft, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition, order of governmental body or authority, fire, explosion, falling object, steam, water, rain, snow, ice, breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, construction, repair or alteration of the Project or other cause beyond such Person's reasonable control. The Owners shall indemnify, defend and hold harmless each member of the Management Committee from and against all liability to third parties arising out of any contract made by the Management Committee on behalf of the Owners, unless such contract was made in bad faith. The liability of any Owner arising out of any contract made by the Management Committee or out of the indemnification provision set forth in the immediately preceding sentence shall be limited to the total liability concerned multiplied by such Owner's Undivided Interest.

6. Meetings of Owners.

6.1. Annual Meetings. Beginning in 2002, the annual meeting of the Owners shall be held at 7:00 p.m. on the second Tuesday in December of each year or at such other time and place as the Management Committee shall select for the purpose of approving the budget for the upcoming calendar year and for transacting such other Project business as may be necessary or appropriate. The place of such meeting shall be at a location in Salt Lake County, Utah. A written notice of such meeting, setting forth the time, place and general purpose of the meeting shall be given to each Owner by the Management Committee in accordance with Paragraph 14.8.

6.2. Special Meetings. Special meetings of the Owners may be called by the President, by any two members of the Management Committee or by any two Owners. (For the purpose of the immediately preceding sentence, the Residential Association and all Residential Unit Owners shall be counted as only one Owner.) At least two (2) but not more than thirty (30) days

before the date set for a special meeting, written notice shall be given by the Management Committee to the Owners as set forth in Paragraph 6.1.

6.3. Notice; Quorum. No notice of any Owners' meeting shall be required if a waiver of such notice is signed by all of the Owners. Whenever all of the Owners meet in person or by proxy such meeting may not be challenged on grounds of inadequate notice. The presence of a Majority of the Owners shall constitute a quorum for the transaction of business at any Owners' meeting. If a quorum is not present at any Owners' meeting, whether regular or special, the meeting may be adjourned and rescheduled for a time no earlier than forty-eight (48) hours, and no later than thirty (30) days, after the time set for the original meeting. Notice of such rescheduled meeting shall be delivered as set forth in Paragraph 6.1 at least forty-eight (48) hours prior to such rescheduled meeting. Notwithstanding the foregoing provisions of this Paragraph 6.3, however, in any case in which the Act or this Declaration requires the affirmative vote of at least a specified percentage of the Undivided Interests for authorization or approval of a matter, the presence of Owners entitled to cast such percentage shall be necessary to constitute a quorum at any meeting (whether original or rescheduled) at which action on such matter is taken.

6.4. Voting. The vote attributable to and exercisable in connection with a Unit shall be the Undivided Interest that is then appurtenant to such Unit. If there is more than one Owner of a particular Unit, the vote relating to such Unit shall be exercised as such Owners may determine among themselves. A vote cast at any meeting by any of such Owners shall be conclusively presumed to be the vote attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. If such an objection is made, the vote of such Owners shall not be counted for any purpose other than to determine whether a quorum exists. Any Owner may vote by a duly executed written proxy.

6.5. Consent in Lieu of Vote. In any case in which the Act or this Declaration requires the vote of a stated percentage of Undivided Interests for authorization or approval of an act or a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Owners who collectively hold at least the stated percentage of Undivided Interest, provided that:

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

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

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

6.6. Residential Association. One of the basic reasons for the formation of the separate Residential Association is so that the Residential Unit Owners will have one (and only one) representative (the "Residential Representative") attending the Owners' meetings described in

this Paragraph 6. In connection therewith, the foregoing provisions of this Paragraph 6 shall apply to the Residential Unit Owners as follows:

(a) Any written notice given to any Owners regarding any general or special meeting of the Owners may, with respect to the Residential Unit Owners, only be given to the President of the Residential Association and does not need to be given to any other Residential Unit Owner. The Residential Association shall be solely responsible for providing the Management Committee with the current name and address of the President of the Residential Association. Any notice given by the Management Committee to the Person and at the address last provided by the Residential Association to the Management Committee as the name and address of the President of the Residential Association, whether or not then correct, shall conclusively be deemed to be valid notice for all purposes of this Paragraph 6.

(b) Only the President or another officer designated by the President of the Residential Association may be the Residential Representative and attend any Owners' meeting on behalf of the Residential Unit Owners, and no other Residential Unit Owner may attend. The Management Committee shall have no duty to inquire into the power or authority of any Person attending any Owners' meeting who represents himself or herself to be the duly authorized Residential Representative attending on behalf of the Residential Association, provided, that only one Residential Representative may attend any Owners' meeting.

(c) Notwithstanding any proxies then held (or not held) by such Person, the Residential Representative attending any Owners' meeting shall be entitled to execute a waiver of notice of any such meeting on behalf of all Residential Unit Owners, which shall be binding for all purposes. The attendance of a Residential Representative at any Owners' meeting shall thereafter bar the Residential Association and any of the Residential Unit Owners from challenging such meeting on grounds of inadequate notice.

(d) The Residential Representative attending any Owners' meeting may vote on behalf of any Residential Unit Owner only to the extent that the Residential Representative holds a written proxy duly executed by such Residential Unit Owner. Thus, each Residential Unit Owner, unless also the Residential Representative attending the Owners' meeting concerned, may only vote at such meeting by proxy. The delivery by each Residential Unit Owner to the Residential Representative attending the Owners' meeting concerned of its proxy for such meeting shall be the sole responsibility of such Owner, and shall be handled exclusively between such Owner and the Residential Association. Neither the Management Committee nor any other Owner shall have any responsibility in connection with obtaining or delivering such proxies. Only the Undivided Interests represented by such proxies shall be counted for purposes of determining a quorum for the transaction of business at any Owners' meeting.

7. Common Areas and Limited Common Areas. The necessary work of operation, management, maintenance, repair and replacement of the Common Areas and Limited Common Areas and the making of any additions or improvements to the Common Areas or Limited Common Areas shall be carried out only by the Management Committee. The Management Committee shall provide for such operation, management, maintenance, repair and replacement of the Common Areas and Limited Common Areas as may be reasonably necessary to make them

appropriately usable in conjunction with the Units and to keep them clean, safe, functional, attractive and generally in good condition and repair. The Management Committee shall pay for all utility services furnished to the Common Areas and Limited Common Areas. Additions or capital improvements to the Project which cost no more than Ten Thousand Dollars (\$10,000) may be authorized by the Management Committee alone. Additions or capital improvements to the Project the cost of which will exceed such amount must, prior to being constructed or accomplished, be authorized by at least a Majority of the Owners. Any addition or capital improvement proposed to be made by the Management Committee that would materially alter the nature of the Project must, regardless of its cost and prior to being constructed or accomplished, be authorized by the unanimous vote of the Owners. The cost of compliance with this Paragraph 7 shall be part of the Common Expenses.

8. Common Expenses.

8.1. Budget. Before November 1st of each year the Management Committee shall prepare a budget that sets forth an itemization of the anticipated Common Expenses for the next following calendar year. Such budget shall take into account any deficit or surplus anticipated to be realized during the then-current calendar year. The total of such expenses shall be apportioned among the Units on the basis of their respective Undivided Interests. Such budget shall be subject to the approval of a Majority of the Owners.

8.2. Assessment. Prior to January 1st of each calendar year, the Management Committee shall notify each Owner of the estimated amount of its share of the Common Expenses for that calendar year as set forth in the relevant budget. Prior to the first day of each calendar month during such calendar year, each Owner shall pay to the Management Committee as its share of the Common Expenses one-twelfth (1/12) of the estimated amount apportioned to its Unit. The Management Committee may at any time or from time to time during any calendar year revise such budget or make a special assessment (which revision or special assessment shall be subject to the approval of a Majority of the Owners) and then alter the amount of the monthly payments or mandate a special payment to be made by the Owners. The Management Committee may establish and assess reasonable charges for delinquent payments of such monthly or special payments. The foregoing method of assessing the Common Expenses to the Units shall commence when Declarant conveys the first Condominium to a Person other than Declarant, and may thereafter be altered by the Management Committee in a manner consistent with good accounting practice and requiring allocation of Common Expenses based on each Owner's Undivided Interest, subject to the approval of a Majority of the Owners. No Owner may exempt itself from liability for its contribution towards the Common Expenses by waiver of the use or enjoyment of any of the Common Areas or Limited Common Areas or abandonment of its Unit. The failure of the Management Committee to give timely notice of any assessment shall not be deemed a waiver, modification or release of the obligation of any Owner to pay any assessment, but the date when payment for the assessment(s) concerned shall become due in such case shall be deferred to a date which is fifteen (15) days after notice of such assessment is given to the Owner concerned; provided, however, that such deferral shall not have the effect of deferring any subsequent installment. 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 from any

action taken to comply with the Governing Documents or any applicable law, ordinance, rule, regulation or order.

8.3. Lien for Nonpayment. As set forth in Paragraph 8.2, every Owner shall pay its proportionate share of the Common Expenses in the amounts and at the times determined by the Management Committee in accordance with such Paragraph. The amount of Common Expenses assessed against each Unit is a personal debt and obligation of the Owner at the time the assessment is made and is collectible as such and, if not paid when due, shall (together with a late charge of five percent (5%) of the unpaid amount) accrue interest at the rate of eighteen percent (18%) per annum, both before and after judgment, until paid in full. Suit to recover a money judgment for unpaid Common Expenses is maintainable without foreclosing or waiving the lien securing it, as described in this Paragraph 8.3. The prevailing party in such action is entitled to recover its costs of suit and reasonable attorneys' fees. If any Owner fails or refuses to make any payment of the Common Expenses when due, the amount then or thereafter due (together with any applicable late charges and interest) shall constitute a lien on such Owner's Condominium, and on the recording of a notice of lien by the Management Committee in the Official Records, shall be a lien on such Owner's Condominium prior to all other liens and encumbrances, recorded or unrecorded, except the following:

(a) tax and special assessment liens on such Condominium in favor of any assessing unit or special improvement district; and

(b) encumbrances on such Condominium recorded on or prior to the date such notice of lien is recorded which by law would be a lien prior to subsequently recorded encumbrances.

Such notice of lien shall set forth the amount of the unpaid assessment, the date due, the name of the Owner and a description of the Condominium concerned, shall be executed and acknowledged by the Management Committee and may be recorded in the Official Records. The lien for nonpayment of Common Expenses may be enforced by sale or foreclosure of the Condominium concerned by the Management Committee. Such sale or foreclosure shall be conducted in the same manner as foreclosures of Mortgages or in any other manner permitted by law. In any such sale or foreclosure, the Owner concerned shall pay the costs and expenses of such proceedings and reasonable attorneys' fees. In the case of foreclosure, the Owner shall pay a reasonable rental for the Unit, and the plaintiff in the foreclosure action may require the appointment of a receiver to collect the rental without regard to the value of the Mortgage security. The Management Committee may bid on such Unit at foreclosure or other sale and, if successful, hold, lease, mortgage or convey such Unit.

8.4. Estoppel Statement. The Management Committee shall, on the written request of any Owner or any Mortgagee, prospective Mortgagee or purchaser of a Condominium, and on payment of a reasonable fee not to exceed a reasonable amount (currently limited by the Act to \$10), issue to the requesting Person(s) a written statement setting forth the unpaid Common Expenses for the Condominium covered by such request. Such written statement shall be conclusive on the remaining Owners and on the Management Committee in favor of all Persons who rely on such written statement in good faith. Unless the Management Committee complies

with the request for such statement within ten (10) days, all unpaid Common Expenses which became due prior to the date such request was made shall be subordinate to the lien held by the Person requesting such statement. Any Mortgagee holding a Mortgage on any Condominium may pay any unpaid Common Expenses payable with respect to such Condominium, and on payment such Mortgagee shall have a lien on such Condominium for the amounts paid of the same rank as the lien of its Mortgage.

8.5. Audit. Any Owner may at any reasonable time, on appointment and at its own expense, cause an audit or inspection to be made of the books and records maintained by the Management Committee.

8.6. Residential Association. The Residential Association may also make general and special assessments of the Residential Unit Owners (only) in accordance with the Residential Association Bylaws. However, any lien for nonpayment of any such assessments in favor of the Residential Association shall at all times be subject and subordinate to the lien described in Paragraph 8.3.

9. Insurance. The Management Committee shall at all times maintain in force, and pay the premiums for, insurance meeting the requirements set forth in this Paragraph 9, the cost of which shall be part of the Common Expenses.

9.1. Property Insurance. A "master" or "blanket" type policy of casualty and property insurance shall be maintained covering the Project, excluding the Land, foundations and other items normally not covered by such policies. References in this Declaration to a "master" or "blanket" type policy of property insurance are intended to denote single entity condominium insurance coverage. At a minimum, such "master" or "blanket" policy shall afford protection against loss or damage by fire, by other perils normally covered by the standard extended coverage endorsement and by all other perils which are customarily covered with respect to condominium projects similar to the Project in construction, location and use, including, without limitation, all perils normally covered by the standard "all risk" endorsement where such endorsement is available. Such "master" or "blanket" policy shall be in an amount not less than one hundred percent (100%) of the then-current replacement cost of all elements of the Project covered by such policy. The maximum deductible amount for such policy shall be the lesser of Ten Thousand Dollars (\$10,000) or one percent (1%) of the policy face amount. The name of the insured under such policy shall be "The Management Committee of the AlphaGraphics Building Condominiums, for the use and benefit of the individual Owners." Said Owners shall be designated by name, if required. Any loss payable clause shall be in favor of the Management Committee, as a trustee for each Owner and its Mortgagee. Each Owner and its Mortgagee shall be beneficiaries of such policy in the percentage of such Owner's Undivided Interest. Evidence of insurance shall be issued to each Owner and its Mortgagee on request. Such policy shall contain the standard mortgagee clause or equivalent endorsement (without contribution), and shall include a provision that such policy shall not be cancelled or materially changed without at least thirty (30) days' prior written notice to the Management Committee and to each Mortgagee that is listed as a scheduled holder of a Mortgage in such policy. Such policy shall also provide a waiver of the right of subrogation against Owners individually, that the insurance shall not be prejudiced by any act or omission of

any Owner that is not in the control of the Owners collectively and that the policy shall be primary if any Owner has other insurance covering the same loss.

9.2. Liability Insurance. The Management Committee shall maintain in force and pay the premium for a policy providing commercial general liability insurance coverage for all of the Common Areas and Limited Common Areas and any other areas of the Project that are under the Management Committee's supervision. The coverage limits under such policy shall be in amounts generally required by private institutional Mortgagees for condominium projects similar to the Project in construction, location and use. Nevertheless, such coverage shall be for at least One Million Dollars (\$1,000,000.00) for property damage, bodily injury and death arising out of a single occurrence. Coverage under such policy shall include, without limitation, legal liability of the insureds for property damage, bodily injury and death in connection with the operation, maintenance and use of the Common Areas and Limited Common Areas, and legal liability arising out of lawsuits related to employment contracts of the Management Committee. Additional coverages under such policy shall include protection against such other risks as are customarily covered with respect to condominium projects similar to the Project in construction, location and use, including, without limitation, host liquor liability, contractual and all-written contract insurance, employer's liability insurance, worker's compensation insurance and comprehensive automobile liability insurance. If such policy does not include "severability of interest" in its terms, the policy shall include a special endorsement to preclude an insurer's denial of any Owner's claim because of negligent acts of the Management Committee or any other Owner. If possible, such policy shall provide that it may not be cancelled or materially changed without at least thirty (30) days' prior written notice to the Management Committee and to each Mortgagee that is listed as a scheduled holder of a Mortgage in such policy.

9.3. Flood Insurance. If any part of the Project is or comes to be located in an area identified by the Federal Emergency Management Agency as having special flood hazards, a "master" or "blanket" policy of flood insurance shall be maintained covering the Building, any machinery and equipment that are not part of the Building but which are owned by the Management Committee and any other Common Areas within the Project in an amount reasonably determined to be appropriate by the Management Committee.

9.4. General Requirements. Each insurance policy maintained pursuant to this Paragraph 9 shall be written by an insurance carrier that is licensed to transact business in the State of Utah. No such policy shall be maintained where (a) under the terms of the carrier's charter, bylaws or policy, contributions may be required from, or assessments may be made against, an Owner, a borrower, a Mortgagee, the Management Committee or the Association of Owners, (b) under the terms of the carrier's charter, bylaws or policy, loss payments are contingent on action by the carrier's board of directors, policyholders or members, or (c) the policy includes any limiting clauses (other than insurance conditions) which could prevent the Person entitled (including, without limitation, the Management Committee, the Association of Owners or an Owner) from collecting insurance proceeds. The provisions of this Paragraph 9 shall not be construed to limit the power or authority of the Management Committee to obtain and maintain insurance coverage in addition to any insurance coverage required under this Declaration in such amounts and in such forms as the Management Committee may deem appropriate from time to time. In addition, such provision for insurance shall be without prejudice to the right of each Owner to insure its own Unit

for its own benefit. The exclusive authority to adjust losses under all policies obtained by the Management Committee shall be vested in the Management Committee. In no event shall the insurance coverage obtained and maintained by the Management Committee be brought into contribution with insurance purchased by individual Owners or their Mortgagees.

10. Destruction and Condemnation.

10.1. Definitions. As used in this Paragraph 10, each of the following terms shall have the meaning indicated:

(a) “Available Funds” means any proceeds of insurance, Condemnation awards, payments in lieu of Condemnation and other uncommitted funds held by the Management Committee, including amounts contained in any reserve or contingency fund. Available Funds shall not include that portion of insurance proceeds legally required to be paid to any Person other than the Management Committee, including a Mortgagee, or that portion of any Condemnation award or payment in lieu of Condemnation payable to an Owner or its Mortgagee for the Condemnation of the Condominium in which it is interested.

(b) “Condemnation” means any action or proceeding in which any interest in the Project is taken for any public or quasi-public purpose by any lawful authority through exercise of the power of eminent domain or by purchase or other means in lieu of such exercise.

(c) “Estimated Costs of Restoration” means the estimated costs of Restoration as determined by the Management Committee in its sole discretion.

(d) “Partial Condemnation” means the occurrence of any Condemnation which is not a Substantial Condemnation.

(e) “Partial Destruction” means the occurrence of any damage or destruction to the Project which is not a Substantial Destruction.

(f) “Restoration” means restoration of the Project to the extent reasonably possible in accordance with this Declaration, the Record of Survey Map and the original plans and specifications for the Project and to substantially the same condition in which the Project existed prior to the damage or destruction concerned, with each Unit and the Common Areas and Limited Common Areas having the same vertical and horizontal boundaries as before, and to the extent not so possible, “Restoration” means restoration of the Project to an attractive, sound and desirable condition. Any Restoration not in accordance with this Declaration, the Record of Survey Map and the original plans and specifications for the Project shall require the consent of Eligible Mortgagees holding Mortgages on Units which have appurtenant at least fifty-one percent (51%) of the Undivided Interests which are then subject to Mortgages held by Eligible Mortgagees.

(g) “Restored Value” means the value of the Project after Restoration.

(h) "Substantial Condemnation" means the occurrence of (i) the Condemnation of all of the Project, or (ii) the Condemnation of part of the Project where the excess of the Estimated Costs of Restoration over Available Funds is twenty-five percent (25%) or more of the estimated Restored Value of the Project.

(i) "Substantial Destruction" means the occurrence of any damage or destruction of the Project where the excess of the Estimated Costs of Restoration over Available Funds is twenty-five percent (25%) or more of the estimated Restored Value of the Project.

10.2. Management Committee Determinations. On the occurrence of any Condemnation of, or damage or destruction to, the Project, the Management Committee shall make a determination as to whether the excess of the Estimated Costs of Restoration over Available Funds is twenty-five percent (25%) or more of the estimated Restored Value of the Project. In making such determinations the Management Committee may (but is not obligated to) retain and rely on one or more qualified appraisers or other professionals.

10.3. Restoration. Restoration of the Project shall be undertaken by the Management Committee promptly without a vote of the Owners on the occurrence of Partial Condemnation or Partial Destruction, and shall also be undertaken on the occurrence of Substantial Condemnation or Substantial Destruction unless the election to not undertake Restoration is consented to by Owners holding in the aggregate at least sixty-seven percent (67%) of the Undivided Interests and is further consented to by Eligible Mortgagees holding Mortgages on Units which have appurtenant at least fifty-one percent (51%) of the Undivided Interests which are then subject to Mortgages held by Eligible Mortgagees. Within thirty (30) days after the Management Committee has determined that Substantial Condemnation or Substantial Destruction has occurred, it shall send to each Owner and Eligible Mortgagee a written description of the Condemnation or the damage or destruction involved, shall take appropriate steps to ascertain the preferences of the Eligible Mortgagees concerning Restoration and shall, with or without a meeting of the Owners (but in any event in accordance with the applicable provisions of this Declaration), take appropriate steps to determine the preferences of the Owners regarding Restoration. If Condemnation awards, payments in lieu of Condemnation or insurance proceeds actually received by the Management Committee exceed the cost of Restoration when Restoration is undertaken, the excess shall be paid and distributed to the Owners in proportion to their respective Undivided Interests. Payment to any Owner whose Unit is then the subject of a Mortgage shall be made jointly to such Owner and the interested Mortgagee. If the cost of Restoration exceeds Available Funds, all of the Units shall be assessed for the deficiency on the basis of their respective Undivided Interests. If all or any portion of one or more Units is damaged or destroyed and is not the subject of Restoration (even though the Project will continue as a condominium project) or is taken in a Condemnation, the Undivided Interest of such Unit(s) shall immediately be reallocated to the remaining Units in accordance with the method set forth in Paragraph 10.6.

10.4. Sale of Project. Unless Restoration is accomplished pursuant to Paragraph 10.3, the Project shall be sold following the occurrence of Substantial Condemnation or Substantial Destruction. On such sale, condominium ownership under this Declaration and the Record of Survey Map shall terminate and the proceeds of sale and any Available Funds shall be distributed by the Management Committee to the Owners in proportion to their respective Undivided Interests.

Payment to any Owner whose Unit is then the subject of a Mortgage shall be made jointly to such Owner and the interested Mortgagee.

10.5. Authority to Represent Owners. The Management Committee, as attorney-in-fact for each Owner, shall represent all of the Owners in any Condemnation or in negotiations, settlements and agreements with the condemning authority for the acquisition of all or any part of the Project. The award in any Condemnation and the proceeds of any settlement related thereto shall be payable to the Management Committee for the use and benefit of the Owners and their Mortgagees as their respective interests may appear. The Management Committee, as attorney-in-fact for each Owner, shall have and is granted full power and authority to restore or to sell the Project and each Unit therein wherever Restoration or sale, as the case may be, is undertaken as hereinabove provided. Such authority shall include the right and power to enter into any contracts, deeds or other instruments which may be necessary or appropriate for Restoration or sale.

10.6. Reallocation of Interests on Condemnation. If any Unit is taken by Condemnation, the Undivided Interest appurtenant to such Unit shall thereafter be appurtenant to the remaining Units, being allocated to the remaining Units in proportion to their respective Undivided Interests. The court shall enter a decree reflecting the reallocation of the Undivided Interests so produced, and the award shall include, without limitation, just compensation to the Owner of any Unit taken for its Undivided Interest as well as for its Unit. If any portion of any Unit is taken by Condemnation, the court shall determine the fair market value of the portion of the Unit not taken, and the Undivided Interest appurtenant to such Unit shall be reduced in proportion to the diminution in the fair market value of such Unit resulting from such Condemnation. The Undivided Interest thus divested from the Owner of such Unit shall be reallocated among such Unit and the other Units in proportion to their respective Undivided Interests, with any Unit partially taken in Condemnation participating in the reallocation on the basis of its Undivided Interest as reduced in accordance with the preceding sentence. The court shall enter a decree reflecting the reallocation of the Undivided Interest so produced, and the award shall include, without limitation, just compensation to the Owner of any Unit partially taken for that portion of its Undivided Interest divested from it and not revested in it as well as for that portion of its Unit taken by Condemnation. If, however, the Condemnation of a portion of any Unit makes it impractical to use the remaining portion of such Unit for any lawful purpose permitted by this Declaration, then the entire Undivided Interest appurtenant to such Unit shall thereafter be appurtenant to the remaining Units, being allocated to the remaining Units in proportion to their respective Undivided Interests, and the remaining portion of such Unit shall thereafter be part of the Common Areas. The court shall enter a decree reflecting the reallocation of Undivided Interests so produced, and the award shall include, without limitation, just compensation to the Owner of such Unit for its entire Undivided Interest and for its entire Unit.

11. Mortgagee Protection. The lien or claim against a Condominium for unpaid assessments or charges levied by the Management Committee pursuant to the Act or this Declaration shall be subordinate to any Mortgage recorded on or before the date such assessments or charges become due, and shall not be affected by any sale or transfer of such Condominium, except that a sale or transfer pursuant to a foreclosure of the Mortgage affecting such Condominium or the exercise of a power of sale available thereunder shall extinguish a subordinate lien for such assessments or charges which became payable prior to such sale or transfer. Nevertheless, any such

unpaid assessments or charges which are extinguished in accordance with the immediately preceding sentence may be reallocated and assessed to all Condominiums as Common Expenses, including the Condominium that is the subject of such sale or transfer. Any such sale or transfer pursuant to a foreclosure or power of sale shall not relieve the purchaser or transferee of such Condominium from liability for, nor such Condominium from the lien of, any assessments or charges becoming due thereafter or reallocated pursuant to the immediately preceding sentence. The Management Committee shall make available for inspection on request during normal business hours or under other reasonable circumstances to Owners, Mortgagees and insurers and governmental guarantors of any Mortgage, current copies of this Declaration, the Record of Survey Map, the Rules and Regulations and the books, records and financial statements of the Management Committee. On written request to the Management Committee by any Mortgagee or insurer or governmental guarantor of a Mortgage (which request identifies the name and address of such Mortgagee, insurer or guarantor and the Unit Number or address of the Unit encumbered by the Mortgage concerned), such Mortgagee, insurer or guarantor shall thereafter be deemed to be an Eligible Mortgagee or Eligible Insurer or Guarantor, as the case may be, shall be included on the appropriate lists maintained by the Management Committee, and shall be entitled to timely written notice of any of the following:

11.1. any Condemnation or casualty loss that affects a material portion of the Project or any Unit on which there is a Mortgage held, insured or guaranteed by such Eligible Mortgagee or such Eligible Insurer or Guarantor;

11.2. any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to a Mortgage held, insured or guaranteed by such Eligible Mortgagee or such Eligible Insurer or Guarantor, which delinquency remains uncured for a period of sixty (60) days;

11.3. any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Management Committee; and

11.4. any proposed action that would require the consent of a specified percentage of Eligible Mortgagees as specified in Paragraph 10.3.

12. Amendment. Except as provided in this Paragraph 12, the vote of Owners holding in the aggregate at least sixty-seven percent (67%) of the Undivided Interests shall be required and shall be sufficient to amend this Declaration or the Record of Survey Map. Any amendment so authorized shall be accomplished through the recordation of an instrument executed (solely) by the Management Committee. In such instrument the Management Committee shall certify that the vote required by this Paragraph 12 for amendment has occurred and, if approval of a specified percentage of Eligible Mortgagees is required for such amendment, that such approval has been obtained. The foregoing right of amendment is subject to the following:

12.1. Rights of Declarant. No amendment to this Declaration or the Record of Survey Map which has the effect of diminishing or impairing any right, power, authority, privilege, protection or control accorded to Declarant in its capacity as Declarant shall be effective unless consented to in writing by Declarant.

12.2. Rights of Eligible Mortgagees. The consent of Eligible Mortgagees holding Mortgages on Units which have appurtenant at least fifty-one percent (51%) of the Undivided Interests which are then subject to Mortgages held by Eligible Mortgagees shall be required to amend any material provision of this Declaration or the Record of Survey Map that provides for any of the following, unless made in accordance with Paragraph 10:

- (a) voting;
- (b) assessments, assessment liens or subordination of assessment liens;
- (c) reserves for maintenance, repair and replacement of the Common Areas;
- (d) insurance;
- (e) rights to use the Common Areas;
- (f) responsibility for maintenance and repair of the Project;
- (g) expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project;
- (h) the perimeter boundaries of any Unit;
- (i) the interests in the Common Areas or Limited Common Areas;
- (j) convertibility of Units into Common Areas or of Common Areas into Units, excepting Convertible Spaces (the conversion of which shall only be subject to the requirements set forth in Paragraph 12.3);
- (k) leasing of Units;
- (l) imposition of any restrictions on the right of an Owner to sell, transfer or otherwise convey a Unit; and
- (m) express benefits or rights of Mortgagees, Eligible Mortgagees or Eligible Insurers or Guarantors.

An addition or amendment shall not be considered material for purposes of this Paragraph 12.2 if it is for the purpose of correcting technical errors, is for clarification or is otherwise immaterial. Any Eligible Mortgagee to whom a written request to approve an addition or amendment to this Declaration or the Record of Survey Map (or to approve a decision of the Owners or the Management Committee with respect to the nature of Restoration or a decision not to undertake Restoration pursuant to Paragraph 10) is mailed in the United States mail, postage prepaid, certified and return receipt requested, to the address for such Eligible Mortgagee shown on the list

maintained by the Management Committee who has not delivered to the Management Committee a negative response within thirty (30) days from the date of such mailing shall be deemed to have approved such request.

12.3. Conversion of Convertible Space.

(a) After obtaining the prior written consent of the Management Committee, which consent shall not be unreasonably withheld, conditioned or delayed, all or any portion of any Commercial Unit may be converted into one or more Units, Common Areas or Limited Common Areas in accordance with this Paragraph 12.3. Any such conversion shall be deemed to have occurred at the time of the recordation in the Official Records of the instruments described in Paragraphs 12.3(b) and (c).

(b) When converting all or any portion of any Convertible Space into one or more Units, Common Areas or Limited Common Areas, the Owner(s) of the Convertible Space concerned shall record in the Official Records, with regard to the structure or portion of the structure constituting such Convertible Space, a supplemental Record of Survey Map showing the following: (i) the location and dimensions of the vertical and horizontal boundaries of each Unit formed out of such space; (ii) an identifying number or other designation and the square footage of each such Unit; (iii) the location and dimensions of all Common Areas formed out of such space; and (iv) the location and dimensions of all Limited Common Areas formed out of such space and the Unit(s) to which exclusive use of such Limited Common Areas are appurtenant. Such supplemental map shall be certified as to its accuracy and compliance with the Act by the land surveyor who prepared or supervised the preparation of such map.

(c) Simultaneously with the recording of such supplemental Record of Survey Map, the Owner(s) of the Convertible Space concerned shall prepare, execute and record an amendment to the Declaration describing the conversion. Such amendment shall assign an identifying number or other designation to, and shall set forth the square footage of, each Unit formed out of such space and shall allocate to each Unit a portion of the Undivided Interest appurtenant to such space. The Undivided Interests of the new Units shall be allocated proportionately between or among the new Units, based on the respective square footage of the new Units. Such amendment shall also describe or delineate any Common Areas or Limited Common Areas formed out of such space, showing or designating the Unit(s) to which any such Limited Common Areas are assigned. If all or any portion of any Convertible Space is converted into Common Areas or Limited Common Areas, then the Undivided Interest and the votes appurtenant to such space or portion so converted (determined on the basis of the number of square feet of floor space so converted to Common Areas or Limited Common Areas) shall be reallocated among, and shall thereafter be appurtenant to, the remaining Units (including Units formed out of such space) in proportion to their respective Undivided Interests. Such reallocation shall be set forth in such amendment. Such amendment only needs to be executed by the Management Committee, the Owner(s) of such space and any Mortgagee holding a Mortgage encumbering such space.

(d) Following such division, any additional structural separations constructed or installed between the new Units shall become Common Areas. Dividing Units shall not, taken in the aggregate between or among the new Units created, increase or decrease the

original voting rights or Undivided Interests set forth in this Declaration. Each Unit formed out of a Convertible Space shall be capable of independent use and shall have direct access to Common Areas and Limited Common Areas intended and sufficient for ingress and egress to and from such Unit.

(e) Any Convertible Space not converted in accordance with this Paragraph 12.3, or any portion of any Convertible Space not so converted, shall be treated for all purposes as a single Unit unless and until it is so converted, and the Act and this Declaration shall be applicable to any such space or portion of such space as though the same were a Unit.

(f) This Paragraph 12.3 shall not be amended without the written consent of all Owners of unconverted Convertible Space.

13. Residential Association. The Residential Association is being formed for the benefit of the Residential Unit Owners for the following limited purposes: (a) to provide a mechanism for the selection of one representative to attend all general and special meetings of the Owners on behalf of the Residential Unit Owners, as described in Paragraph 6.6; (b) to provide a vehicle for separate meetings of Residential Unit Owners at which such Owners can discuss matters of mutual interest; (c) to create a body authorized to provide additional services to, and to make general and special assessments of, the Residential Unit Owners (only) for matters relating (only) to the Residential Units, any appurtenant Limited Common Areas and the Roof Plaza, to the extent desired by the Residential Unit Owners; and (d) to create a body authorized to make additional rules and regulations, if desired, relating (only) to the Residential Units, any appurtenant Limited Common Areas and the Roof Plaza, which rules and regulations may not be less restrictive than, or otherwise conflict with, the rules and regulations established from time to time by the Management Committee. The Residential Association shall at all times be subject and subordinate to the Management Committee, and this Declaration reserves to the Management Committee the right to disapprove, veto and nullify, as it may deem to be reasonably necessary or appropriate, any action taken or proposed to be taken by the Residential Association.

14. General Provisions.

14.1. Liens Against Units. Subsequent to the recording of this Declaration in the Official Records and while the Project remains subject to the Act, no new lien or encumbrance shall thereafter arise or be created against the Project as a whole. During such period, liens or encumbrances shall arise or be created only against each Condominium in the same manner and under the same conditions in every respect as liens or encumbrances may arise or be created on or against any other separate parcel of real property subject to individual ownership. No labor performed or material furnished with the consent or at the request of an Owner or its agent, contractor or subcontractor shall be the basis for the filing of a lien against the Condominium of any other Owner not expressly consenting to or requesting the same (except that such express consent shall be deemed to be given by an Owner in the case of emergency repairs) or against any interest in the Common Areas or Limited Common Areas, except the Undivided Interest appurtenant to the Unit of the Owner for whom such labor shall have been performed or material shall have been furnished. Labor performed or material furnished for the Common Areas, if authorized by the Owners or the Management Committee in accordance with the Governing

Documents, shall be deemed to be performed or furnished with the express consent of each Owner and shall be the basis for the filing of a lien against each of the Condominiums. If a lien against two or more Condominiums becomes effective, any Owner of any Condominium may remove its Condominium from such lien by payment of the proportional amount attributable to such Condominium. Such individual payment shall be computed by reference to the ratio between the Undivided Interest appurtenant to such Owner's Condominium and the total Undivided Interests of the Condominiums concerned. Subsequent to any payment, discharge or other satisfaction, the Condominium concerned shall be free and clear of the lien so paid, satisfied or discharged. Partial payment, satisfaction or discharge of the proportional amount attributable to any Condominium shall not prevent the lienor from proceeding to enforce its rights against any other Condominium to the extent the entire amount outstanding is not so paid, satisfied or discharged.

14.2. Covenants Run with Land. This Declaration and all of the provisions of this Declaration shall constitute enforceable equitable servitudes, shall run with the land and may be enforced by the Management Committee and any Owner and its successors in interest. If any Person acquires through foreclosure, exercise of the power of sale or other enforcement of any lien or by tax deed the interest of any Owner, the interest acquired shall be subject to all of the provisions of the Governing Documents. In a voluntary conveyance, the grantee of a Condominium shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for its share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee. However, any such grantee shall be entitled to a statement from the Management Committee setting forth the amount of the unpaid assessments against the grantor, and such grantee shall not be liable for, nor shall the Condominium conveyed be subject to a lien for, any unpaid assessments against such grantor in excess of the amount set forth in such statement (although the grantor shall remain liable therefor). All Owners and their employees and tenants, all employees of such tenants and any other Person who may in any manner use or occupy the Project shall be subject to the Governing Documents. All agreements, decisions and determinations made by the Management Committee or the Association of Owners in accordance with the Governing Documents shall be binding on the Owners.

14.3. Removal of Project from Act. All (but not less than all) of the Owners may remove the Project from the provisions of the Act by an instrument duly recorded in the Official Records to that effect, provided that the holders of all liens affecting the Condominiums consent or agree by instruments duly recorded that their liens may be transferred to the Undivided Interest of the Owner concerned in the Project. On removal of the Project from the provisions of the Act, the Project shall be deemed to be owned in common by the Owners. The Undivided Interest in the Project owned in common by each Owner shall be equal to the Undivided Interest previously owned by such Owner. The removal provided for in this Paragraph 14.3 shall not bar the subsequent resubmission of the Project to the provisions of the Act.

14.4. Initial Agent for Service of Process. AlphaGraphics, Inc., whose address is 268 South State Street, Suite 300, Salt Lake City, Utah 84111, shall be the initial Person to receive service of process on behalf of the Project and the Management Committee. The Management Committee shall have the right to appoint a successor or substitute process agent at any time and from time to time. The name and address of any such successor or substitute agent shall be

specified by an appropriate instrument recorded in the Official Records, a copy of which shall be delivered to each Owner.

14.5. Certain Actions. Without limiting the rights of any Owner, actions may be brought by the Management Committee, in its discretion, on behalf of two or more of the Owners, as their respective interests may appear, with respect to any cause of action relating to the Common Areas, the Limited Common Areas or more than one Unit. Service of process on two or more Owners in any action relating to the Common Areas, the Limited Common Areas or more than one Unit may be made on the Person designated in this Declaration to receive service of process.

14.6. Declarant's Rights Assignable. All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment.

14.7. Attorneys' Fees. If the Management Committee or any Owner brings suit against the other or if any Owner brings suit against another Owner to enforce or interpret this Declaration, the prevailing party shall be entitled to recover from the other party the prevailing party's reasonable attorneys' fees and costs incurred in any such action or in any appeal from such action, in addition to the other relief to which the prevailing party is entitled.

14.8. Notices. The Management Committee shall maintain records setting forth the names and mailing addresses of each Owner, as set forth in Paragraph 5.5, and it shall be the responsibility of each Owner (and not the Management Committee) to insure that such records are current as to its Unit. Any notice or demand to be given by any Person to another under this Declaration shall be given in writing by personal service, express mail, Federal Express, DHL or any other similar form of courier or delivery service, or mailing in the United States mail, postage prepaid, certified and return receipt requested, and addressed to (a) any Owner in accordance with such records, and (b) the Management Committee in accordance with Paragraph 14.4. Any such notice shall be deemed to have been given, and shall be effective, on delivery to the notice address then applicable for the Person to which the notice is directed; provided, however, that refusal to accept delivery of a notice or the inability to deliver a notice because of an address change which was not properly communicated shall not defeat or delay the giving of a notice.

14.9. Priority Over Act. In the event of any conflict between the provisions of this Declaration and the provisions of the Act, including, without limitation, §57-8-31 of the Act (or any successor or substitute provision), the provisions of this Declaration shall control to the extent permitted by applicable law.

14.10. Construction. This Declaration shall inure to the benefit of, and be binding on, Declarant, the Management Committee, the Association of Owners and each Owner and their respective heirs, personal representatives, successors and assigns. This Declaration shall be governed by, and construed and interpreted in accordance with, the laws (excluding the choice of laws rules) of the State of Utah. Titles and headings of Paragraphs of this Declaration are for convenience of reference only and shall not affect the construction of any provision of this Declaration. All pronouns shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the Person to whom reference is made may require. Whenever possible,

each provision of this Declaration shall be interpreted in such manner as to be valid under applicable law; but, if any provision of this Declaration shall be invalid or prohibited under applicable law, such provision shall be ineffective to the extent of such invalidity or prohibition without invalidating the remainder of such provision or the remaining provisions of this Declaration. The rules of property known as the rule against perpetuities and the rule restricting unreasonable restraints on alienation shall not be applied to defeat any of the provisions of this Declaration.

EXHIBIT A

to

DECLARATION OF CONDOMINIUM AND BYLAWS

RESIDENTIAL ASSOCIATION BYLAWS

The Residential Association Bylaws referred to in the foregoing instrument are attached.

EXHIBIT B

to

DECLARATION OF CONDOMINIUM AND BYLAWS

RULES AND REGULATIONS

The rules and regulations set forth in this Exhibit are a part of the foregoing Declaration of Condominium and Bylaws (the "Declaration") and constitute the initial "Rules and Regulations," as defined in the Declaration. The terms capitalized in this Exhibit shall have the same meaning as set forth in the Declaration.

1. Obstruction. Any sidewalks, entries, exits, passages, corridors, halls, lobbies, stairways, elevators or other similar Common Areas shall not be obstructed or used for any purpose other than for ingress or egress to and from the Units. No Owner shall place any item in any of such locations, whether or not such item constitutes an obstruction, without the prior written consent of the Management Committee. The Management Committee may remove any obstruction or any such item without notice to any Owner and at the sole cost of the Owner concerned. No sidewalks, entries, exits, passages, corridors, halls, lobbies, stairways, elevators or other Common Areas are for the general public, and the Management Committee shall in all cases retain the right to control and prevent access to them by all Persons whose presence, in the judgment of the Management Committee, would be prejudicial to the safety, character, reputation or interests of the Project or the Owners. No Owner shall go onto the roof of the Residential Units.

2. Deliveries. All deliveries and pickups of merchandise, supplies, materials, garbage and refuse to or from the Units shall be made only through such access as may be designated by the Management Committee for deliveries and only during the ordinary business hours of the Project. No Owner shall obstruct or permit the obstruction of such access. Each Owner shall be liable for the acts and omissions of any Persons making such deliveries or pickups to or from its Unit.

3. Moving. Furniture and equipment shall be moved in and out of the Building only through such access as may be designated by the Management Committee for deliveries and then only during such hours and in such manner as may be prescribed by the Management Committee. If any Owner's movers damage any part of the Project, the Owner concerned shall pay to the Management Committee on demand the amount required to repair such damage.

4. Heavy Articles. No safe or article, the weight of which may, in the reasonable opinion of the Management Committee, constitute a hazard of damage to the Building, shall be moved into the Building. Other safes and heavy articles shall be moved into, from or about the Building only during such hours and in such manner as shall be prescribed by the Management Committee, and the Management Committee may designate the location of such safes and articles.

5. Use of Water Fixtures. Water closets and other water fixtures shall not be used for any purpose other than that for which the same are intended. No foreign objects of any kind shall be placed in them, and any damage resulting to the same from use on the part of any Owner shall be paid for by the Owner concerned.

6. Excessive Noise. No Persons shall disturb the occupants of the Building by the use of any electronic equipment or musical instrument or the making of loud or improper noises.

7. Animals. No pets or animals shall be allowed in the Building other than guide dogs for hearing or vision impaired Persons, except the Owner or an occupant of a Residential Unit may have one cat or dog (individually, a "Pet") per Residential Unit, provided that (a) such Owner or occupant abides by the rules and regulations adopted by the Management Committee, (b) the Pet does not weigh more than twenty (20) pounds, and (c) the Pet does not have a known propensity for violence. No animal enclosures shall be erected, placed or permitted to remain on any portion of the Common Areas or Limited Common Areas, nor shall any Pet be kept outside any Unit. The keeping of Pets and the use of the Common Areas and Limited Common Areas by Pets shall be subject to such rules and regulations as may be made by the Management Committee from time to time. Pets shall be on a leash at all times when outside a Unit. No Pet shall be permitted to defecate or urinate on any portion of the Common Areas or Limited Common Areas, and the Owner of any Pet which does so shall immediately remove and clean up any feces or urine left upon the Common Areas or Limited Common Areas. If any Owner or occupant fails to abide by the rules and regulations applicable to Pets, the Management Committee may, in addition to all other actions permitted under the Declaration, bar such Pet from the Common Areas and Limited Common Areas. The Management Committee may regulate the use of the Common Areas and Limited Common Areas through a user fee, which may be a general fee for all similarly-situated Persons or a specific fine or fee imposed for failure of an Owner or occupant to abide by the rules and regulations applicable to Pets. In addition, any Pet which endangers the health of any Owner or occupant of any Unit, creates a nuisance or an unreasonable disturbance or is not a common household Pet, as may be determined in the sole discretion of the Committee, shall permanently be removed from the Project upon seven (7) days' written notice by the Management Committee.

8. Bicycles. Bicycles and other vehicles shall not be permitted anywhere inside or on the sidewalks outside of the Building, except in those areas designated by the Management Committee for bicycle parking.

9. Trash. No Owner shall allow any trash or refuse to be placed on the outside of the Building, nor shall anything be thrown by any Owner out of the windows or doors or down the corridors or ventilating ducts or shafts of the Building. All trash and refuse shall be placed in receptacles provided by the Management Committee for the Building or an Owner for its Unit.

10. Exterior Areas. No window shades, blinds, curtains, shutters, screens or draperies shall be attached or detached by any Owner and no awnings shall be placed over the windows without the Management Committee's prior written consent. No radio or television antenna or any wiring for any purpose may be installed on the exterior of the Building; provided, however, that each of the Residential Unit Owners may, at each such Owner's sole cost and expense, install one

satellite dish, not to exceed twenty-four (24) inches in diameter, on the roof of such Owner's Unit. Replacement glass on the boundary of each Unit shall identically match the original window glass of such Unit in tint and coloration and shall be of quality equal to or better than such original window glass. All doors forming or situated at an exterior boundary of a Unit or visible from any part of the Common Areas, shall be of a type, quality, style and color as determined by the Management Committee.

11. Hazardous Operations and Items. No Owner shall install or operate any steam or gas engine or boiler, or carry on any mechanical business in the Building without the Management Committee's prior written consent. No Owner shall use or keep in the Building any kerosene, gasoline or other inflammable or combustible fluid or material. Explosives or other articles deemed extra hazardous shall not be brought into the Building.

12. Hours for Repairs, Maintenance and Alteration. Any repairs, maintenance and alterations required or permitted to be done by any Owner under the Declaration shall be done only during the ordinary business hours of the Building unless the Management Committee shall have first consented in writing to such work being done at other times.

13. Solicitation. The Management Committee reserves the right to restrict, control or prohibit canvassing, soliciting and peddling within the Building.

14. Directory. Any bulletin board or directory of the Building shall be provided exclusively for the display of the name and location of each Owner only or its tenant and the Management Committee reserves the right to exclude any other names. Each Owner shall pay the Management Committee's reasonable charges for changing any directory listing at any Owner's request.

15. Smoking. Each Owner shall keep its Unit free of objectionable noises and odors, including, without limitation, cigar, pipe and similar smoke odors. The Management Committee may designate some or all of the Building (including each Unit), other than the Residential Units, as a non-smoking area.