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NANCY WORKMAN
RECORDER, SALT LAKE COUNTY, UTAH
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WHEN RECORDED, RETURN TO:
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Salt Lake City, Utah 84111

6165487

FIRST AMENDMENT TO
ENABLING DECLARATION
AND
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
WATERSIDE CONDOMINIUMS

ARGENTA WATERSIDE, L.C.,
A UTAH LIMITED LIABILITY COMPANY,
AS DECLARANT

September 13, 1995

This FIRST AMENDMENT TO ENABLING DECLARATION AND DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR WATERSIDE CONDOMINIUMS is made the 13 day of September, 1995 by Argenta Waterside, L.C., a Utah limited liability company ("Declarant"). All capitalized terms in this Amendment shall have the meaning given them in that certain Enabling Declaration and Declaration of Covenants, Conditions and Restrictions for Waterside Condominiums ("Declaration"), unless expressly defined otherwise herein.

RECITALS

A. Waterside Associates, Ltd., a Utah limited partnership ("Waterside") was the original declarant under the Declaration.

B. Declarant, by a voluntary conveyance and transfer in accordance with Section 1.09 of the Declaration, has succeeded to all Waterside's interest in and to the Property, more particularly described on Exhibit "A" attached hereto, that is the subject of the Declaration.

C. Waterside had not transferred or conveyed any Unit subsequent to the filing of the Declaration or prior to the conveyance and transfer of all its interest in the Property to Declarant.

D. Some or all of Declarant's rights under the Declaration have expired due to the passage of time.

E. Declarant is now the owner of the Property, and at the time of the execution of this Amendment owns all the Units in the Project.

F. Declarant desires to amend certain portions of the Declaration to correct certain errors, restore and extend some of Declarant's rights under the Declaration and to insert certain provisions the Declarant deems important to the operation and value of the Project.

AMENDMENT

NOW, THEREFORE, in consideration of the premises, Declarant hereby amends the Declaration as follows:

1. Any reference in the Declaration to a right of the Declarant which expires within a certain period of time after the Declaration was filed and recorded ("Expiration Period") is hereby amended such that the Expiration Period will be determined from, and will not begin to run until, the time of the filing and recording of this Amendment. As a result, the effect of this Amendment is to restore those rights of Declarant that have expired

and extend those rights for the same period of time as contained in the Declaration beginning from the date this Amendment is filed and recorded.

2. Section 105.(b) of the Declaration is hereby amended in its entirety to read as follows:

(b) Each Unit Owner is responsible for the maintenance and upkeep of the Limited Common Areas and Facilities assigned to his Unit. Notwithstanding the above, the Association shall have the ultimate responsibility for maintaining all Limited Common Areas and Facilities. Nevertheless, the Association may assess the costs of such maintenance to the Units benefited by the Limited Common Areas and Facilities so maintained by the Association.

3. Section 1.12 of the Declaration is hereby amended in its entirety to read as follows:

Section 1.12. Mortgagee. The word "Mortgagee" shall mean and shall include the mortgagee under a first mortgage on any Unit, the beneficiary under a first deed of trust on any Unit, the guarantor or insurer of a first mortgage or first deed of trust and, in the case of an institutional mortgagee which holds the first mortgage on a Unit, the word "Mortgagee" shall also mean and include the mortgagee under a second mortgage on any Unit, but only so long as the mortgagee on the first and second mortgage on any Unit are the same institutional lender.

4. Section 1.17 of the Declaration is hereby amended in its entirety to read as follows:

Section 1.17. Par Value. The "Par Value" of each Unit is that percentage ownership interest of each Unit in and to the Common Areas and Facilities. The Par Values are based on the proportionate square footage of each Unit relative to the total square footage of all the Units in the Project, as shown on Exhibit B of the Declaration.

5. Section 2.06(f) of the Declaration is hereby amended in its entirety to read as follows:

Section 2.06(f). If seventy-five percent (75%) or more of the Project's Improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Management Committee are insufficient to accomplish restoration, and if Unit Owners do not, within 100 days after the destruction or damage by a vote of a majority of the Unit Owners, elect to repair or reconstruct the affected Improvements, the Management Committee shall promptly record with the Salt Lake County Recorder a notice setting forth such facts. Upon the recording of

such notice, the provisions of subsections (1) through (4) of Section 57-8-31, Utah Code. Ann. (1953), as amended from time to time, shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units. In connection therewith, each Unit Owner hereby appoints the Association as his attorney in fact to represent the Unit Owners in any related proceedings, negotiations, settlements or agreements. In addition, any proceeds from any such proceedings, negotiations, settlements or agreements shall be made payable to the Association for the benefit of the Unit Owners and their Mortgagees.

6. Section 2.18 of the Declaration is hereby amended in its entirety to read as follows:

Section 2.18. Declarant's Sales Program. Notwithstanding any other provision of this Declaration, until Declarant ceases to be a Unit Owner or the expiration of five (5) years after the date on which any amendment to this Declaration is filed for recording in the office of the County Recorder of Salt Lake County, Utah, whichever occurs first (hereinafter referred to as the "Occurrence"), Declarant shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish or facilitate the sale of all Units owned by Declarant:

The rest of Section 2.18 shall read as currently contained in the Declaration.

7. Section 2.19 of the Declaration is hereby amended in its entirety to read as follows:

Section 2.19. Nature of and Restriction on Ownership and Use. To be used as a single family residential use, each Unit Owner shall have and enjoy the rights and privileges of fee simple ownership in his Unit. There shall be no requirements concerning who may own Units, it being intended that they may and shall be owned as any other property rights by persons, corporations, partnerships, or trusts and in the form of common tenancy. Each Unit Owner shall have a perpetual right and easement over, through and across the Common Areas and Facilities and those portions of the Project necessary for ingress to and egress from their Unit. This right shall attach and be appurtenant to such Unit and shall not be transferred except along with ownership to such Unit. The Unit Owners may lease or rent their Units with their appurtenant rights subject to the terms and conditions chosen solely by the Unit Owner and his lessee, except that there shall be no time sharing of a Unit which shall mean the possession or occupancy of a Unit which circulates among various persons during regularly recurring periods of time, and there shall be no leasing or renting of a Unit for a period of less than thirty (30) days. All such leases or rental agreements shall be in writing and signed by the Unit Owner and lessee and shall include express terms making such lease or rental agreement subject to the terms and conditions of this Declaration, the Articles, Bylaws and any rules or regulations promulgated

thereunder. All Unit Owners, their tenants and other occupants or users of the Project, shall be subject to the Act, this Declaration, the Bylaws, and all rules and regulations of the Association.

8. The following Section 2.22 shall be added to the Declaration and shall read as follows:

Section 2.22. Easements for Encroachments. If any portion of the Common Areas and Facilities now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or the Common Areas and Facilities, or if any such encroachment shall occur hereafter as a result of the manner in which the buildings have been constructed or due to settling, shifting, alteration, replacement, repair, or restoration by Declarant or the Association, a valid easement for encroachment, and maintenance of such encroachment, shall exist so long as the encroachment exists.

9. The following sentence shall be added to the end of the first full paragraph under Section 3.01 of the Declaration: Any transfer of an ownership interest contrary to this Section 3.01 shall be void.

10. The following shall be added to the Declaration as Section 4.03a:

Section 4.03a. Working Capital Fund. Declarant shall establish a working capital fund to meet unforeseen expenditures or to purchase any additional equipment or services needed for the operation of the Condominium. The initial amount of the working capital fund shall be at least equal to two (2) months of estimated Common Expenses for each Unit. The Declarant can collect these charges at the earlier to occur of (i) the time the sale of each Unit is closed, or (ii) when control of the Condominium is transferred pursuant to Section 5.03. Any amounts collected and paid into this fund shall not be considered advance payments of Assessments. This fund cannot be used by the Declarant to defray any of its expenses, reserve contributions or construction costs or to make up any budget deficits; provided, however, that to the extent Declarant has paid the Association for an unsold Unit's share of this fund, Declarant shall be entitled to a reimbursement, to paid at the time of closing out of the closing proceeds, for such amounts when such Unit is sold. Once the Declarant has transferred control to the Association, pursuant to Section 5.03, this fund shall be transferred to the Association.

11. Section 4.05 of the Declaration shall be amended in its entirety to read as follows:

Section 4.05. Books and Records. The Management Committee shall keep books of account for the performance of its functions hereunder along with current copies of this Declaration, the Articles, Bylaws and other rules and regulations

concerning the Project, as well as its own books, records and financial statements and shall allow each Unit Owner and their Mortgagees to inspect such documents during normal business hours at the business address of the Management Committee.

12. Section 5.03 of the Declaration shall be amended in its entirety to read as follows:

Section 5.03. Voting Rights. The Association shall have two (2) classes of voting membership:

Class A. Class A member(s) shall be all Unit Owners, with the exception of Declarant, and shall be entitled to a percentage vote that is equal to the Par Value for each Unit owned, as shown on Exhibit B of the Declaration. When more than one (1) person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than the percentage vote equal to the Par Value for such Unit be cast with respect to any Unit.

Class B. Class B member(s) shall be Declarant and shall be entitled to a percentage vote as equal to three (3) times the Par Value for each Unit owned by Declarant, as shown on Exhibit B of the Declaration. The Class B membership shall cease and be converted to Class A membership on the happening of the earliest of the following to occur ("Turnover Date"):

(a) The date ninety (90) days after the conveyance by Declarant of seventy-five percent (75%) of the Units which may be created at any time or from time to time by this Declaration to Owners (other than Declarant or an affiliate of Declarant);

(b) The date four (4) years after Declarant (or any successor) has ceased to offer Units for sale in the ordinary course of business; or

(c) the date which is the third (3rd) anniversary of the first conveyance of a Unit by Declarant to an Owner other than Declarant.

Upon the Turnover Date, Declarant shall retain the voting rights of a Class A Member even though the special voting and control rights of the Class B Member have ceased and terminated. Declarant may voluntarily surrender the right to elect, appoint and remove the members of the Management Committee and the officers

prior to the Turnover Date, but, in that event, Declarant may require that specified actions of the Association or the Management Committee taken prior to the Turnover Date, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective. Upon the Turnover Date, the process of transferring control of the Association from the Declarant to the Owners shall commence and be completed within a reasonable period of time. This process shall include the Owners' election of the Management Committee and shall be considered completed on the date of the initial meeting of the Management Committee elected by the Owners. The Owners' election of the initial Management Committee may be conducted at a regular or special meeting of the Association or by a mailed balloting procedure, within thirty (30) days following the Turnover Date.

13. The following sentence shall be added to the end of Section 6.01 of the Declaration: The Declaration shall be deemed a Unit Owner for purposes of this Section 6.01 and shall be subject to the obligations and terms contained herein.

14. The following sentence shall be added to Article VII of the Declaration: In addition, each Unit Owner shall have the right to bring an action against the Association or the Management Committee for non-compliance with this Declaration, the Articles, Bylaws or any rules or regulations promulgated thereunder.

15. The following section will be added to the Declaration as Section 10.03a:

Section 10.03a. Supplemental Insurance. The Management Committee may obtain such other policies of insurance in the name of the Association as the Management Committee deems appropriate to protect the Association and Owners. The Management Committee shall obtain director's and officer's liability insurance for officer's and members of the Management Committee of the Association in accordance with the Articles. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood, and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for condominium projects established by the Federal National Mortgage Association and Government National Mortgage Association, so long as either is a Mortgagee or Owner of a Unit, except to the extent that such coverage is not available or has been waived in writing by the Federal National Mortgage Association or Government Mortgage Association.

16. The following subsections shall be added to Section 11.03 of the Declaration:

(8) To change any voting rights of Unit Owners in the Project.

(9) Increases in assessments that raise the previously assessed amount by

more than twenty-five (25%), changes in assessment liens, or in the priority of assessment liens.

- (10) Reduce the reserves for maintenance, repair and replacement of Common Areas and Facilities.
- (11) Changes in the responsibility for maintenance and repairs.
- (12) To reallocate interest in the Common Areas and Facilities or Limited Common Areas and Facilities or rights to their use.
- (13) To redefine any Unit boundaries.
- (14) To convert any Units into Common Areas and Facilities or vice-versa.
- (15) To expand or contract the Project or to add, annex or withdraw property to or from the Project.
- (16) To change any hazard or fidelity insurance requirements under this Declaration.
- (17) To impose any additional restrictions on the leasing of Units.
- (18) To impose any additional restrictions on a Unit Owner's right to sell or transfer his or her Unit.
- (19) To restore or repair the Project (after damage or partial condemnation) in a manner other than specified in the Declaration, Articles, Bylaws or rules and regulations promulgated thereunder.
- (20) To change any provisions that expressly benefit Mortgagees.

17. The following Section 11.03a shall be added to the Declaration and shall state as follows:

Section 11.03a. Thirty (30) Day Implied Approval. If the Association or Management Committee have provided Mortgagee with notice of any proposed alteration or change to this Declaration, the Articles, Bylaws or rules and regulations promulgated thereunder, and said Mortgagee fails to submit a response to such written notice within thirty (30) days after the Mortgagee has received such notice, and provided such notice was delivered by certified or registered mail, with a return receipt requested, the Mortgagee shall be deemed to have approved such proposed amendment.

18. Section 11.04 of the Declaration shall be amended in its entirety to read as follows:

Section 11.04. Examination of Books and Records. Any Mortgagee shall have the right, at his request and expense and upon reasonable notice to examine the books and records of the Management Committee, of the Association of Unit Owners, or of the Project. Any Mortgagee shall have the right to designate a representative to attend all meetings of the Association of Unit Owners. From and after the time a Mortgagee makes a written request to the Management Committee therefor, the Management Committee (i) shall within one hundred twenty (120) days of the Association's fiscal year-end submit to the Mortgagee copies of such audited annual operating reports, financial statements and other reports or writing summarizing or reflecting the financial position or history of the Project as may be prepared for distribution to or use by the Management Committee, the Association, or the Unit Owners and (ii) shall give the Mortgagee's written notice of all meetings of the Association.

19. Section 11.05 of the Declaration shall be amended in its entirety to read as follows:

Section 11.05. Notice of Loss or Damage. The Management Committee shall notify each first Mortgagee in writing in the event that there occurs any substantial damage or loss to, or any taking or anticipated condemnation of (a) the Common Areas and Facilities or any part thereof, (b) any material portion of the Project, or (c) the Unit covered by the Mortgage of said first Mortgagee. Said notice shall be given within ten (10) days after the Management Committee learns of such damage, loss, taking or anticipated condemnation.

20. The following Section 11.06 shall be added to the Declaration and shall read as follows:

Section 11.06. Notice of Other Matters. The Management Committee shall notify each first Mortgagee in writing of the following events: (a) a lapse, cancellation or material modification of any insurance policy maintained by the Association, (b) any proposed action listed in Section 11.03 above, and any loss or damage described in Section 11.05.

21. The following Section 11.07 shall be added to the Declaration and shall read as follows:

Section 11.07. Written Request for Notice. To receive written notice from the Management Committee or the Association, each Mortgagee must send to the Management Committee a written request that notice of the items contained in Sections 11.03, 11.05 and 11.06 be sent to such Mortgagee. Any request for written

notice from the Management Committee or the Association shall include the name and address of the Mortgagee and the Unit number or address of the Unit on which said Mortgagee has a mortgage or other secured interest.

22. Declarant attaches hereto as Exhibit "B" the Bylaws for the Association that shall supersede and replace any prior Bylaws.

Except as contained herein, the remainder of the Declaration shall remain unamended and in full force and effect.

IN WITNESS WHEREOF, Declarant has executed this Amendment as of this 13 day of September, 1995.

DECLARANT:

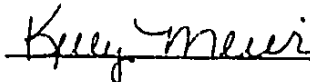
ARGENTA WATERSIDE, L.C.,
a Utah limited liability company

By 
Mark A. Elardo, Manager

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

On this, the 13 day of September, 1995, before me, the undersigned officer, personally appeared Mark A. Elardo, who acknowledged himself to be the Manager of Argenta Waterside, L.C., a Utah limited liability company, and that he, as such Manager, being authorized so to do, executed the foregoing instrument for the purpose therein contained and in the capacity therein stated.

IN WITNESS WHEREOF I hereunto set my hand and official seal.



Notary Public

My Commission Expires: 7-2-96

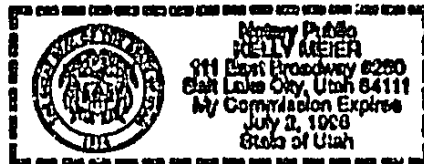


EXHIBIT "A"
[Legal Description of the Property]

All Units as shown in the Record of Survey Map for Waterside Condominiums, a Condominium Project appearing in the Records of the County Recorder of Salt Lake County, Utah, as Entry No. 4857807 in Book 89-12, at Page 117, and as defined and described in the Declaration of Covenants, Conditions, and Restrictions and Bylaws of the Waterside Condominiums, recorded in Salt Lake County, Utah, on December 8, 1989 as Entry No. 4857808, in Book 6182 at Page 1153, together with all undivided interests in the General Common Areas and the exclusive right to use and occupy the Limited Common Areas appurtenant to such Units as described on such record of Survey Map.

Property more particularly described as follows:

Beginning at the Southeast corner of the Union and Jordan Headgate and on the Left Bank of Little Cottonwood Creek, said point being South 89 degrees 46'05" West 679.14 feet and North 33.14 feet from the Southeast corner of the Northeast Quarter of Section 29, T2S, R1E, S.L.B. & M. and running thence along the North Bank of the Union Water Ditch the following (11) courses: North 8 degrees 31'54" West 50.38 feet; thence North 38 degrees 44'15" West 28.27 feet; thence North 51 degrees 19'21" West 49.21 feet; thence North 51 degrees 54'05" West 49.25 feet; thence North 57 degrees 40'54" West 57.17 feet; thence North 30 degrees 47'02" West 79.48 feet; thence North 70 degrees 03'14" West 57.98 feet; thence North 76 degrees 59'58" West 27.61 feet; thence North 46 degrees 35'05" West 24.79 feet; thence North 34 degrees 54'49" West 106.52 feet; thence North 8 degrees 18' West 54.68 feet; thence leaving the North bank of the Union Water Ditch North 72 degrees 05' East 51.05 feet to a point on the East bank of The Cahoon and Maxfield Ditch; thence along the East bank the following (6) courses: North 0 degrees 11'38" West 58.88 feet; thence North 7 degrees 33'38" West 50.34 feet; thence North 15 degrees 24'20" West 82.55 feet; thence North 27 degrees 32'03" West 63.86 feet; thence North 32 degrees 50'39" West 61.78 feet; thence North 22 degrees 13'39" West 51.89 feet to the Eastern boundary line of 1300 East Street; thence along said Eastern boundary North 31 degrees 52'27" East 216.50 feet to the centerline of Little Cottonwood Creek; thence along said centerline the following (12) courses: South 41 degrees 48'53" East 89.06 feet; thence South 45 degrees 33'47" East 95.18 feet; thence South 47 degrees 49'58" East 97.52 feet; thence South 40 degrees 53'15" East 108.02 feet; thence South 33 degrees 49'05" East 106.07 feet; thence South 35 degrees 43'38" East 112.03 feet; thence South 31 degrees 12'01" East 91.59 feet; thence South 26 degrees 24'13" East 72.05 feet; thence South 54 degrees 03'01" East 112.37 feet; thence South 21 degrees 29'55" West 154.80 feet; thence South 24 degrees 26'46" West 134.53 feet; thence South 79 degrees 42'32" West 147.09 feet to the point of beginning. Less and excepting therefrom the property described in that certain Warranty Deed (Limited Partnership) to Salt Lake County, Utah, executed Nov. 14, 1985 and recorded Dec. 6, 1985 as Entry No. 4172872, in Book 5715, at Page 1626, of Official Records and more particularly described as follows: A parcel of land for public highway purposes known as Project No. CJ-82-2010, to wit: said Parcel of land situated in the Southeast Quarter of the Northeast Quarter of Section 29, T2S, R1E, S.L.B. & M. described as follows: Beginning at a point on the existing East right-of-way of 1300 East Street, which point is also the Southwest corner of the Grantors property, said point being 807.37 feet North and 1107.57 feet West from the East Quarter corner of said Section 29, and running thence North 31 degrees 52'27" East 216.50 feet along said existing right-of-way line to the North line of Grantors property; thence South 41 degrees 48'53" East 28.13 feet along said North line to a point which is easterly 27.00 feet and perpendicular from the existing right-of-way line; thence South 31 degrees 52'27" West 228.14 feet (South 31 degrees 42'52" West-Calculated) along a line which is parallel to said existing right-of-way line, to a point on the South line of Grantors property; thence North 22 degrees 13'39" West 33.33 feet along said South line to the point of beginning.

EXHIBIT "B"
[Bylaws]

42164.3

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BYLAWS
OF
WATERSIDE CONDOMINIUM OWNERS' ASSOCIATION

A Utah Nonprofit Corporation

The administration of the Waterside Condominium Project and the Waterside Condominium Owners' Association shall be governed by its Articles of Incorporation, these Bylaws, and the Condominium Ownership Act, Utah Code Annotated Sections 57-8-1 et seq., as amended (the "Act"), and by the Enabling Declaration and Declaration of Covenants, Conditions and Restrictions for Waterside Condominiums (the "Declaration"), as amended, a copy of which is attached hereto. The definition of terms set forth in Article I of the Declaration shall govern these Bylaws, except where expressly provided otherwise.

ARTICLE 1

Bylaws for the Waterside

Condominium Owners' Association

The Waterside Condominium Owners' Association (the "Association") is a nonprofit corporation organized under the provisions of the Utah Non-Profit Corporation and Cooperative Association Act, Section 16-6-18, et seq., Utah Code Annotated, as amended. The name in which contracts shall be entered into, title to property shall be acquired, held, dealt in, and disposed of, bank accounts shall be opened, and suits shall be brought and defended by the officers thereof on behalf of and as agents for the Unit Owners in the manner specified by the Act, the Declaration, or these Bylaws, is: "Waterside Condominium Owners' Association."

The initial office of the Association and Board of Directors provided hereunder shall be 7265 South 1300, Midvale, Utah 84047.

ARTICLE 2

Unit Owners Bound by Bylaws

All present and future Unit Owners, Mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to the terms of and shall abide by the Declaration, the Articles of Incorporation, these Bylaws, and all rules made pursuant hereto and any amendment thereof. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit shall

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constitute an agreement that the provisions of the Declaration, the Articles of Incorporation, and these Bylaws (any rules and regulations made pursuant thereto), as they may be amended from time to time, are accepted, ratified and will be complied with.

ARTICLE 3

Unit Owners

Section 3.01. Annual Meeting. There shall be an annual meeting of the Unit Owners on the third Wednesday of March of each year at 7:00 p.m. (unless such day is a legal holiday in which event the meeting shall be held on the next succeeding business day) at 7265 South 1300 East, Midvale, Utah or at such other reasonable place or time (not more than sixty (60) days before or after such date) as may be designated by written notice by the Management Committee delivered to the Unit Owners not less than ten (10) days prior to the date fixed for said meeting. At such annual meeting of Unit Owners, the Unit Owners shall elect the appropriate number of members of the Management Committee prescribed in Article 4 and shall undertake such other business which the presiding officer may deem appropriate. At or prior to the annual meeting, the Management Committee shall furnish to the Unit Owners: (i) the annual operating budget for the coming fiscal year that shall itemize the estimated Common Area Maintenance and Service Assessments for the coming fiscal year with the estimated Unit Owners' proportionate share thereof, and (ii) a statement of the Common Area Maintenance and Service Assessments itemizing receipts and disbursements for the previous and current fiscal year. Within ten (10) days after the annual meeting, the budget statement shall be delivered to the Unit Owners who were not present at the annual meeting.

Section 3.02. Special Meetings. Special meetings of the Association may be held at any time at 7265 South 1300 East, Midvale, Utah, or at such other reasonable place, to consider matters which, by the terms of the Declaration or the Articles of Incorporation, require the approval of all or some of the Unit Owners, or for any other reasonable purpose. Special meetings shall be called by written notice, signed by a majority of the Management Committee, or by the Unit Owners representing at least one-third (1/3) ownership interest in the Project and delivered to all Unit Owners not less than fifteen (15) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting, and the matter to be considered.

Section 3.03. Quorum. The presence in person or by proxy at any meeting of the Unit Owners holding at least fifty percent (50%) ownership interest in the Project in response to notice of all Unit Owners of record properly given, as provided above, shall constitute a quorum. In the event that Unit Owners holding at least fifty percent (50%) in ownership interest in the Project are not present in person or by proxy, the meeting shall be adjourned for twenty-four (24) hours, at which time it shall reconvene and any number of Unit Owners present at such subsequent meeting will constitute a quorum. Unless otherwise expressly provided in the

Declaration or the Articles of Incorporation, any action may be taken at any meeting of the Unit Owners upon a majority vote of the Unit Owners who are present in person or by proxy and who are voting.

Section 3.04. Proxies. At all meetings of Unit Owners, a Unit Owner may vote by proxy executed in writing by the Unit Owner or by his duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting.

Section 3.05. Voting. The members of the Association shall be the fee owners of the Units. The Management Committee shall maintain a list of owners which shall be updated on a regular basis. Disputes over the membership list shall be resolved by reference to the Official Records of the Salt Lake County Recorder's Office. At any meeting of the Association of Unit Owners, each Unit Owner, either in person or by proxy, shall be entitled to a percentage vote based upon an Owner's Par Value in the Unit owned as shown on Exhibit B of the Declaration. If there is more than one Unit Owner with respect to a particular Unit, any or all of such Unit Owners may attend any meeting of the Association, but it is necessary for all such Unit Owners present to act unanimously in order to cast the percentage vote pertaining to their Unit. All votes may be cast either in person or by proxy.

ARTICLE 4

Management Committee

Section 4.01. General Powers and Responsibilities. The management and maintenance of the Property and the business, property, and affairs of the Association shall be managed by a Management Committee consisting of not less than three (3) nor more than nine (9) committee members as the number may be established from time to time by resolution of the members, who must be Unit Owners or a spouse of a Unit Owner. The initial Management Committee shall consist of three (3) committee members, each of whom shall be employees, agents or officers of the Declarant but none of whom are required to be Unit Owners, and who shall serve only until their successors are duly elected and qualified at the first annual meeting. Each member of the Management Committee shall serve for a term of two (2) years from the date elected and qualify; except that at the first annual meeting two (2) of the Management Committee shall be elected for an initial term of one (1) year and one (1) shall be elected for a regular term of two (2) years. The Management Committee members shall thereafter be elected by the Unit Owners at the annual meeting of the Unit Owners as provided in Section 3.01 hereof, but if any annual meeting is not held, or the appropriate number of Management Committee members are not elected thereat, the Management Committee members may be elected at any special meeting of Unit Owners held for that purpose.

The Management Committee shall have all the powers, duties, and responsibilities as are or may hereafter be provided by the Act, the Declaration, the Articles of Incorporation, and these Bylaws, including but not limited to the following:

a. To adopt and amend from time to time by affirmative vote of 2/3 of the members of the Management Committee appropriate rules and regulations of the Association covering the use, maintenance and operation of the Common Areas and Facilities including the right to grant permits, licenses and easements on, over, under, through and across the Common Areas and Facilities for any reasonable purpose, and to make such other rules as permitted by the Declaration including, without limitation, provision and restrictions upon pets, charges and interest to be collected on delinquent assessment accounts and to enforce such rules by action authorized by the Declaration, these By-Laws and Utah law.

b. To engage the services of a manager or managing company, accountants, attorneys, or other employees or agents and to pay to said persons a reasonable compensation therefor.

c. To operate, maintain, repair, improve and replace the Common Areas and Facilities, to determine and pay the common expenses, to prepare an annual operating budget, and to assess and collect the proportionate share of common expenses from the Unit Owners.

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

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

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

g. To borrow funds and enter into promissory notes and to approve and sign checks and issue payment vouchers.

h. To sell portions of the Common Areas and Facilities, and to create exclusive rights in Unit Owners in certain Limited Common Areas.

i. To obtain insurance for the Project with respect to the Units and the Common Areas and Facilities and for the Association, as required by the Declaration and these Bylaws, and such other insurance deemed proper.

j. To do all other acts incident to the discharge of the duties imposed on the Management Committee under the Declaration, the Bylaws and the Act and necessary for the operation and maintenance of the Property, including the maintenance and repair of any Unit if the same is necessary to protect or preserve the Property; provided, however, that the Management Committee shall operate no other business for profit.

k. In general to do and perform such acts and things and to transact such business in connection with the foregoing objects and purposes as may be necessary and to do any and all things which a natural person could do or which now or hereafter may be authorized by law.

Section 4.02. Management Agreement. The Management Committee may delegate to a manager or managing company all of its foregoing powers, duties, and responsibilities referred to in paragraph 4.01 above except: the final determination of common expenses, annual operating budgets and assessments based thereon, the promulgation of rules and regulations of the Association, the opening of bank accounts or the power to purchase hold, seal, convey, mortgage or lease any Units in the name of the Association.

Section 4.03. No Liability. Members of the Management Committee, the officers and any assistant officers, agents, and employees of the Association (i) shall not be liable to the Unit Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or gross negligence; (ii) shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, instrument, or transaction entered into by them on behalf of the Association in their capacity as such; (iii) shall have no personal liability in tort to any Unit Owner or any person or entity, direct or imputed, by virtue of acts performed by them, or acts performed for them in their capacity as such; and (iv) shall have no personal liability arising out of the use, misuse, or condition of the Property, which might in any way be assessed against or imputed to them as a result or by virtue of their capacity as such.

Section 4.04. Indemnification. The Unit Owners shall indemnify and hold harmless, any person, his heirs and personal representatives, from and against all personal liability and all expenses including counsel fees, incurred or imposed, or arising out of or in settlement of any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative instituted by any one or more Unit Owners, or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Management Committee or an officer or assistant officer, agent or employee of the Association, other than to the extent, if any, that such liability or expense shall be attributable to his willful misconduct or bad faith. This Section 4.04 shall be subject to and interpreted in harmony with Articles 9 and 10 of the Articles of Incorporation.

Section 4.05. Regular Meetings. A regular meeting of the Management Committee shall be held without other notice than this Bylaw immediately after, and at the same place as the annual meeting of Unit Owners. They shall further meet at least once during each quarter of the calendar year as a regular meeting. The Management Committee may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

Section 4.06. Special Meetings. Special meetings of the Management Committee may be called by or at the request of the President or any two (2) members of the Management

Committee. The person or persons authorized to call special meetings of the Management Committee may fix the place for holding any special meeting called by them. Notice of any special meeting shall be given at least five (5) days previously thereto by written notice delivered personally, or by telegram or telephone or mailed to each member of the Management Committee at his residence address. The attendance of a member of the Management Committee at a meeting shall constitute a waiver of notice of such meeting, except where said member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4.07. Quorum. At any meeting of the Management Committee, a majority of the then existing members of the Management Committee shall constitute a quorum for the transaction of business, but if less than said number is present, those present may adjourn the meeting from time to time without further notice. The act of the majority of the members present at a meeting at which a quorum is present shall be the act of the Management Committee.

Section 4.08. Removal of Member. Any of all the members of the Management Committee may be removed for cause by majority vote of the Unit Owners or by action of the Management Committee.

Section 4.09. Resignation. A member may resign at any time by giving written notice to the Management Committee, the President or the Secretary of the Association. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Management Committee or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

Section 4.10. Compensation. No compensation shall be paid to the members of the Management Committee, as such, for their services, but by resolution of the Unit Owners.

ARTICLE 5

Officers

Section 5.01. Designation of Officers Appointment. The officers of the Association shall be the same officers as the officers of the Management Committee. The officers shall be a President, Vice President, Secretary, and Treasurer. The Management Committee may appoint other assistant officers as the Management Committee may deem necessary. The offices of President and Secretary may not be held by the same person. No officer shall receive compensation for serving as such. An officer may hold an office for as many terms as the Management Committee may determine. The Management Committee may, in its discretion, require that officers (and other employees of the Association) be subject to fidelity bond coverage. Resignation of any officer shall be in writing directed to the Management Committee which shall act promptly thereon.

Section 5.02. President. The President shall be the chief executive of the Management Committee and, when present, shall preside at all meetings of the Unit Owners and of the Management Committee and may exercise the powers ordinarily assigned to and exercised by the presiding officers of an association, including the appointment of committees. The President shall exercise general supervision over the property and its affairs. He shall sign on behalf of the Association all conveyances, mortgages, and contracts of material importance to its business. He shall do and perform all acts which the Management Committee may prescribe from time to time.

Section 5.03. Vice President. In the absence of the President or in the event of his death, inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Management Committee.

Section 5.04. Secretary. The Secretary shall keep minutes of all proceedings of the Management Committee and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the Unit Owners and the Management Committee. In the absence or inability of the President and Vice President, the Secretary shall perform such additional acts which the Management Committee may prescribe. If the Management Committee so approves, the Secretary may delegate the daily functions of the Secretary to a "Manager".

Section 5.05. Treasurer. The Treasurer shall be responsible for the fiscal affairs of the Association, and in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Management Committee. If the Management Committee so approves, the Treasurer may delegate the daily handling of funds and the keeping of the records to a "Manager". If required by the Management Committee, the Treasurer shall give a bond, at the expense of the Association, for the faithful discharge of his duties in such sum and with such surety as the Management Committee shall determine.

ARTICLE 6

Common Area Maintenance and Service Assessments

Section 6.01. Assessment. The Management Committee shall prepare at least annually, a budget for the Association, determine the amount of the common charges and capital contributions required to meet the expenses for the maintenance and upkeep of the Common Areas and Facilities including working capital and operating reserves, and allocate and assess such common expenses and capital contributions against the Unit Owners in accordance with Article IV of the Declaration. (In the event the Management Committee fails to prepare a

budget for the current year, the most recent budget for the Association shall control, and assessments shall be made on that basis.)

Section 6.02. Payment of Assessments. The Unit Owners shall be obligated to pay the Common Area Maintenance and Service Assessments (actual or estimated) assessed by the Management Committee in advance in equal monthly installments as prescribed in Section 4.03 of the Declaration and these Bylaws. No Unit Owner may exempt himself from liability for said common expenses by waiver of the use or enjoyment of any of the Common Areas and Facilities or by abandonment of his Unit. The funds so collected shall be expended by the Management Committee only in accordance with the provisions of the Act, the Declaration and these Bylaws.

If a Unit Owner shall fail to pay any installment within ten (10) days of the time when the same becomes due the Management Committee may declare due and payable the total outstanding balance of the assessment for the budget year. After default, the Unit Owner shall pay interest thereon at the rate determined by the Management Committee from the due date thereof, together with all costs and expenses, including attorneys' fees incurred in any proceedings brought to collect such unpaid common expenses.

It is understood that in the event the Management Committee at any time determines that any budgeted assessment shall have been either excessive or deficient based on actual costs, then the Management Committee shall notify each Unit Owner of such excess or deficiency, and, at the election of the Management Committee as specified in its said notice:

(i) The amount of such excess shall be returned by Management Committee or the amount of such deficiency shall be paid by each Unit Owner (as the case may be) on or before the next succeeding monthly payment date;

(ii) The monthly installments to be paid by each Unit Owner shall, until such excess or deficiency is eliminated thereby, be decreased or increased (whichever is applicable) by a proportionate amount of such excess or deficiency.

Payments received from Unit Owners will be applied to charges against the Unit Owners in the following order.

1. Legal fees and costs of collections including interest incurred by the Management Committee to enforce this Declaration and these Bylaws against the defaulting Unit Owner.
2. Late Fees.
3. Special assessments.
4. Unpaid balance of Common Area Maintenance and Service Assessments.

It is specifically understood and agreed that the aggregate of the Common Area Maintenance and Service Assessments assessed by the Management Committee is intended to cover and fully reimburse the Management Committee for all expenses which the Management Committee may incur in the performance of its responsibilities and functions as set forth in the Declaration and these Bylaws. It is further specifically understood and agreed that the Management Committee's allocation in good faith of its costs shall be binding upon all parties concerned.

Section 6.03. Personal Obligation and Lien. The Common Area Maintenance and Service Assessments, including without limitation any charge for maintenance of Limited Common Areas and Facilities performed by or on behalf the Association, shall be a charge on and shall be a continuing lien upon the Unit against which each such assessment is made or cost relates. Each such assessment shall be the personal obligation of the person who is the Unit Owner at the time when the assessment is delinquent and/or when the cost is incurred, but such personal obligation of the Unit Owner shall not be deemed to limit or discharge the charge on the land and continuing lien upon the Unit, which shall run with and attach to the Unit and be a burden on the Unit. See Section 4.06 of the Declaration for further provisions governing the obligation and lien.

Section 6.04. Enforcement. If the Unit Owner fails to pay a monthly installment of an assessment pertaining to the Unit before delinquent or fails to reimburse the Management Committee upon demand for costs incurred by the Management Committee in performing its responsibilities and functions under the Declaration and these Bylaws to the extent the costs relate to a particular Unit and are payable or reimbursable to the Management Committee by the Unit Owner, the Management Committee may immediately declare due and payable the total outstanding balance of the assessment pertaining to the Unit for the balance of the budget year and may enforce the payment of the total assessment (together with interest and costs) or enforce the lien against the Unit by taking either or both of the following actions concurrently or separately (and by exercising either of the remedies hereinafter set forth, the Management Committee does not prejudice or waive its rights to exercise the other remedy):

(a) Bring an action at law against the Unit Owner personally obligated to pay the assessments and/or costs; or

(b) Foreclose the lien against the Unit by power of sale or foreclosure applicable to deeds of trust or mortgages, or in accordance with the then prevailing Utah law relating to the foreclosure of realty mortgages (including any right to recover any deficiency). The Management Committee shall have the power to bid on any Unit at the foreclosure sale and thereupon to acquire, hold, sell, lease, mortgage and convey the Unit. In the event of foreclosure, the Unit Owner shall be required to pay a reasonable rental for the Unit and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the mortgage security. As stated above, the Management Committee shall have the power to bid on the Unit at foreclosure or other sale and to hold,

lease, mortgage and convey the Unit. In any foreclosure or sale, the Unit Owner shall be required to pay the costs and expenses of such proceedings including reasonable attorneys' fees.

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

Anything hereinabove to the contrary notwithstanding, the remedies above set forth for the Management Committee are not exclusive and the Management Committee may take any and all other remedies available to it at law or in equity.

Section 6.05. Release of Lien. Upon payment or other satisfaction of delinquent assessments concerning which a notice of assessment has been recorded, the Management Committee shall cause to be recorded in the same manner as the notice of assessment a further notice stating the satisfaction and release of the lien for the delinquency.

Section 6.06. Reassessment. In all cases where all or part of any assessment for common expenses and for any expenses of and advances by the Management Committee cannot be promptly collected from the persons or entities liable therefor under the Act, the Declaration, the Articles of Incorporation, or these Bylaws, the Management Committee shall reassess the same as a common expense, without prejudice to its rights of collection against such persons or entities.

ARTICLE 7

Special Committees

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

ARTICLE 8

Notices, Waiver of Notice

Except as expressly provided to the contrary in the Declaration or any amendment thereto, any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to be delivered upon being deposited in the United States mails, postage prepaid. Notice to Unit Owners shall be addressed to each Unit Owner at the address given by such Unit Owner to the Management Committee for the purpose of service of such notice or to the Unit of such Unit Owner if no such address is given to the Management Committee. Such address may be changed from time to time by notice in writing to the Management Committee. Notice to the Management Committee shall be addressed to its current presiding officer. Any Unit Owner may at any time waive any notice required to be given under these Bylaws, or by statute or otherwise. The presence of a Unit Owner in person at any meeting of the Unit Owners shall be deemed such waiver.

ARTICLE 9

Miscellaneous

Section 9.01. No Waiver. The failure of the Management Committee, or its agents or designees, to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions, or restrictions of the Declaration or Bylaws, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or relinquishment, for the future, of such term, covenant, condition, or restriction; but such term, covenant, condition, or restriction shall remain in full force and effect. The receipt and acceptance by the Management Committee or its agents or designees of the payment of any assessment from a Unit Owner, with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by the Management Committee of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Management Committee.

Section 9.02. Amendment of Bylaws. These Bylaws may be amended to a two-thirds (2/3) affirmative vote of the Unit Owners at a meeting duly called for such purpose. Upon such an affirmative vote, the Management Committee shall acknowledge the amended Bylaws, setting forth the fact of the required affirmative vote of the Unit Owners and the amendments shall be effective upon recording.

Section 9.03. Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provisions hereof.

Section 9.04. Headings. The headings herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these Bylaws nor the intent of any provision hereof.

IN WITNESS WHEREOF, the undersigned have executed this instrument effective the 13 day of September, 1995.

DECLARANT:

ARGENTA WATERSIDE, L.C.,
a Utah limited liability company

By:


Mark A. Elardo, Manager