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**AMENDED AND RESTATED Covenants,
Conditions, and Restrictions (CC&R'S)**

OF

**GARDEN TOWERS CONDO-OWNERS CORPORATION, a
Utah Nonprofit Corporation**

IN

Salt Lake County, Utah

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**AMENDED AND RESTATED
COVENANTS, CONDITIONS, AND REGULATIONS (CC&R'S)**

PREFACE

These Amended and Restated Covenants, Conditions, and Regulations ("CC&R's") of the Garden Towers Condo-Owners Corporation supersede the original CC&R's and any amendments thereto of the Garden Towers Condo-Owners Corporation.

CC&R's were previously recorded with the Salt Lake County Recorder's Office December 9, 1981, as Entry No. 3631766, Book 5322, page 1426 through 1448. Each condo is individually owned and copies of the trust or warranty deeds are on file in the Garden Towers Condo-Owners Corporation's office.

Additionally, amendments to four paragraphs or sub-paragraphs of the Declaration to wit: sub-paragraph 2.(b); sub-paragraph 2.(j); sub-paragraph 7.(b)(7); and paragraph 8. These were recorded September 9, 1992, No. 5327560, Katie L. Dixon, Recorder, Salt Lake County, Utah. Received by Rebecca Gray, Deputy, BK 6515 pg. 2309.

Garden Towers Condo-Owners Corporation desires to amend the content of said CC&R's as contained herein.

Garden Towers Condominium operates and is governed by both Utah Code Annotated – Title 57 – Chapter 08 – Condominium Ownership Act, and the Declaration stating the Covenants, Conditions, and Restrictions (CC&R's) for Garden Towers Condominium including recorded amendments.

**DECLARATION OF CONDOMINIUM
OF
GARDEN TOWERS CONDOMINIUM**

THIS DECLARATION, containing covenants, conditions, and restrictions relating to GARDEN TOWERS CONDOMINIUM, is made on the date set forth at the end hereof, pursuant to the Condominium Ownership Act.

RECITALS

Declarants are the owners of the following described real property located in Salt Lake City, County of Salt Lake, State of Utah, to-wit:

Beginning at the southeast corner of the Canyon Road Towers Condominium Project as recorded in the office of the Salt Lake County Recorder, said point being south 89° 41' 21" east 372.484 feet from southwest corner of Lot 4, Block 3, Plat I, Salt Lake City Survey, and running thence south 89° 40' 21" east 140.25'; thence north 0° 21' 06" east 165.00 feet; thence north 89° 40' 21" west 140.25; thence south 0° 21' 06" west 165.00 feet to the point of beginning.

Subject to any and all existing right-of-ways and easements.

Being a condominium apartment located at 141 Second Avenue, Salt Lake City, Utah, and commonly known as GARDEN TOWERS CONDOMINIUM.

Declarants are the owners of certain building and improvements thereon in accordance with the plans and drawings set forth in the Record of Survey Map filed previously hereto, consisting of six (6) sheets, prepared and certified by Scott F. McNeil, Utah Registered Land Surveyor.

DECLARATION

Now, THEREFORE, for such purposes, Declarants hereby make the following Declaration containing Covenants, Conditions, and Restrictions relating to Garden Towers Condominiums which, pursuant to the provisions of the Condominium Ownership Act of the State of Utah, shall be enforceable equitable servitudes, where reasonable, and shall run with the land:

1. Name of the Condominium. The name by which the Condominium shall be known is GARDEN TOWERS CONDOMINIUM.
2. Definitions. The terms used herein and in the By-laws of the Association of Owners, shall have the meaning stated in the Utah Condominium Ownership Act and as given in the "Definitions" unless the context otherwise requires.
 - a. The words "The Act" shall mean and refer to the Utah Condominium Ownership Act, Utah Code Annotated 1963, Section 57-8-1, et. Seq., as the same may be amended from time to time.
 - b. The words "Association of Unit Owners" or "Association" shall mean and refer to Garden Towers Condo-Owners Corporation, a Utah nonprofit corporation, organized and existing under the Utah Revised Nonprofit Corporation Act, Utah Code Annotated 2000, Section 16-6a-1, et. Seq., as the same may be amended from time to time. Members of the association consist of the record owners of the Garden Towers Condominiums. The corporation shall be governed in accordance with the Articles of Incorporation, Declaration, and Bylaws of the Garden Towers Condominiums and any amendments thereto.
 - c. The word "Board" shall mean the Board of Directors of the Association.
 - d. The words "Common Areas and Facilities" shall mean and refer to:
 - i. The above described land;
 - ii. That portion of the Property not specifically included in the respective Units as herein defined;
 - iii. All foundations, columns, girders, beams, supports, mainwalls, roofs, stairways, exterior walkways, driveways, streets, yards, fences, the basement, the service and exits, and in general all other apparatus, installations, and other parts of the Property necessary or convenient to the existence, maintenance and safety of the Common Areas and Facilities or normally in common use;
 - iv. Those areas specifically set forth and designated in the Map as "Common Ownership"; and
 - v. All Common Areas and Facilities as defined in the Act, whether or not expressly listed herein.
 - e. The words "Common Expenses" shall mean and refer to all expenses of administration, maintenance, repair or replacement of the Common Areas and Facilities, except as expressly limited; to all items, things and sums described in the Act which are lawfully assessed against the Unit Owners in accordance with the provisions of the Act, this Declaration, the By-Laws, such rules and regulations pertaining to the Condominium as the Association of Unit Owners

may from time to time adopt, and such other determinations and agreements lawfully made and/or entered into by the Association.

- f. The word "Condominium" shall mean and refer to the ownership of a single unit in Garden Towers Condominiums together with an undivided interest in the Common Areas and Facilities of the Property.
- g. The words "Garden Towers" shall mean and refer to the entire Property, as defined below, together with all rights, obligations and organizations established by this Declaration.
- h. The word "Declarants" shall mean Garden Towers Condo-Owners Corporation.
- i. The word "Declaration" shall mean this instrument which Garden Towers is established as a Condominium.
- j. The word "Manager" shall mean and refer to the person, persons, corporation or committees selected by the 'association' and its Board of Directors to manage the affairs of Garden Towers Condominium.
- k. The word "Map" shall mean and refer to the Record of Survey Map of Garden Towers Condominium recorded previously.
- l. The word "Occupant" shall mean a Person or Persons, other than an Owner, in possession of, using, entering into, or living in a Unit, including, without limitation, family members, tenants, guests or invitees. Occupants shall include any trespassers in a Unit if the Owner fails to secure the Unit against trespass, fails to take all action necessary and appropriate to remove trespassers immediately upon notice of the trespass, or fails to take reasonable measures to be made aware of any unauthorized occupants in the Unit or any unauthorized entry and use of the Unit.
- m. The word "Property" shall mean and include the land, the building, all improvements and structures thereon, all easements, right and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.
- n. The word "Unit" shall mean and refer to any of the separately numbered and individually described units now or hereinafter shown on the Map as they are specifically defined on the Map and herein. Except where the context specifically requires otherwise, reference to a Unit shall include reference to the Allocated Interest in the Common Area appurtenant to such Unit.
- o. The words "Unit Number" shall mean and refer to the number designating the Unit in the Declaration and in the Map. Mechanical equipment and appurtenances located within any one Unit or located without said Unit but designated and assigned to serve on that Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, fixtures and the like, shall be considered a part of the Unit, as shall all decorated interiors, all surfaces of interior structural walls, floors and ceilings, windows and window frames, doors and door frames, and trim, consisting of, inter alia and as appropriate, wallpaper, paint, flooring, public utility lines or installations constituting a part of the Unit and serving only the Unit, and any structural member of any other property of any kind, including fixtures and appliances within any Unit, which are removable without jeopardizing the

soundness, safety or usefulness of the remainder of the building within which the Unit is situated shall be considered part of the Unit.

- p. The words "Unit Owner" or "Owner" shall mean the person or persons owning a Unit of Garden Towers documented by a Trust or Warranty Deed shown on the records of the County Recorder of Salt Lake County, Utah, a copy of which is on file in the Garden Towers Office.
 - q. Those definitions contained in the Act, to the extent they are applicable to and not inconsistent herewith, shall be and are hereby incorporated herein by reference and shall have the same effect as if expressly set forth herein and made a part thereof.
3. Covenants to Run with the Land. This Declaration containing covenants, conditions, and restrictions relating to the Condominiums shall be enforceable equitable servitudes which shall run with the land and this Declaration and its servitudes shall be binding upon Declarants, its successors and assigns and upon all Unit Owners or subsequent Unit Owners, their grantees, mortgagees, successors, heirs, executors, administrators, devisees and assigns.
4. Description of Property.
- a. Description of Land. The land is that tract or parcel in Salt Lake County, Utah, more particularly described on the first page of this Declaration.
 - b. Description of Improvements. The significant improvements contained in Condominiums consist of a nine-story class "A" concrete building. The first two levels of the building contain parking stalls and storage areas for the units. Level three of the building contains units 301, 303, 304, 305, 306 as well as a recreational common area. The fourth level through the eighth level each contain six condominium units designated 401-406; 501-506, etc. The ninth level contains four condominium units designated as penthouses 901-904, and the roof of the building is common area. These improvements are more particularly described on the Record of Survey Map and diagrammatized floor plans.
 - c. Description and legal status of Units. The Survey Map shows the Unit Number of each Unit, its location, those Limited Common Areas and Facilities which are reserved for its use, and the Common Areas and Facilities to which it has immediate access.
 - i. The boundary lines of each Unit are the undecorated and/or unfinished interior surfaces of its perimeter walls, bearing walls, lowermost floor, uppermost ceiling, all window panes, interior surfaces of doors, window frames and door frames and trim. Each Unit shall include both the portions of the building that are not Common Areas and Facilities within such boundary lines and the space so encompassed. Without applied or affixed to the interior surfaces of the interior walls, floors, and ceilings, nonsupporting interior walls and all utility pipes, lines, systems, fixtures, or appliances found within the boundary lines of the Unit and servicing only that Unit.
 - ii. The Units of the Condominiums consist of kitchen, living room, bedrooms, bathrooms, dining room and family room, as described in schedule A.

- d. Common Areas and Facilities. Except as otherwise provided in the Declaration, the Common Areas and Facilities shall consist of the areas and facilities described in the definitions and constitute in general all of the parts of the property except the Units. Without limiting the generality of the foregoing, the Common Areas and the Facilities shall include the following, whether located within the bounds of a Unit or not;
 - i. All structural parts of the buildings including, without limitation, foundation, columns, joists, beams, supports, supporting walls, floors, ceilings and roofs;
 - ii. Driveways, parking areas, lawns, shrubs, and gardens;
 - iii. Any utility pipe or line or system servicing more than a single Unit, and all ducts, wires, conduits, and other accessories used therewith;
 - iv. All other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common Areas and Facilities in the Map;
 - v. All repairs and replacements of any of the foregoing.
 - e. Description of Limited Common Areas and Facilities. Each owner of a Unit is hereby granted an irrevocable and exclusive license to use and occupy the Limited Common Areas and Facilities reserved exclusively for the use of his/her Unit. The Limited Common Areas appurtenant to any given Unit consist of the balconies adjacent to each Unit and one parking space. Each Unit owner is responsible for the maintenance and upkeep of the balconies corresponding to their Unit.
 - i. All parking spaces have been officially identified as being owned by a specific unit. There are no additional parking spaces available. If an owner owns more than one parking space, he/she may sell it to another owner of a Unit within Garden Towers but not to anyone who doesn't own a Unit within Garden Towers. The exclusive right to use and occupy each Limited Common Area including balconies and park spaces shall be appurtenant to and shall pass with the title to the Unit to which it is associated.
5. Statement of Purpose and Restriction on Use.
- a. Purpose. The purpose of the Condominiums is to provide residential housing and parking space for Unit Owners and to tenants and guests, all in accordance with the provisions of the Act.
 - b. Restrictions on Use. The Units and Common Areas and Facilities shall be used and occupied as hereinafter set forth.
 - i. Nothing shall be done or kept in any Unit or in the Common Areas and Facilities which will increase the rate of insurance on the buildings or contents thereof beyond that customarily applicable for residential use, or will result in the cancellation of insurance on the buildings, or the contents thereof. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Areas and Facilities which is in violation of any law, ordinance or regulation or any governmental authority.
 - ii. No Unit Owner shall cause or permit anything (including, without limitation, a sign, awning, canopy, shutter, radio or television antenna) to

- hang, be displayed or otherwise affixed to or placed on the exterior walls or roof or any part thereof, or on the outside of windows or doors.
- iii. No noxious or offensive activity shall be carried on in any Unit or in the Common Areas and Facilities, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants.
 - iv. Nothing shall be done in any Unit or in, on, or to the Common Areas and Facilities which will impair the structural integrity of the buildings or any part thereof or which would structurally change the building or any part thereof except as is otherwise provided herein.
 - v. Children shall not be permitted to loiter or play on the stairways or in the halls, lobbies, elevators, parking ramps, or any other common areas.
 - vi. The Common Areas and Facilities shall be kept free and clear of all rubbish, debris, and other unsightly materials.
 - vii. No dogs, cats, reptiles, animals or pets of any kind are permitted in any condo or in any other part of the building. Unless, otherwise permitted by law.
6. **Persons to Receive Service of Process.** The person to receive service of process in the cases provided herein or in the Act shall be the same process agent as stated in the Garden Towers Condo-Owners Corporation, a Non-Profit Corporation, organized and existing under the laws of the State of Utah.
7. **Unit Ownership.**
- a. **Ownership of a Unit.** Except with respect to any of the Common Areas and Facilities located within the bounds of a Unit, each Unit Owner shall be entitled to the exclusive ownership and possession of his Unit and to the ownership of undivided interest in the Common Areas and Facilities as is shown on Schedule "A" attached hereto.

Nature of Restrictions on Ownership and Use.

- b. **Owner Occupancy Requirement.** Except as provided in Sub-Sections f. and g. of this Article, a unit must be occupied by an owner or the immediate family member of the owner who meets the requirements of Article I of this Declaration. As used in this Subsection, "immediate family members" means an owner's spouse, children, siblings, parents, grandparents or grandchildren.
- c. **Multiple Owners.** When a unit is owned in whole or in part by a partnership, corporation, trust, or other entity, the entity shall designate by written notice to the Association one particular person or family who shall occupy the unit. A different person or family may be so designated as the named occupant of or unit by written notice to the Association.
- d. **Rental and Lease Prohibition.** Except as provided in Sub-Sections f. and g. of this Article, a unit may not be rented or leased.
- e. **Restrictions on Permitted Rentals and Leases.** A unit permitted to be rented or leased under Sub-Sections f. or g. of this Article and the owner of the unit are subject to the following restrictions:
 - i. Not less than the entire unit may be rented or leased.
 - ii. A unit may not be rented or leased for transient or hotel purposes.

- iii. A unit may not be rented or leased for a period of less than one hundred (180) consecutive days.
- f. Grandfather and Mortgagee Exceptions. Sub-Section b. and d. do not apply to:
 - i. Grandfather Exception. The owner of a unit, which as of July 1 2008, does not comply with Section 1(a) and (c) of this Article. The right of an owner to an exception under this Subsection terminates when the owner no longer has an interest in the unit. The successor in interest to the unit has no rights under this Subsection. A successor in interest to the owner of the unit is subject to the requirements and restrictions of Section 1(a) and (c) of this Article.
 - ii. Mortgagee Exception. A first mortgagee who acquires a unit by foreclosure, deed in lieu of foreclosure, or other arrangement in lieu of foreclosure. A successor to the first Mortgagee is subject to the requirements and restrictions of Sub-Section b. and d. of this Article.
- g. Hardship Exception.
 - i. To avoid undue hardships or practical difficulties such as the owner's death, job relocation, extended vacation, disability, difficulty in selling the lot or unit due to market conditions in the area or other similar circumstances the Board deems appropriate, the Board of Directors has discretion to approve an application for a hardship exemption to permit the owner or other authorized person to temporarily rent or lease the owner's unit or to permit the unit to be occupied without the concurrent occupancy of the owner required under Sub-Section b. of this Article. The approval of an application may be subject to such terms and conditions as the Board deems appropriate.
 - ii. When the hardship exception under this Section terminates, the requirements of Sub-Section b. and d. of this Article apply to the owner of the unit.
- h. Rental and Lease Agreement. Rental and lease agreements for a unit rented or leased under an exception specified or permitted under Sub-Section g. of this Article must be in writing and comply with rules adopted under Sub-Section k. of this Article.
- i. Remedies for Violation.
 - i. If an Owner fails to comply with Sub-Section b. or a condition imposed under Sub-Section g of this Article or rents or leases a lot or unit in violation of Sub-Section d. or e. of this Article, the Board of Directors may:
 - (A) Assess fines against the owner and owner's lot or unit in an amount to be determined by the Board of Directors pursuant to a schedule of fines adopted by the Board.
 - (B) Regardless of whether any fines have been imposed, proceed with any other available legal remedies, including, without limitation, an action to require the owner to

terminate the rental or lease agreement and remove the tenant.

- ii. Pursuant to rules adopted under Sub-Section k. of this Article, if the Board of Directors determines that a tenant has violated a provision of this Declaration, the Bylaws, any amendments thereto, or rules and regulations adopted pursuant to the documents, after notice and an opportunity for a hearing as prescribed in the adopted resolution, the Board of Directors may require an owner to terminate a rental or lease agreement.
- j. Costs and Attorney Fees.
- i. Fines, charges, and expenses incurred in enforcing this Declaration, the Bylaws, and rules and regulations with respect to the tenant, and for any costs incurred by the Association in connection with any action under Sub-Section i. of this Article, including reasonable attorney fees, are assessments against the Owner and lot or unit which may be collected and foreclosed by the Association as provided under UCA 57-8-20.
 - ii. In addition to the assessment under Subsection i. of this Section, the Association is entitled to recover from an owner determined by the Board to be in violation of this Article its costs and attorney fees incurred for enforcement of this Article, regardless of whether any lawsuit or other action is commenced. The Association may assess the costs and attorney fees against the owner and the lot or unit as an assessment pursuant to UCA 57-8-20.
- k. Adoption of Rules. The Board of Directors shall adopt by resolution rules, consistent with of this Article, which establish the process for review and approval or denial of applications for hardship exceptions submitted under Sub-Section g. of this Article and any other rules deemed necessary by the Board to implement this Article. The resolution may:
- i. Require that the rental or lease agreement contain specific provisions regarding compliance by the tenant or lessee with the Declaration, Bylaws and rules and regulations of the Association and remedies for violation of the documents.
 - ii. Require the owners to provide the tenant copies of the Declaration, Bylaws and rules and regulations of the Association and to provide the Association a receipt for delivery.
- l. Definitions. As used in this Article:
- i. "Owner" includes an officer or employee of a corporation, a partner of a partnership, the members of a limited liability company, a trustee of a trust, a personal representative of an estate or an employee of a trust or estate, if the corporation, partnership, trust, or estate owns a lot or unit.
 - ii. "Renting or Leasing of a Lot or Unit" means the granting of a right to use or occupy a lot or unit for a specific term or indefinite term (with rent stated on a periodic basis), in exchange for the payment

of rent (money, property or other goods or services of value).
“Renting or Leasing” of a lot or unit does not mean:

- (A) Joint ownership of a lot or unit by means of joint tenancy, tenancy-in-common or other forms of co-ownership; or
 - (B) An agreement between the owner and a roommate under which the owner and another person or persons share joint use of the lot or unit.
- iii. “Tenant” means a person who is granted the right to use or occupy a lot or unit as described in Sub-Subsection (ii) of this Section.
 - iv. “To Rent or Lease a Lot or Unit” means to grant a right to use or occupy a lot or unit as described in Sub-Subsection (ii) of this Section.
- b. Ownership of Common Areas and Facilities. The Common Areas and Facilities contained within Garden Towers are described and identified in Section 4(d) of this Declaration. Said Common Areas and Facilities shall be owned by the Unit Owners as tenants in common. No percentage of undivided ownership interest in the Common Areas and Facilities shall be separated from the Unit to which it appertains; and even though not specifically mentioned in the instrument of transfer, such a percentage of undivided ownership interest shall automatically accompany the transfer of the Unit to which it relates. The Common Areas and Facilities shall be used only in a manner which is consistent with their community nature and with the use restrictions applicable to the Units contained in Garden Towers.
 - c. Use of Common Areas and Facilities. Except with respect to Limited Common Areas each Unit Owner may use the Common Areas and Facilities in accordance with the purpose for which they are intended, but subject to this Declaration and the By-laws. This right of use shall be appurtenant to and run with each Unit.
 - d. Computation of Undivided Interest. Each Unit shall have an interest in the Common Elements. Interests in Common Elements are to be allocated to Units on the basis of the relative approximate area of the Units. Such undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. The Common Elements shall remain undivided, and no Unit Owner may bring any action for the partition or division of any part thereof while the Condominium is subject to this Declaration. Any covenant to the contrary is void.
 - e. Responsibility for Damages to Common Areas and other Units. Each Unit Owner is responsible for repairs of damages from causes started within their units to any portion of the Common Areas, and other units. Such damage could result from owner’s move-in or move-out, fire damage, water damage, or any other cause of damage to the Common Areas or other Units.
8. Voting.
- a. Voting-Multiple Ownership. The vote attributable to and exercisable with a Unit shall be one vote per Unit. In the event 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. The vote cast at any meeting by any of such owners as 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. In the even such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

9. Management.

- a. Authority of the Board of Directors. The business, property, and affairs of the Garden Towers Condominium are to be managed, operated, and maintained by the Board. The Board shall consist of not less than five (5) odd numbered members.
- b. Qualifications. People who meet the following qualifications can serve on the Board ;
 - i. Unit Owner.
 - ii. Spouse of owner not listed as owner on Trust or Warranty Deed.
 - iii. Parent living in Garden Towers with a Trustee on Trust or Warranty Deed.
 - iv. Trustee on Trust or Warranty Deed.
- c. Board Members shall act as agents for Unit Owners: The Board shall have and is hereby granted the following authority and powers as outlined in the Bylaws 2007, Article II.
- d. No more than Two (2) Directors not living in Garden Towers can serve on the Board at the same time.
 - i. Board members not living in Garden Towers must attend the Monthly Meetings, including the Annual meeting of Garden Towers.
- e. Designation of Board. The Board shall be elected by a majority vote of the Unit Owners.
- f. Right of Association to Enter Units. The Association acting through the Board or its duly authorized agent shall have the right at all times upon reasonable notice (and at any time in case of an emergency) to enter upon or into any Unit to abate any infractions, to make repairs or correct any violation of any of the restrictions herein set forth, and in connection therewith shall the further right to assess all costs incurred against the Owner, such assessment to be secured by lien provided in Section 15(a).
- g. Rules. The Board may adopt and administer reasonable Rules for the regulation and operation of Garden Towers. The Rules may address any issues including those addressed in this Declaration and the Bylaws. The Rules may supplement, clarify, and add detail to issues otherwise addressed in this Declaration and the Bylaws so long as they do not contradict the same. The Board's determination as to whether a particular activity being conducted or to be conducted violates or will violate the Rules shall be conclusive.
- h. Remedies Available to the Board. In addition to any other remedies allowed or provided in this Declaration for any violation of the Declaration, Bylaws, or Rules, the Board may:
 - i. Impose fines for violation of the Declaration, Bylaws, or Rules;
 - ii. Terminate the Owners' rights to receive utility services paid as a common expense;

- iii. Terminate Owners' rights to access and use recreational facilities;
 - iv. Take any other action or seek any other remedy allowed by the Act or other applicable Utah law. All such actions shall be conducted in accordance with any requirements in the Act, if any, and any other applicable law, if any.
- i. Reserve Fund. The Association shall maintain a reserve fund for maintenance, repair and replacement of the Common Area and Limited Common Area, the amount of which shall be determined in the absolute discretion of the Board. Reserve funds may be collected as part of the monthly Assessments. To the extent the Board deems necessary, surplus monies of the Association may be retained as additional reserves rather than refunded to the Owners or credited to future Assessments.
 - j. Availability of Garden Towers Documents. The Association will maintain current copies of this Declaration, the Articles, the Bylaws and the Rules concerning Garden Towers and the Association's own books, records and financial statements available for inspection, upon request, during normal business hours by any Owner or Lender (or any insurer or guarantor of a Lender).
 - k. Managing Agent. The Board may contract with a professional management agent to assist the Board in the management and operation of Garden Towers and may delegate such of its powers and duties to the management agent as it deems appropriate; provided, however, that only the Board shall have the right to approve the Association budgets and make Assessments. Any powers and duties delegated to any management agent may be revoked by the Board at any time, with or without cause. Any management agreement must be terminable without penalty and with or without cause upon thirty (30) days' notice and have a term not to exceed two years, which may be renewed by the Board.
 - l. Hearing before the Board. The Board shall have the authority to create a reasonable hearing process applicable in case the Board or the Association shall take adverse action related to any particular Owner or group of Owners. The Board shall not be under any obligation to offer a hearing process, except as required by law or by this Declaration, and in any such process, except as required by law or by this Declaration, and in any such process, shall have the absolute authority to designate the procedure related to any such hearing and to make any and all final determinations of issues subject to the hearing process.

10. Easements.

- a. Each Unit shall be subject to such easements as may be necessary for the installation, maintenance, repair or replacement of any Common Areas and Facilities located within the boundaries of such Unit.
- b. In the event that, by reason of the construction, reconstruction, repair, settlement, movement or shifting of any part of the building, any part of the Common Areas and Facilities, or any Unit, encroaches or shall hereafter encroach upon any part of any other Unit or any part of the Common Areas and Facilities, valid easements for such encroachment and the maintenance of such encroachment are hereby established and shall exist for the benefit of such Unit and the Common Areas and Facilities, as the case may be, so long as all or any part of the building containing any such Unit shall remain standing; provided, however, that in no

event shall a valid easement or any encroachment be created in favor of any Unit Owner or in favor of the Unit Owners as owners of the Common Areas and Facilities if such encroachment occurred due to the willful conduct of such Unit Owner or Owners.

11. Change in Ownership. The Board shall maintain up-to-date records showing the name of each person who is an Owner, the address of such person, and the Unit which is owned by him. In the event of any transfer of a fee or undivided fee interest in a Unit either the transferor or transferee shall furnish the Board with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of record in the office of the County Recorder of Salt Lake County, Utah. The Board may for all purposes act and rely on current ownership information respecting any Unit or Units which is obtained from the office of the County Recorder of Salt Lake County, Utah. The address of an Owner shall be deemed to be the address of the Unit owned by such person unless the Board is otherwise advised. An Owner (other than a mortgagee in possession pursuant to foreclosure or deed in lieu of foreclosure) who fails to so furnish the above information shall continue to be liable for monthly assessments of common expenses even after transferring ownership of the Unit.
12. Assessments. Every Unit Owner shall pay his proportionate share of the common expenses. Payment thereof shall be in such amounts and at such times as the Board determines in accordance with the Act, the Declaration or the Bylaws. There shall be a lien for nonpayment of common expenses as provided by the Act.
 - a. No assessment for a single improvement in the nature of a capital expenditure which exceeds the sum of \$100.00 shall be made without the same having been first voted on and approved by a majority of the Unit Owners.
13. Destruction or Damage. In the event of a destruction or damage by fire or other disaster of part of all of the improvements of Garden Towers, the procedures of this section shall apply.
 - a. Reconstruction Procedure :
 - i. The Board shall ascertain the cost of reconstruction by obtaining fixed price bids from at least two (2) reputable contractors, including the obligation to obtain performance and lien payment bonds.
 - ii. The Board shall determine the amount of insurance proceeds, if any, payable by contacting the appropriate representative of the insurer carrying the policy covering Garden Towers.
 - iii. Pursuant to Section 57-8-30 of the Act, if the insurance proceeds are sufficient to reconstruct the building, such proceeds shall be applied to such reconstruction.
 - iv. If the Board determines:
 1. That insurance proceeds will cover eighty-five percent (85%) or more, but not all, of the estimated cost of reconstruction, or
 2. That available insurance proceeds together with available reserves and a Special Assessment equal to twenty-five percent (25%) or less of the then aggregate annual regular Assessments for all Units will completely cover the estimated cost of reconstruction, then the Board shall cause notice to be sent to all Owners and to all Lenders encumbering Units within Garden Towers setting forth such

findings and informing the Owners and Lenders that the Board intends to commence reconstruction pursuant to the Declaration. In the event that Owners representing at least twenty percent (20%) of the Allocated Interests in the votes of the Association object in writing to such reconstruction as indicated in such notice, the Board shall call a special meeting of the Owners pursuant to Section 13(b). In the event that the foregoing requirements are satisfied and the requisite number of Owners do not object in writing to such reconstruction, the Board shall cause reconstruction to take place as promptly as practicable thereafter. In connection with such reconstruction, the Board shall levy a uniform special Assessment against each Owner at such time and in such amount as the Board shall determine is necessary to cover the costs of reconstruction in excess of insurance proceeds and available reserves.

- v. If the Board in good faith determines that none of the bids submitted under this Section 13(a) reasonably reflect the anticipated reconstruction costs, the Board shall continue to attempt to obtain an additional bid that it determines reasonably reflects such costs. Such determination shall be made by the Board as soon as possible. However, if such determination cannot be made within ninety (90) days after the date of such destruction because of the unavailability or unacceptability of an insurance estimate or reconstruction bid, or otherwise, the Board shall immediately call a meeting of the affected Owners and all Lenders pursuant to Section 13(b).
 - vi. If the Board determines that any Unit is uninhabitable by reason of its total or partial destruction, the Board may abate Assessments against the Owner thereof until the Board determines that habitability has been restored.
- b. Reconstruction by Vote. If reconstruction is not to take place pursuant to Section 13(a), as soon as practicable after the same has been determined, the Board shall call a special meeting of the Owners by mailing a notice of such meeting to each such Owner. Such meeting shall be held not less than ten (10) days and not more than sixty (60) days after the date of such notice. Unless the Owners, by a vote at such meeting or by the written consent of not less than seventy-five percent (75%) of the Allocated Interests in the votes of the Association (including every Owner of a Unit or an allocated Limited Common Area that will not be rebuilt) determine not to proceed with such reconstruction, reconstruction must take place and the Board shall levy a uniform special Assessment against each Owner at such time and in such amount as the Board shall determine is necessary to cover the costs of reconstruction in excess of insurance proceeds and available reserves.
- c. Procedure for Minor Reconstruction. If the cost of reconstruction is equal to or less than ten percent (10%) of the estimated fair market value of all of the Units in Garden Towers, then the Board shall contract with a licensed contractor or contractors to rebuild or repair such damaged or destroyed portions of Garden Towers in conformance with the original plans and specifications, or if the Board determines that adherence to such original plans and specifications is impracticable or is not in conformance with applicable laws, ordinances, building

codes or other governmental rules or regulations then in effect, then such repairs or rebuilding shall be of a kind and quality substantially equivalent to the original construction of such improvements.

- d. **Procedure for Major Reconstruction.** If the cost of reconstruction is greater than ten percent (10%) of the estimated fair market value of all of the Units in Garden Towers, all insurance proceeds, together with such amounts from available reserves or special Assessments as are needed to complete the cost of reconstruction, shall be paid directly to an Insurance Trustee, to be designated by the Board, as trustee for all Owners and Lenders. The Insurance Trustee shall be a bank of savings and loan association with an office in Salt Lake County, Utah, whose accounts are insured by the Federal Deposit Insurance Corporation or the successor to such agency. Such proceeds shall be received, held and administered by the Insurance Trustee subject to the provisions of an insurance trust agreement, which shall be entered into between the Insurance Trustee and the Board. Disbursement of such funds shall be made only upon the signatures of two members of the Board and upon the terms and conditions provided in this Section 13(d). As soon as practicable after notification of the receipt of insurance proceeds by the Insurance Trustee, the Board shall enter into a contract with a licensed contractor or contractors for the repair or rebuilding of all of the damaged or destroyed Units and Common Area according to the original plan and specifications of said improvements or, if the Board determines that adherence to such original plans and specifications is impracticable or not in conformity with applicable statutes, ordinances, building codes or other governmental rules and regulations then in effect, then of a quality and kind substantially equivalent to the original construction of such improvements. The contract with such licensed contractor or contractors shall provide for payment to the contractor or contractors a specified sum for performance and execution of the work therein described, and shall have provisions for periodic disbursement of funds by the Insurance Trustee, which shall be consistent with procedures then followed by prudent lending institutions doing business in Salt Lake County, Utah. Such periodic disbursements of funds shall be for specific dollar amounts and shall not be paid until the contractor who is engaged by the Board shall furnish to the Board before the commencement of construction a full performance and lien payment bond written by a good and responsible corporate surety. Disbursements to the contractor shall be made subject to the prior presentation as may be appropriate in the circumstances and deemed suitable by the Board. The Board may employ a licensed architect to supervise the repair and rebuilding to insure that all work, services and supplies are in conformity with the requirements of the construction contract.
- e. **Determination not to Reconstruct Without Termination.** If Owners of not less than seventy-five percent (75%) of the Allocated Interests in the votes of the Association and Eligible Mortgagees on Units to which at least fifty-one percent (51%) of the Allocated Interests are attributable vote not to rebuild and the entirety of Garden Towers is not repaired or replaced, and Garden Towers is not terminated in accordance with the Act, the insurance proceeds shall be distributed as provided by the Act and the Allocated Interests are automatically reallocated as

provided by the Act. In such event, the Association shall promptly prepare, execute and record an amendment to the Declaration reflecting the reallocations.

- f. Negotiations with Insurer. The Association shall have full authority to negotiate in good faith with representatives of the insurer of any totally or partially destroyed building or any other portion of the Common Area, and to make settlements with the insurer for less than full insurance coverage on the damage to such building or any other portion of the Common Area. Any settlement made by the Association in good faith shall be binding upon all Owners and Lenders.
 - g. Repair of Units. Installation of improvements to, and repair of any damage to, the interior of a Unit shall be made by and at the individual expense of the Owner of that Unit and, in the event of a determination to reconstruct after partial or total destruction, shall be completed as promptly as practicable and in a lawful and workmanlike manner.
 - h. Priority. Nothing contained in this Article shall entitle an Owner to priority over any Lender under a lien encumbering the Owner's Unit as to any portion of insurance proceeds allocated to such Unit.
14. Insurance. The Association shall obtain and maintain the insurance specified in this Declaration; provided, however, the Association shall always comply with the insurance requirements of the Act.
- a. Hazard Insurance. A "master" or "blanket" type policy of property insurance shall be maintained covering Garden Towers, including: the Common Area, all buildings including all Units (other than the interior content thereof); fixtures, building service equipment, personal property and supplies that are part of the Common Area or owned by the Association, and that are of a class typically encumbered by First Mortgages held by FNMA or other similar institutional mortgage investors; but excluding land and other items not normally covered by such policies. References herein to a "master" or "blanket" type of policy of property insurance are intended to denote single entity insurance coverage. At a minimum, such "master" or "blanket" policy shall afford protection against loss or damage by fire, by all other perils that are customarily covered with respect to projects similar to Garden Towers 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 current replacement cost of all elements of Garden Towers covered by such policy, exclusive of land, foundations, excavation and other items normally excluded from coverage. The insurance policy shall include either of the following endorsements to assure full insurable value replacement cost coverage:
 - i. A Guaranteed Replacement Cost Endorsement (under which the insurer agrees to replace the insurable property regardless of cost) and, if the policy includes a coinsurance clause, an Agreed Amount Endorsement (which waives the requirement for coinsurance); or
 - ii. A Replacement Cost Endorsement (under which the insurer agrees to pay up to one hundred percent (100%) of the Property's insurable replacement cost but not more) and, if the policy includes a coinsurance clause, an Agreed Amount Endorsement (which waives the requirement for

- coinsurance). The maximum deductible amount for such policy covering the Common Area shall be the lesser of Ten Thousand Dollars (\$10,000) or one percent (1%) of the policy face amount.
- b. **Flood Insurance.** If any part of Garden Towers is or comes to be situated in a Special Flood Hazard area designated on a Flood Insurance Rate Map, a “master” or “blanket” policy of flood insurance shall be maintained covering Garden Towers, any machinery and equipment that are not part of a building and all Common Area within Garden Towers (“Insurable Property”) in an amount deemed appropriate, but not less than the lesser of:
- i. The maximum limit of coverage available under the National Flood Insurance Administration Program for the Insurable Property within any portion of Garden Towers located within a designated flood hazard areas; or
 - ii. One hundred percent (100%) of the insurable value of the Insurable Property. The maximum deductible amount for any such policy shall be the lesser of Five Thousand Dollars (\$5,000) or one percent (1%) of the policy face amount.
- c. The name of the insured under each policy required to be maintained by the foregoing (a) and (b) shall be the Association for the use and benefit of the individual Owners (the Owners shall be designated by name, if required). Notwithstanding the requirement of the immediately foregoing sentence, each such policy may be issued in the name of an authorized representative of the Association, including any Insurance Trustee with whom the Association has entered into an insurance trust agreement, or any successor to such Insurance Trustee, for the use and benefit of the individual Owners. Loss payable shall be in favor of the Association (or Insurance Trustee). Each owner and each Owner’s Lender, if any, shall be beneficiaries of such policy. Evidence of insurance shall be issued to each Owner and Lender upon request.
- d. Each policy required to be maintained by the foregoing items (a) and (b) shall contain the standard mortgage clause, or equivalent endorsement (without contribution), commonly accepted by private institutional mortgage investors in the area in which Garden Towers is located.
- e. Each policy required to be maintained by the foregoing items (a) and (b), shall provide, if available, for the following: recognition of any insurance trust agreement; a waiver of the right of subrogation against Owners individually; the insurance is not prejudiced by any act or neglect of individual Owners which is not in the control of such Owners collectively; and that the policy is primary in the event the Owner has other insurance covering the same loss.
- f. Each policy required to be maintained by the foregoing item (a) shall also contain or provide the following:
- i. “Inflation Guard Endorsement”, if available;
 - ii. “Building Ordinance or Law Enforcement”, if the enforcement of any building zoning or land use law will result in loss or damage, increased cost of repairs or reconstruction, or additional demolition and removal costs (the endorsement must provide for contingent liability from the

operation of building laws, demolition costs and increased costs of reconstruction); and

- iii. **“Steam Boiler and Machinery Coverage Endorsement”**, if the project has central heating or cooling, which shall provide that the insurer’s minimum liability per accident at least equals the lesser of Two Million Dollars (\$2,000,000.00) or the insurable value of the building containing the boiler or machinery. In lieu of obtaining this coverage as an endorsement to the commercial package property, the Association may purchase separate stand-alone boiler machinery coverage.
- g. **Comprehensive Public Liability Insurance**. To the extent available, the Association shall obtain comprehensive general liability insurance insuring the Association, the agents and employees of the Association, the Owners and Occupants and the respective family members, guests and invitees of the Owners and Occupants, against liability incident to the use, ownership or maintenance of the Common Area or membership in the Association. The coverage limits under such policy shall be in amounts generally required by private institutional mortgage investors for projects similar to Garden Towers in construction, location and use. Nevertheless, such coverage shall not be less than One Million Dollars (\$1,000,000.00) covering all claims for death of or injury to any one person or property damage in any single occurrence. Such insurance shall contain a Severability of Interest Endorsement or equivalent coverage which would preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or another Owner of Occupant. Such insurance shall also include automobiles and liability for the property of others. Such insurance must provide that, despite any provisions giving the carrier the right to elect to restore damage in lieu of a case settlement, such option shall not be exercisable without the approval of Association. The Board may adjust the amount of the insurance carried under this Section 14(g).
- h. **Workers’ Compensation Insurance**. The Board shall purchase and maintain in effect workers’ compensation insurance for all employees of the Association to the extent that such insurance is required by law.
- i. **Fidelity Insurance**. The Board shall obtain fidelity coverage against dishonest acts on the part of Board Members, officers, employees, or volunteers who handle or who are responsible for handling funds of the Association. Such fidelity bonds shall name the Association as obligee and shall be written in an amount no less than one hundred fifty percent (150%) of the estimated current annual Common Expenses of the Association, including reserves, and shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of “employee” or similar terms or expressions.
- j. **Premiums**. Premiums upon insurance policies purchased by the Board on behalf of the Association shall be paid by the Association as part of the Common Expenses.
- k. **Policy Provisions**.
 - i. Any insurer that has issued an insurance policy to the Association under this Article shall also issue a certificate or memoranda of insurance to the Association and upon request, to any Owner or Lender.

- ii. The named insured under any policy of insurance shall be the Association, as trustee for the Owners, or its authorized representative, including an Insurance Trustee, who shall have exclusive authority to negotiate losses under the policies. The policy shall provide that each Owner shall be an insured person under the policy with respect to liability arising out of such Owners' interest in the Common Area or membership in the Association. Each Owner hereby appoints the Association, or any Insurance Trustee, as attorney-in-fact for the purpose of purchasing and maintaining insurance required by this Declaration, and adjustment of all losses related thereto, including: the collection and appropriate disposition of all insurance proceeds, the negotiation of all losses and execution of releases of liability, the execution of all documents and the performance of all other acts necessary to administer such insurance. The Association shall receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for the Owners and their Lenders, as their interests may appear. This power-of-attorney is coupled with an interest, shall be irrevocable, and shall be binding on any heirs, personal representatives, successors or assigns of an Owner.
- iii. The Association's insurance shall contain the "Special Condominium Endorsement" or its equivalent. Insurance coverage obtained by the Association shall be primary insurance and may not be brought into contribution with insurance purchased by the Owners.
- iv. Coverage must not be limited by:
 - 1. Any act or neglect by Owners or Occupants which is not within control of the Association, or
 - 2. Any failure of the Association to comply with warranty or condition regarding any portion of Garden Towers over which the Association has no control.
- v. Coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) and the insurer may not refuse to renew the policy without at least thirty (30) days prior written notice to the Association and all Lenders, and to any Owners to whom a certificate has been issued.
- vi. All policies must contain a waiver of subrogation by the insurer as to any and all claims against the Association, the Owners, Occupants and their respective agents and employees, and any defenses based on coinsurance or on invalidity arising from acts of the insured.
- 1. Supplemental Insurance. The Board may obtain such other policies of insurance in the name of the Association as the Board deems appropriate to protect the Association and Owners. The Board shall obtain Board Member's and officer's liability insurance for officers and Board Members of the Association in accordance with this Declaration. Notwithstanding any of the 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 FNMA, the Department of Veteran Affairs and the Government National Mortgage Association, so long as

any is mortgagee or Owner of a Unit, except to the extent such coverage is not available or has been waived in writing by FNMA, the Department of Veteran Affairs or the Government National Mortgage Association.

- m. Annual Insurance Report. Not later than sixty (60) days prior to the beginning of each fiscal year, the Board may obtain a written report by a reputable independent insurance broker or consultant setting forth the existing insurance obtained pursuant to this Declaration and stating whether, in the opinion of such broker or consultant, the insurance complies with the requirements of this Declaration and the Act. Such report may also set forth recommendations regarding current policy provisions and for additional insurance reasonably required for the protection of the Owners and the Lenders in light of the insurance then available and the prevailing practice with respect to other similar condominium projects. The Board shall be fully protected in relying on the written report furnished pursuant to this section 14(m) provided reasonable care and prudence were exercised in selecting such independent insurance broker or consultant.
- n. Insurance Obtained by Owners. Notwithstanding the above, Owners shall obtain insurance coverage in addition to the insurance maintained by the Association. All Unit Owners shall have a minimum COVERAGE PER UNIT of \$100,000 Building Property Coverage added to their individual unit owner's policy. Anything contrary notwithstanding, the insurance coverage of a Unit Owner or resident shall be primary and the insurance of the Association shall be secondary for losses that emanate from within their Unit, or from items that are their responsibility to maintain and replace. If any Unit Owner fails to maintain insurance, unit owners will still be responsible for an amount equal to the Association's insurance deductible on any claim from the losses that emanates from within their unit of from items that are their responsibility to repair or replace, including improvements, betterments, and special fixtures.

15. Payment of Expenses.

- a. Creation of Lien and Personal Obligation for Assessment. Each Owner of any Unit, by acceptance of a deed or other instrument creating in such Owner the interest required to be deemed by an Owner, whether or not it shall be so expressed in any such deed or other instrument, is deemed to covenant and agree with each other Owner and with the Association to pay to the Association such Assessments to be fixed, established and collected from time to time as provided in this Declaration. The Assessments, together with interest thereon, collection charges, costs and attorneys' fees, shall also be the personal obligation of the Owner of such Unit at the time the Assessment becomes due. The personal obligation shall not pass to the successor in title of an Owner unless expressly assumed by such successor. However, a lien to secure unpaid Assessments shall not be affected by the sale or transfer of the Unit unless foreclosure by a prior recorded encumbrance is involved, in which case:
 - i. The foreclosure will extinguish the lien for any Assessments that were payable before the foreclosure sale, but shall not relieve any subsequent Owner from paying further Assessments; and
 - ii. The prorated share of any extinguished Association lien may be redistributed to the other Units in Garden Towers.

- b. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the purposes of promoting the health, safety and welfare of the Owners; the management, maintenance, care, preservation and protection of Garden Towers; enhancing the quality of life in Garden Towers and the value of Garden Towers including, without limitation, the improvement and maintenance of the services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area; or in furtherance of any other duty or power of the Association.
- c. Regular Assessments. The Board is expressly authorized to adopt and amend budgets from time to time. Not later than thirty (30) days prior to the beginning of each fiscal year, the Board shall adopt a pro forma operating statement or budget for the upcoming fiscal year which shall, among other things, estimate the total Common Expenses to be incurred for such fiscal year. The Board may, but is not required to, send a written summary of the budget to all Owners within thirty (30) days after the adoption of the proposed budget. The Board shall at that time determine the amount of the regular Assessments to be paid by each Owner. Each Owner shall thereafter pay to the Association the Owner's regular Assessment in equal monthly installments on the first day of each month. In the event the Board determines that the estimate of total charges for the current year is, or will become, inadequate to meet all Common Expenses for any reason, it shall then immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the Common Expenses and determine the revised amount of the regular Assessment against each Owner, and the date or dates when due. The Owners shall have no right to ratify any budget, or amendment thereof, adopted by the Board.
- d. Capital Improvements. All expenses for Capital Improvements shall be governed by and subject to the following conditions, limitations, and restrictions:
 - i. Board Discretion/Expenditure Limit. Any Capital Improvement to Garden Towers that costs twenty percent (20%) or less of the total annual budget of the Association for all expenses, and does not materially alter the nature of the Project, may be authorized by the Board alone (the "Capital Improvement Ceiling"). For example purposes, a material alteration to the project includes but is not limited to the first time installation of or the permanent removal of an existing swimming pool, tennis court, playground, or parking area. Landscaping alterations are not material unless they cause other material changes such as those listed above.
 - ii. Homeowner Approval/Expenditure Limit. Any Capital Improvement, the cost of which will exceed the Capital Improvement Ceiling, must, prior to the commencement of construction, be authorized by at least forty percent (40%) of the undivided interest in the Common Area;
 - iii. Homeowner Approval.Changing the Nature of the Garden Towers. Any Capital Improvement that would materially alter the nature of Garden Towers must, regardless of its cost and prior to being constructed or accomplished, be authorized by at least sixty-seven percent (67%) of the undivided ownership interest in the Common Area; and

- iv. Emergencies and Livability of the Project. Notwithstanding anything to the contrary, in case of emergencies or Capital Improvements necessary to preserve the ability of People to comfortably live in the Units, the Board may authorize any necessary Capital Improvement.
- e. Percentage Assessments. Except as otherwise provided herein, all Assessments (other than special Assessments) shall be in an amount based on the percentage interest for each Unit stated in Section 7(e) of this Declaration, as the same may be amended from time to time.
- f. Rules regarding Billing and Collection Procedures. The Board shall have the right and responsibility to adopt rules and regulations setting forth procedures for the purpose of making the Assessments provided for in this Declaration and for the billing and collection of regular and special Assessments, provided that such procedures are not inconsistent with the provisions hereof. The failure of the Association to send a bill to an Owner shall not relieve any Owner of liability for any Assessment or charge under this Declaration, but the Assessment lien therefor shall not be foreclosed or otherwise enforced until the Owner has been given not less than thirty (30) days' written notice prior to such foreclosure or enforcement, at the address of the Owner on the records of the Association, of the Assessment or installment and of the amount owing. Such notice may be given at any time prior to or after delinquency of such payment.
- g. Certificate of Payment. The Association shall, within ten (10) business days after written demand, furnish to any Owner liable for Assessments or to the Lender of a potential Lender for such Unit, a recordable written statement or certificate signed by an officer or authorized agent of the Association setting forth whether the Assessments relating to a specified Unit have been paid and the amount of delinquency, if any. To the extent permitted by law, a reasonable charge not to exceed one hundred and fifty dollars (\$150.00) may be collected by the Board for the issuance of each such certificate. Each certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid.
- h. Special Assessments. Special Assessments shall be levied by the Board against a Unit and its Owner to reimburse the Association for:
 - i. Costs incurred in bringing an Owner or the Owner's Unit into compliance with the provisions of the Declaration, the Articles, the Bylaws, or the Rules;
 - ii. Costs associated with the maintenance, repair or replacement of Common Area;
 - iii. Any other charge designated as a Special Assessment in this Declaration, the Articles, the Bylaws or the Rules; and
 - iv. Attorneys' fees, interest, costs, and other charges relating thereto as provided in the Declaration, Bylaws or the Rules.
- i. Acceptance of Materials or Services. In the event the Association undertakes to provide materials or services that are not otherwise required in the maintenance of the Association, which benefit individual Units, and which can be accepted or not by individual Owners, such Owners, in accepting such materials or services, agree that the costs thereof shall be a Special Assessment at the discretion of the Board.

- j. Application of Excess Assessments. In the event the amount budgeted to meet Common Expenses for a particular fiscal year proves to be excessive in light of the actual Common Expenses, the Board in its discretion may apply the excess to reserves, credit the excess against future Assessments or pay the excess to the Owners in proportion to the Allocated Interests of each Unit in the Common Expenses of Garden Towers, as the Board deems appropriate. The decision of the Board shall be binding and conclusive. In addition, the Association shall not be obligated to reduce the amount of Assessments in succeeding years if an excess exists for a prior year.
- k. No Offsets. All Assessments shall be payable in the amount specified by the Assessment and no offsets against such amount shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties and powers as provided in this Declaration.
- l. Homestead Waiver. Each Owner, to the extent permitted by law, hereby waives, to the extent of any liens created pursuant to this Declaration, whether such liens are now in existence or are created at any time in the future, the benefit of any homestead or exemption laws of the State of Utah now in effect, or in effect from time to time hereafter.

16. Effect of Nonpayment of Assessments and Remedies

- a. Due Date and Delinquency. Assessments shall be due on or before the first day of each month. If the Unit Owner fails to pay any maintenance fee or gas usage fee within ten (10) days of the time when the same becomes due, the Owner shall pay a dollar fine set by the Board and also pay interest thereon at the rate of eighteen percent (18%) per annum from the date of the payment due.
- b. Collection Charge. If any Assessment is delinquent, the Owner shall be obligated to pay interest, a collection charge, or such other penalty as the Board may establish in the Rules of the Association. Until paid, such interest, collection charges, and/or late fees shall constitute part of the Assessment lien as provided in Section 15(a) of this Declaration.
- c. Action at Law. The Association may bring an action to recover a delinquent Assessment either personally against the Owner obligated to pay the same or by foreclosure of the Assessment lien. In addition, the Association's choice of one remedy shall not prejudice or constitute a waiver of the Association's right to exercise any other remedy. Any attorneys' fees and costs incurred in this effort shall be assessed against the delinquent Owner and the Owner's Unit, and reasonable attorneys' fees and court costs will thereafter be added to the amount in delinquency (plus interest and collection charges, if appropriate). Each Owner vests in the Association or its successors or assigns the right and power to bring actions at law or lien foreclosures against such Owner or Owners for the collection of delinquent Assessments.
- d. Foreclosure Sale. Any foreclosure provided for in this Declaration may be conducted pursuant to a judicial foreclosure or in compliance with applicable provisions relating to the foreclosures of deeds of trust or realty mortgages in the State of Utah. In any foreclosure or sale, the Owner of the affected Unit shall pay the costs and expenses of such proceedings and reasonable attorneys' fees. The Association may, through its duly authorized agents, have and exercise the power

of the trustee and the power to bid on the Unit at the foreclosure or other sale and to acquire, hold, lease, mortgage and convey such Unit.

- e. **Suspension of Votes.** The Board may suspend the obligated Owner's right to vote on any matter at regular or special meetings of the Association and the Owner's right to use all or any portion of the Common Area (exclusive to the Limited Common Area appurtenant to the Owner's Unit) for the entire period during which an Assessment or other amount due under any of the provisions of the Declaration remains delinquent. Prior to suspending the Owner's right to vote and if the Board has established a hearing process, the Board shall afford the Owner the right to a hearing before the Board.

17. Maintenance.

- a. Each Owner of a Unit at his own expense shall keep the interior of such Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating and painting which may at time to time be necessary to maintain the good appearance of such Unit. The Unit Owner shall repair all injury or damages to the Unit or building caused by the act, negligence or carelessness of the Unit Owner or any tenant, or any member of the Unit Owner's family or of the family of any tenant and all such repairs, redecorating and painting shall be of a quality and kind equal to the original work. In addition to decorating and keeping the interior of the Unit in good repair, the Unit Owner shall be responsible for the maintenance or replacement of any plumbing fixtures, refrigerators, air conditioning and heating equipment, dishwashers, disposals, ranges, etc., that may be in or connected with the Unit, and the maintenance of Limited Common Area.
- b. No Unit Owner shall make or permit to be made any structural alteration in or to their Unit, or in or to the exterior of the building, and shall not paint or decorate any portion of the exterior of the Unit or of the building in which the Unit is located.
- c. Except as hereinafter provided, the Board shall provide for such maintenance and operation of the Common Areas and Facilities as may be reasonably necessary to keep them clean, functional, attractive, and generally in good condition and repair.

- 18. Right of Entry.** The Board and its duly authorized agents shall have the right to enter any and all of the Units in case of an emergency originating in or threatening such Unit Owner or occupant thereof is present at the time. The Board, and its duly authorized agents shall also have the right to enter into any and all of said Units at all reasonable times as required for the purpose of making necessary repairs upon the Common Areas and Facilities of Garden Towers or for the purpose of performing emergency installations, alterations or repairs to the mechanical or electrical devices or installations located therein or thereon; provided, however, such emergency installations, alterations or repairs are necessary to prevent damage or threatened damage to other Units in Garden Towers; and provided further, that the Unit Owner affected by such entry shall first be notified thereof if available and if time permits.

- 19. Obligation to Comply with Declaration, Bylaws, Rules and Regulations.** Each Unit Owner, tenant or other occupant of a Unit shall comply with the provisions of the Act, this Declaration, the Bylaws, and the Rules and Regulations, all agreements and

determinations lawfully made and/or entered into by the Board or the Unit Owners, when acting in accordance with their authority, and any failure to comply with any of the provisions thereof shall be grounds for an action by the Board or other aggrieved party for injunctive relief or to recover any loss or damage resulting therefrom.

20. Amendments

- a. General Amendment Requirements. Except as otherwise provided herein, this Declaration may be amended only by an instrument in writing signed by the owners who own undivided percentage interests totaling not less than sixty-seven percent (67%) of the total ownership interests in Garden Towers Condominium. The amendment shall be effective upon recordation in the office of the recorder of Salt Lake County, State of Utah. If a Unit is owned by more than one owner, the signature of any one owner shall be sufficient to constitute approval for that Unit under this paragraph. If a Unit is owned by an entity or trust, the signature of any one officer, trustee, or agent of the entity shall be sufficient to constitute approval for that Unit under this paragraph. No acknowledgment of any signature shall be required.
- b. Execution of Amendments. An amendment that requires the affirmative written assent or vote of the Owners as provided above shall be effective when executed by the Board, who shall certify that the amendment has been so approved, and when the amendment has been recorded in the office of the County Recorder of Salt Lake County, Utah.

21. General Provisions.

- a. Severability. The invalidity of any one or more phrases, sentences, subparagraphs, paragraphs, subsections or sections hereof shall not affect the remaining portions of this instrument or any portion or portions of this instrument should be invalid or should operate to render this instrument invalid, this instrument shall be construed as if such invalid phrase or phrases, sentence or sentences, subparagraph or subparagraphs, paragraph or paragraphs, subsection or subsections, or section or sections had not been inserted.
- b. Waivers. Failure by the Association or by any Owner to enforce any Restriction or provision herein contained, or contained in the Bylaws or the Rules, in any certain instance or on any particular occasion shall not be deemed a waiver of such right of enforcement as to any such future breach of the same or any other Restriction or provision.
- c. Cumulative Rights. All rights, options, and remedies of the Association, the Owners or the Lenders under this Declaration are cumulative, and no one of them shall be exclusive of any other, and the Association, the Owners and the Lenders shall have the right to pursue any one or all of such rights, options and remedies or any other remedy or relief that may be provided by law, whether or not stated in this Declaration.
- d. Allocation upon Termination. Unless provided otherwise herein, upon any liquidation or termination of all or part of Garden Towers, the Association shall represent Owners in any proceedings, negotiations, settlements or agreements related thereto. Each Owner hereby appoints the Association as attorney-in-fact for such purpose, including the allocation of any losses, awards or proceeds resulting from such termination or liquidation. Any proceeds generated by such a

termination or liquidation shall be made payable to the Association, which will hold such proceeds for the benefit of the Owners and their Lenders. Owners shall share in the proceeds of such termination or liquidation in the same proportion as their Allocated Interest in the Common Area (or as otherwise provided by the Act), but in such event, the liens and provisions of all Lenders or Assessment liens encumbering Units within Garden Towers shall extend to each applicable Owner's interest in such proceeds. The interest of an Owner in such proceeds shall not be distributed to such Owner except upon the prior payment in full of any Assessment lien or lien of a Lender encumbering such proceeds.

- e. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a plan for the development of a residential condominium community and for the maintenance of Garden Towers. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions or interpretation or construction. References in this Declaration to Articles and Section numbers, unless otherwise expressly provided, are to the Articles and Sections of this Declaration.
- f. Gender. The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.
- g. Attorneys' Fees. If the association obtains legal counsel to enforce any of the provisions contained in this Declaration, the Bylaws or the Rules or Regulations, the Association may assess all reasonable fees and costs associated with such counsel to the party against whom enforcement is sought, regardless of whether a lawsuit is initiated or not.
- h. Consent, Power of Attorney, Waiver. By acceptance of a deed, lease or other conveyance of an interest in a Unit, each Owner or Occupant of such Owner's Unit consents to the right reserved to the Association in this Declaration, including but not limited to, the right to prepare, execute, file, process and record necessary and appropriate documents and other items to establish and grant easements and to make necessary and appropriate amendments of this Declaration, the Map and the Bylaws. By such acceptance, each Owner or Occupant agrees to execute all documents and to do all other things as may be necessary or convenient to effect the same; and such acceptance shall be deemed an appointment of the Association, with full right of substitution, as the attorney-in-fact of such Owner or Occupant to execute such documents and to do such things on such Owner's or Occupant's behalf; and such appointment, being coupled with an interest, shall be irrevocable for the specific period of the Association's reserved rights as set forth in this Declaration and shall not be affected by the disability of any such Owner or Occupant.
- i. Security. The Association shall in no way be considered an insurer or guarantor of security within or relating to Garden Towers, including any Common Area in which the Association may have an obligation to maintain, and the Association shall not be held liable for any loss or damage by reason of any failure to provide adequate security or any ineffectiveness of security measures undertaken. Owner

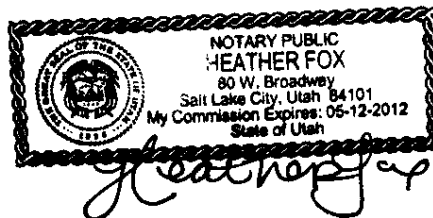
or Occupant agree by purchasing a Unit in this Association that Association and the Board are not insurers of the safety or well being of Owners or Occupants or of their personal property, and that each Owner or Occupant assumes all risks for loss or damage to persons, the Units, the Common Area, and to the contents of improvements located thereon to the extent not insured by the Association pursuant to Section 14 above. Each Owner and Occupant understands and acknowledges that the Association and the Board have not made any representations or warranties of any kind and that each Owner or Occupant has not relied upon any representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to the security of Garden Towers.

Executed this day and year first above written.

GARDEN TOWERS CONDO-OWNERS CORPORATION

BY: *Michael Howard Amos*
TITLE: *President*

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



On the 2 day of September, 2008, personally appeared before me - Michael Howard AMOS, who by me being duly sworn, did say that he/she is the President of Garden Towers Condo-Owners Corporation, and that within the foregoing instrument was signed in behalf of said Condominium Association by authority of the consent of the Members as evidenced by the signatures on Exhibit ___ and said person duly acknowledged to me that said Association executed the same.

Garden Towers Condominium
Bylaws

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Bylaws of the Association of Owners of Garden Towers Condominium

ARTICLE I

Condominium Ownership.

1. Condominium Ownership. The property is locate at 141 2nd Avenue, Salt Lake City, in the State of Utah. The property is also subject to the provisions of the Utah Condominium Ownership Act, Utah Code annotated, Section 57-8-1, et. Seq., under a declaration of Condominium, recorded simultaneously herewith, to be known as the Garden Towers Condominium (Hereinafter “Condominium”).
2. Applicability of Bylaws. The provisions of these Bylaw are applicable to the Project and to the use and occupancy thereof. All present and future owners, mortgagees, lessees, and their employees, and any other person who may use the facilities of the Project in any manner are subject to these Bylaws, the Declaration, and the House Rules.

The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit or other interest in the Project of the use of any of the facilities of the Project shall constitute an agreement that these Bylaw, the House Rules and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.
3. Office. The office of the Project and of the Board Directors (hereinafter called the “Board”) and of the Association of owners (hereinafter called the “Association”) shall be located at the address of the Project, 141 East 2nd Avenue, Salt Lake City, Utah. All meetings of the Association and of the Board shall be held at said address unless some other location is designated.

ARTICLE II

BOARD OF DIRECTORS

1. Management—Board of Directors
 - a. Authority of Board of Directors. The business, property, and affairs of the Garden Towers Condominium are to be managed, operated, and maintained by the Board.
 - b. Qualifications for Board
 - i. The Board shall consist of not less than five members.
 - ii. Spouse of owner not listed as owner on Trust or warranty Deed are eligible to serve on the Board.
 - iii. No more than Two Directors not living in the Condominium can serve on the Board at the same time.
 - iv. Any Board member not residing in the Condominium, must be able to attend the Monthly meetings.
 - c. Owners not living in the Condominium (need to be informed of conditions)

- d. Parent living in Condominium with a Trustee on Trust of warranty Deed
 - i. Trustee on Trust or warranty Deed
- e. The Board member have a fiduciary duty to act in the best interests of the unit owners: The Board shall have and is hereby granted, the following authority and powers as outlined in the Bylaws 2007, Article 11, p1.
- 2. Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the project, and may conduct all the business of the Condominium as delegated by the Unit Owners, except as limited by the law, the Declaration, or by these Bylaws. The powers and duties of the Board shall include, but shall not be limited to, the following:
 - a. Operation, care, upkeep and maintenance of the property of the Condominium;
 - b. Collection of Monthly assessments for common expenses of the Condominium;
 - c. Employment and dismissal of the personnel necessary for the maintenance, repair, replacement and operation of the Condominium
 - d. Keeping of detailed, accurate records of the receipts and expenditures affecting the Condominium. Such records and vouchers authorizing payment shall be available for examination within a reasonable time period, after a request by a Unit Owner;
 - e. Obtaining of insurance for the Project, pursuant to the provisions of the Declaration;
 - f. Determination of common expenses and fixing of common charges.
- 3. Manager. The Board, on behalf of the Association, may employ a Manager, at a compensation established by the Board. The manager may perform, but is not limited to, the duties listed in Section 3 of this Article. The duties conferred upon the Manager by the Board may at any time be revoked, modified or amplified. The Board may employ any other employee or agent to perform such duties at such salaries as the Board may establish.
- 4. Election and Term of office. Election of Directors shall be by majority vote. Each unit has one vote, regardless of the unit size, both at the Annual Meeting of owners and at any special meeting. The Directors shall hold office for a period of two years.
- 5. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association. Death, incapacity, or resignation of any Director or his continuous absence from the State of Utah for more than six months shall cause his office to become vacant.
- 6. Removal of Directors. At any regular or special meeting duly called, any one or more of the directors may be removed with or without cause by a majority of the Unit Owners and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

7. Compensation. No compensation shall be paid to Directors for their services as directors.
8. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within one week of the election. The place for this first meeting shall be fix by the Directors at the meeting at which the new Directors are elected. No notice to the newly elected Directors is necessary in order to legally set the first Board meeting, provided that a majority of the Board members are present at the election meeting.
9. Regular meetings. Regular meetings of the Board may be held at such times and places as shall be determined by a majority of the Directors. Notice of regular meetings of the Board shall be given to each Director, personally or by mail addressed to his residence, or by telephone, at least one (1) day prior to the day of the meeting.
10. Special Meetings. Special meetings of the Board may be called by the president on one day's notice to each Director, given personally or by mail, addressed to his residence, or by telephone, which notice shall state the time, place (as herein-above provided) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least three Directors.
11. Waiver of Notice. Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board, unless he object to the calling of the same, shall be considered waiver of notice of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.
12. Board of Directors' Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at the meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.
13. Bonds of Officers and Employees. The Board shall require that all officers and employees handling or responsible for association funds shall furnish adequate bonds. The premium on such bonds shall be paid by the Association.

ARTICLE III

ASSOCIATION OF OWNERS

1. Annual Meeting. The annual Meeting of the Association shall be held on the third Wednesday following the close of the Association's fiscal year, August, 31, unless a change of date is determined to be necessary by the Board and notification is sent to all owners.

2. Special Meetings. The President may call a Special Meeting at any time. Upon receipt of such call, the Secretary shall send out notices of the meeting to all member of the Association.
3. Notice of Meetings. Notices of meetings shall state whether the meeting is a Special or Annual Meeting, the authority to call the meeting, the place, day and hour, and purpose thereof. Notice shall be given by the Secretary at least three days before the date set for the meeting. Such notices shall be given to the members in any of the following ways: (a) a notice on the bulletin Board by the mailboxes of the Condominium (b) or notices sent to owner not living in the Condominium to receive in time for them to be able to attend. The failure of any member to receive actual notice of the meeting shall in no way invalidate the meeting or any proceedings thereat.
4. Waiver of Notice. The presence of all the members, in person or by proxy, at any meeting shall render the same a valid meeting, unless any member shall, at the opening of such meeting, object to holding the meeting for noncompliance with the provisions of Section 3 of this article III. Any meeting so held without objection shall, notwithstanding the fact that no notice of meeting was given, or that the notice given was improperly, be valid for all purposes, and at such meeting any general business may be transacted and any action may be taken.
5. Quorum. At any meeting of the association, the unit owners in said Condominium to which are appurtenant, in the aggregate, a majority of the total interest in the Common Areas and Facilities, present in person or by proxy, shall constitute a quorum, and the concurring vote of said majority shall be valid and binding upon the association, except as otherwise provide by law or these bylaws. "majority" as used herein, means more than fifty percent (50%).
6. Voting. The vote attributable to and exercisable with a unit shall be one vote per unit regardless of the unit size. In the even 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. The vote cast at any meeting by any of such owners may determine conclusively presumed to be the vote attributable to the unit concerned unless an objection is immediately made by another owner of the same unit. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.
7. Voting—Proxies and Pledges. The authority given by a member to another person to represent such member at meetings of the Association shall be in writing, signed by such member, or, if such member is a corporation, by the proper officers thereof, and shall be filed with the Secretary. Unless limited by its terms, such authority shall be deemed good until revoked in writing. An executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the association with respect to any Unit owned or held by him in such capacity, whether or not the same shall have been transferred to his name by a duly recorded conveyance. In case such Unit shall not have been so transferred to his name, he shall satisfy the Secretary that he is the executor,

administrator, guardian or trustee holding two or more persons, natural or legal, jointly, according to the records of said office of Salt Lake County Recorder, the vote therefore may be exercised by any one of the owners present to the absence of protest by the other or others.

8. Adjournment. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by majority vote of the members present, whether a quorum be present or not, without notice other than the announcement at the meeting. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

ARTICLE IV

OFFICERS

1. Designation. The principal Officers of the association shall be a President, a Vice-President, Members of the Board, a Secretary, and a Treasurer, all of whom shall be elected to the Association's Board of Directors. The Directors may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as they, in their judgment, deem necessary.
2. Election of Officers. The officers of the Association shall be elected annually by the Board at the organization meeting. Each new Officer shall hold office at the pleasure of the Board.
3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.
4. President. The President shall be the chief executive officer of the Association and a member of the Board. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of an Association, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.
5. Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board shall appoint some other member of the Board to so do on an interim Basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.
6. Treasurer. The Treasurer shall supervise the Manager's Custody of all funds of the Association, maintenance of accounts and records thereof, and preparation of final reports thereof.
7. Secretary. The Secretary shall attend and keep the minutes of all meetings of the Board and of the Association, shall give all notices as provided by these bylaws, and shall have such other powers and duties as may be incidental to

the office of the Secretary, given him by these Bylaws or assigned to him from time to time by the Directors. If the Secretary is not present at any meeting, the presiding officer shall appoint a secretary pro tempore who shall keep the minutes of such meeting and record them in the books provided for that purpose.

8. Auditor. The association may at any meeting appoint some person, firm or corporation engaged in the business of audits and fiscal duties to audit the financial records of the association.

ARTICLE V

OBLIGATION OF THE OWNERS

1. Determination of Common Expenses and Fixing of Common Charges. The Board shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount for the common charges payable by the Unit Owners to meet the common expenses of the Project, and allocate and assess such common charges among the Units. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board pursuant to the Declaration. The Board shall advise all Unit Owners, promptly, in writing, of the amount of common charges payable by each of them, respectively as determined by the Board. Such charge shall be due and payable monthly, in advance, on the first day of every month. If a Unit owner fails to pay any maintenance fee or gas usage fee within ten (10) days of the time when the same becomes due, the Owner shall pay a dollar fine set by the Board of Directors and shall also pay interest thereon at the rate of eighteen (18%) per annum from the date of the payment due, together with all cost and expenses, including attorney's fees, incurred in any proceeding brought to collect such unpaid expenses. This dollar fine and interest shall be added to each month of non-payment.
2. Maintenance and Repair. (a) All maintenance of or repairs to the common areas, structural or nonstructural, ordinary or extraordinary, limited or general, shall be performed by the Association unless the damage was caused by the acts or negligence of an occupant of a particular unit, in which case the Unit Owner of the particular Unit shall be pay for the repairs. The Association shall also repair any damage to individual units that results from the negligence or acts of the Association or its agents. (b) All maintenance of or repairs to any Unit, structural or nonstructural, ordinary or extraordinary, shall be made by the Unit Owner of the Unit, unless caused by the negligence, misuse or neglect of the common areas, in which case such expense shall be charged to the association and as a common expense. Each Unit Owner shall be responsible to pay for all damages to any and all other Units and/or to the Common Areas, caused by acts or his failure to maintain or repair his unit, whether or not that damage is located inside or outside of the Unit.

3. Representation. The Manager, subject to the direction of the Board, shall represent the Association or any two or more owners similarly situated as a class, in an action, suit, hearing, or other proceeding concerning the Association, the Common Areas, or more than one Unit. The Manager, on the Association's or Unit Owners' behalf, may institute, defend, intervene in, prosecute and settle any such actions, suits and proceedings, without prejudice to the rights of any Unit Owners individually to appear, sue or be sued. Service of process on two or more Unit Owners in any such action, suit or proceeding may be made on the Manager.
4. Foreclosure of a Lien. In any suit to foreclose a lien against any Unit Owner, the Association may be represented through its Manager or Board in like manner as any mortgagee of real property. The manager or Board acting in behalf of the Unit Owners, shall have the power to bid for and acquire any such Unit at the foreclosure sale. The delinquent Unit Owner shall be required to pay the Association a reasonable rent for such Unit until sale or foreclosure, together with all costs and reasonable attorney's fees. Suit to recover a money judgment for unpaid common expenses shall be maintainable with all costs and reasonable attorney's fees without foreclosing or waiving the lien securing the same.
5. Rules and Regulations. Two thirds of the Board may, from time to time, adopt, amend, modify, and/or revoke, in full or in part, such reasonable rules and regulations, to be called rules and Regulations governing the conduct of persons using said Project as it may deem necessary. Copies of such House Rules, upon adoption, amendment, modification, and/or revocation hereof shall be delivered to each Unit in the Project and shall be binding upon all members of the Association, occupants of the Unit and other users of the premises.
6. Mortgages. Any mortgagee of a Unit may file a copy of his mortgage or a certificate thereof and giving the names of the parties, Unit and other pertinent data to the manager, who shall maintain the information in the Association's records of ownership. After such filing, the Board, through its Manager, shall notify the mortgagee of any Unit Owner who is in Default in his common expense contribution. The mortgagee, at its option, may pay the delinquent expenses.

ARTICLE VI

EXECUTION OF INSTRUMENTS

1. Instruments Generally. All Checks, drafts, notes, bonds, acceptances, contracts, and all other instrument, except conveyances, shall be signed by such person or persons as shall be provided by general or special resolution of the Board. And in the absence of any such resolution applicable thereto such instrument shall be signed by the President or the Vice-President and by the Treasurer or Secretary.

ARTICLE VII

LIABILITY OF OFFICERS

1. Exculpation. No Director or Officer of the Association or Board shall be liable for acts or defaults of any other Director, Officer. No Director or Officer of shall be liable for any loss sustained by the Association unless that loss is the result of the Director's or Officer's willful misconduct or willful negligence.
2. Indemnification. Every Director, Officer, and Member of the association shall be indemnified by the association against all reasonable costs, expenses, and liabilities, including counsel fees actually and necessarily incurred by or imposed upon him in connection with any claim, action, suit, proceeding, investigation, or inquiry of whatever nature in which he may be involved as a party or otherwise by reason of his having been a Director, Officer, or Member of the Association or Board. Said indemnity will be extended to the Officer, Director, Member, whether or not he continues to be a Director, Officer, or Member at the time such costs, expenses, or liabilities are incurred, or imposed except in relation to matters as to which he shall be finally adjusted, in such action, suit, proceeding, investigation, or inquiry, to be liable for willful misconduct, or willful negligence toward the Association in the performance of his duties, or in the absence of such final adjudication, and determination of such liability by the opinion of legal counsel selected by the Association. The foregoing right of indemnification shall be in addition to and not in limitation of all other rights to which such person may be entitled as a matter of law and shall inure to the benefit of the legal representatives of such person.

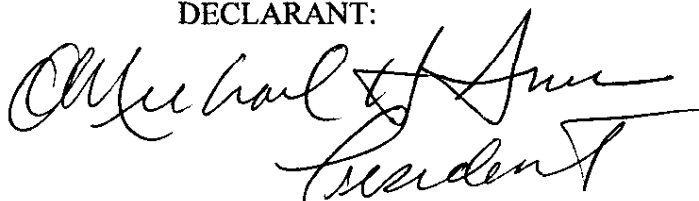
ARTICLE VIII BYLAWS

1. Amendment. These Bylaws may be amended, modified or revoked in any respect from time to time by the Unit owners at a meeting duly called for such purpose. No amendment to the Bylaws shall be effective until set forth in an amendment to the Declaration duly recorded in the Office of the Salt Lake County Recorder, State of Utah.
2. Conflict. In the event of any conflict between these Bylaws and the provisions of Utah Code Annotated 57-8-1, et. Seq. as amended, the latter shall govern and apply.

Adoption of Bylaws

The undersigned Declarant of said Project hereby adopts the foregoing as the Bylaws of its Association of Owners, this 2 day of Sept, 2008

DECLARANT:


Michael J. Amundson
President

PROPERTY MANAGEMENT SYSTEMS INC.
SALT LAKE CITY, UTAH



July 16, 2008

Mike Amos
141 2nd Ave. #902
Salt Lake City, UT 84103

Dear Mike,

In accordance to the Official Ballot regarding the CC&R changes we received a total of 31 Ballots with 26 voting in favor of the CC&R changes.

In the CC&Rs it states:

10. Voting-Multiple Ownership. The vote attributable to and exercisable in connection with a Unit shall be the percentage of undivided ownership interest in the Common Areas and Facilities which is appurtenant to such Unit. In the event 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. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

Please feel free to contact me if you have any questions or concerns.

Sincerely,
Property Management Systems, Inc.

A handwritten signature in black ink, appearing to read "Tanner Blackburn", written over a horizontal line.

Tanner Blackburn
Property Manager

GARDEN TOWERS CONDO-OWNERS CORPORATION
141 SECOND AVE
SALT LAKE CITY, UTAH 84103

August 31, 2008

In the regular monthly meeting of the Board of Directors of the Garden Towers Condo-Owners Corporation, the Board on August 20, 2008 approved by a vote of 4 to 0 (one board member absent) the approval of the CC&R's and Bylaws as approved by a majority of the owners, which approval and voting process was conducted by the management company of Property Management Systems Inc of Salt Lake City and confirmed passage of same in their letter dated July 16, 2008. The Board authorized on August 20, 2008 Michael H Amos, President to complete the approval process and file a copy with the County of Salt Lake, State of Utah. These documents to replace all existing prior to the recording date.

A handwritten signature in black ink, appearing to read "Michael H Amos". The signature is cursive and somewhat stylized, with a large initial "M" and "A".

Michael H Amos
President