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Recorded OCT 24 1974 at 943 AM
Request of John E. Lach
JERADEAN MARTIN, Recorder
Salt Lake County, Utah
\$ 46.50 By MB Deputy
REF. 1437 So Wasatch Drive
84108

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND BY-LAWS

FOR

TOWER HILL CONDOMINIUM

This Declaration of Covenants, Conditions, and Restrictions, hereinafter called "Declaration", and the By-Laws which are attached hereto and made a part hereof are made and executed in Salt Lake County, Utah, this 24th day of October, 1974, by LACH FAMILY PARTNERSHIP, a Utah General Partnership, authorized to do business in Utah, hereinafter called "Declarant", for itself and its successors, grantees, and assigns, pursuant to the provisions of the Utah Condominium Ownership Act, Utah Code Annotated Section 57-8-1, et. seq., (1953 as amended), hereinafter referred to as "Condominium Ownership Act".

WITNESSETH:

WHEREAS, Declarant is the owner of certain land located in Salt Lake County, at 303 A Street in Salt Lake City, Utah, hereinafter referred to as the "land" and more particularly described in Appendix A of this Declaration which is attached hereto and made a part hereof; and

WHEREAS, the aforesaid property consists of the land above-described, together with a certain residential condominium building and certain other improvements heretofore or hereafter to be constructed upon said premises; and

WHEREAS, Declarant has constructed or will construct a condominium residential building consisting of five stories and a total of 17 residential condominium units and 7 parking units and other improvements upon the aforesaid premises in accordance with the plans and drawings set forth in the Record of Survey Map filed concurrently herewith, consisting of three sheets, prepared and certified by a duly registered Utah Land Surveyor; and

WHEREAS, Declarant desires by filing this Declaration and the aforesaid Record of Survey Map to submit the above-described real property and the said building and other improvements being constructed or to be constructed thereon to the provisions

BOOK 3708 PAGE 388

of the Utah Condominium Ownership Act as a condominium project known as Tower Hill Condominium; and

WHEREAS, Declarant desires and intends to sell the fee title to the individual units contained in said condominium project, together with an undivided ownership interest in the common areas and facilities appurtenant thereto, to various purchasers, subject to the covenants, conditions, and restrictions herein reserved to be kept and observed; and

WHEREAS, Declarant desires and intends by filing this Declaration and the Record of Survey Map to submit the property to the provisions of the aforesaid act as a condominium property and to impose upon said property mutually beneficial restrictions under a general plan of improvement for the benefit of said property and the owners thereof; and

WHEREAS, the Declarant intends to develop the above condominium project in one phase consisting of 17 residential units and 7 parking units and to subject the entire property and units so developed to one condominium project by the filing of a Declaration, or filing such supplemental declarations as are necessary to accomplish that purpose;

NOW, THEREFORE, for such purposes, Declarant hereby makes the following Declaration containing covenants, conditions, and restrictions relating to this condominium project which pursuant to the provisions of Utah Code Annotated Section 57-8-1 (1953 as amended) shall be enforceable equitable servitudes, where reasonable, and shall run with the land:

1. Name of the condominium property:

The name by which the condominium property shall be known is Tower Hill Condominium.

2. Definitions

The terms used herein shall have the meaning stated in the Utah Condominium Ownership Act and as follows unless the context clearly indicates a different meaning therefor:

- A. "Declarant" shall mean Lach Family Partnership,

a Utah General Partnership authorized to do business in Utah, which has made and executed this Declaration.

B. The term "The Act" shall mean and refer to the Utah Condominium Ownership, Utah Code Annotated Section 57-8-1, et. seq. (1953 as amended).

C. The term "condominium" shall mean and refer to the ownership of a single unit in this condominium project together with an undivided interest in common areas of the property.

D. The term "Declaration" shall mean this instrument by which the Tower Hill Condominium is established.

E. The term "property" shall mean and include the land, the building, all improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

F. The term "condominium project" shall mean and refer to the entire real estate condominium project referred to in this Declaration.

G. The term "map" shall mean and refer to the Record of Survey Map of Tower Hill Condominium, recorded herewith by Declaration in accordance with Utah Code Annotated, Section 57-8-13 (1953 as amended).

H. The term "unit" shall mean and refer to one of the residential units or one of the parking stalls which is designated as a unit on the Record of Survey Map and in Exhibit B attached hereto. A unit shall include any walls, partitions, and floors which are wholly contained within its vertical and horizontal perimeters and the surfaces of any floors, ceilings, or coverings which bound it. A unit shall not include pipes, wires, conduits, or other utility lines running through it which are utilized for or which serve more than one unit.

I. The term "unit owner" shall mean the person or persons owning a unit in fee simple and an undivided interest in the fee simple estate of the common areas and facilities in the percentage specified and established in the Declaration.

J. The term "unit owner" shall mean and refer to unit owners

of the Tower Hill Condominium and includes the original purchasers and others who may subsequently become unit owners.

K. The term "association of unit owners" shall mean and refer to all of the unit owners acting as a group in accordance with the Act, the Declaration, and By-Laws.

L. The term "unit number" shall mean and refer to the number designating the unit in the Declaration and in the Record of Survey Map.

M. The terms "majority" or "majority of the unit owners" shall mean the owners of more than 50 percent in the aggregate in interest of the undivided ownership of the common areas and facilities.

N. The term "management committee" shall mean and refer to a committee composed of persons duly elected thereto by the association of unit owners, as provided by this Declaration and the Act in accordance with the By-Laws hereto attached as Appendix C. Said committee is charged with and shall have the responsibility and authority to make and to enforce all of the reasonable rules and regulations covering the operation and maintenance of the property.

O. The term "manager" shall mean and refer to the person, persons, or corporation selected by the management committee to manage the affairs of the condominium project.

P. The term "common areas and facilities" shall mean and refer to:

1. The above-described land.
2. That portion of the condominium property not specifically included in the respective units as herein defined.
3. All foundations, columns, girders, beams, supports, main walls, roof, exterior walkways, parking areas (other than the 8 parking stalls that constitute units), service streets, stalls, and social center, recreational areas and facilities, yards, gardens, fences, all installations of power, light and other utilities to the outlets, 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 area, or normally in common use.

4. Those common areas and facilities specifically set forth and designated as such in the Map.

5. All common areas and facilities as defined in the Act, whether or not expressly listed herein except that portion of the condominium project included in the respective units, or specifically excepted from the common area by the Declaration.

Q. The term "limited common areas and facilities" shall mean and refer to those common areas and facilities designated in the Declaration and the Map as reserved for use of a certain unit or units to the exclusion of the other units.

R. The term "common expenses" shall mean and refer to all expenses of administration, maintenance, repair, or replacement of the common areas and facilities; 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 project as the association of unit owners or the management committee may from time to time adopt, and such determinations and agreements lawfully made and/or entered into by the management committee.

S. 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 hereof.

3. Description of property:

A. Description of land

That tract or parcel of land in Salt Lake County, State of Utah and more particularly described in Appendix A of this Declaration.

B. General description of building

The building constituting a part of the condominium project consists of six stories plus a basement and includes a total of 17 residential and 7 parking units. The building will be constructed of concrete frame on a concrete slab and will contain an exterior consisting of brick panel and glass window walls. Each residential

unit is designed for use as a single-family residence. Most residential units have the exclusive right to use and occupy a balcony(s) and/or patio which is attached to the unit. Each parking unit is designed to park a vehicle in.

All other details involving the respective descriptions and locations of the building and a statement of the number of stories, number of units, and other like details are set forth in the Map which is simultaneously filed of record and incorporated herein by reference.

C. Description of units:

Each residential unit shall consist of:

1. The space enclosed within the undecorated interior surface of its perimeter walls, floors, ceilings (being in appropriate cases and inner surfaces parallel to the roof plane, of the roof rafters, and the projections thereof) projected, where appropriate, to form a complete enclosure of space, of any pipes, ducts, wires, conduits, or structural divisions such as interior walls or partitions which intervene.
2. Any finishing material applied or affixed to the interior surfaces of the perimeter walls, floors, and ceilings, including, without limitation, paint, lacquer, varnish, wallpaper, tile, and paneling.
3. Non-supporting interior walls.
4. Windows and doors in the perimeter walls, whether located within the bounds of a unit or not, but not including any space occupied thereby to the extent located outside the bounds of the unit.
5. All utility pipes or lines or systems, and fixtures or appliances connected thereto, servicing a single unit (or connecting a single unit to a main or central utility to the point of disconnection from such main or central utility) whether located within the bounds of the unit or not, but not including any space occupied thereby to the extent located outside the bounds of the unit.

Each parking unit is defined by the horizontal dimensions of such units as shown on the Map. Any parking unit that is covered will also be defined by the vertical dimensions of such unit as shown on the Map. The parking units are not enclosed. Declarant shall have no obligation, and no unit owner shall have the right to accomplish any further enclosure.

Units forming a part of the condominium property are more particularly

described in the Map, which shows graphically all the particulars of the buildings; without limiting the generality of the foregoing, the unit designations, and number of bedrooms are set forth in Appendix B attached hereto.

Each unit has immediate access to the common areas and facilities or limited common areas and facilities. Every contract for the sale of a unit and every other instrument affecting title to a unit may describe that unit by its identifying number or symbol as designated in the Map or Maps with the appropriate reference to the Map(s) and to the Declaration, as each such appear on the records of the County Recorder of Salt Lake County, Utah, in substantially the following fashion:

Unit _____ as shown on the Record of Survey Map for Tower Hill Condominium, appearing in the records of the County Recorder of Salt Lake County, State of Utah, in Book _____, Page _____, of Plats, and as defined and described in the Declaration of Condominium for Tower Hill Condominium appearing in such records, in Book _____, Page _____, of Records, together with _____ percent of the undivided interest in the common areas and facilities of Tower Hill Condominium.

Such description will be construed to describe the unit, together with the appurtenant undivided interest in the common areas and facilities and to incorporate all the rights incident to ownership of a unit and all the limitations on such ownership as described in this Declaration, including all appurtenant undivided interest and all rights and limitations arising as a result of any amendment to the project.

D. Description of common areas and facilities

Except as otherwise in this Declaration provided, the common areas and facilities shall consist of all parts of the condominium property except the units. Without limiting the generality of the foregoing, the common areas and facilities shall include the following, whether located within the bounds of a unit or not.

1. All structural parts of the building including, without limitation, foundations, columns, joists, beams, supports, supporting walls, floors, ceilings, and roofs.

2. Patios, yards, courts, and driveways.

3. Any utility pipe or line or system servicing more than a single unit, and all ducts, wires, conduits, and other accessories used therewith, but excluding any pipe or line or accessory connecting a single unit to a main or central pipe or line or system or to a pipe or line or system servicing more than a single unit.

4. All other parts of the condominium 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 drawings.

5. The limited common areas and facilities hereinafter described.

6. All repairs and replacements of any of the foregoing.

E. Description of limited common areas and facilities

Each unit owner is hereby granted an irrevocable license to use and occupy the limited common areas and facilities reserved exclusively for the use of his unit, which shall consist of all the common areas and facilities including but not limited to a balcony(s) and/or patio and parking space which are intended for the exclusive service of the unit, the use and occupancy of which shall in each case be limited to such unit.

4. Submission to condominium ownership:

Declarant hereby submits the above-described property, tract of land, building, and other improvements constructed thereon or hereafter to be constructed, together with all appurtenances thereto, to the provisions of the Act as a condominium project and this Declaration is submitted in accordance with the terms and the provisions of the Act and shall be construed in accordance therewith.

5. Covenants to run with the land:

This Declaration containing covenants, conditions, and restrictions relating to the project shall be enforceable equitable servitudes and shall run with the land and this Declaration and servitudes shall be binding upon Declarant, its successors and assigns, and upon all unit owners or subsequent unit owners of all or any part of the condominium project, and upon their grantees, mortgagees, successors, heirs, executors, administrators, devisees, and assigns.

6. Statement of purposes, uses, and restrictions:

A. Purposes. The purposes of the condominium property are

BOOK 3708 PAGE 335

to provide housing for the unit owners and their respective families, tenants, guests, and servants in accordance with the provisions of the Utah Condominium Ownership Act.

B. Restrictions on use. The units and common areas and facilities shall be used and occupied as follows:

1. No part of the condominium property shall be used for other than housing and the related common purposes for which the condominium property was designed. Each residential unit shall be used and occupied as a residence for a single family and for no other purpose. Each parking unit shall be used to park a vehicle.

2. Minors under the age of 16 years shall not be permitted to live in or occupy a residential unit on a permanent basis. This shall not be construed to limit such persons from visiting a unit owner or from living in or occupying a residential unit on a temporary basis.

3. There shall be no obstruction of the common areas and facilities nor shall anything be stored in the common areas and facilities without the prior written consent of the management committee except as is otherwise provided herein.

4. Nothing shall be done or kept in any unit or in the common areas and facilities which will increase the rates of insurance on the building or units or contents thereof beyond that customarily applicable for residential use, without the prior written consent of the management committee. No unit owner shall permit anything to be done or kept in his unit or in the common areas and facilities which will result in the cancellation of insurance on the building, or the contents thereof, or which would be in violation of any law or regulation of any governmental authority. No waste shall be committed in the common areas and facilities.

5. No unit owner shall cause or permit anything (including, without limitation, a sign, awning, a canopy, shutter, storm door, screen door, radio or television antenna) to hang, displayed or otherwise affixed to or placed on the exterior walls or roof or any part thereof, or the outside of windows or doors, without the prior written consent of the management committee.

6. No animals or pets shall be permitted.

7. 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.

8. 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 building or any part thereof or which would structurally change the building or any part thereof except as is otherwise provided herein.

9. No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out or exposed on any part of the common areas and facilities, except in a balcony or patio in such manner as not to be visible except from the unit for which such balcony or patio is reserved. The common areas and facilities shall be kept free and clear of all rubbish, debris, and other unsightly materials.

10. There shall be no playing, lounging, parking or placing of vehicles, benches or chairs in or on any part of the common areas facilities except in the designated parking areas or on a balcony or patio in such a manner as not to be visible except from the unit for which said balcony or patio is reserved.

11. No industry, business, trade, occupation, or profession of any kind, whether for commercial, religious, educational, charitable, or other purposes shall be conducted, maintained, or permitted on any part of the condominium property except such as may be permitted by the association of unit owners and subject to the rules, nor shall any "For Sale" or "For Rent" signs or other window displays or advertising be maintained or permitted by any unit owner on any part of the condominium property or in any unit therein, except that

(i) the Declarant may perform or cause to be performed such work as is incident to the completion of the development of the condominium property, or to the sale or lease of units owned by the Declarant;

(ii) the Declarant or its agent may place "For Sale" or "For Rent" signs on any unsold or unoccupied units and may place such other signs on the condominium property as may be required to facilitate the sale or lease of unsold units;

BOOK 3708 PAGE 397

(iii) the association of unit owners or the management committee or its agent or representative may place "For Sale" or "For Rent" signs on any units or on the condominium property for the purpose of facilitating the disposal of units by any unit owner, mortgagee or the association of unit owners; and

(iv) a unit owner with respect to a unit, and the association of unit owners or management committee or its agent or representative with respect to the common areas and facilities, may perform or cause to be performed any maintenance, repair or remodeling work, or other work, required or permitted by this Declaration.

7. Ownership and use:

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 an undivided interest in the common areas and facilities in the percentage expressed in Appendix B hereof.

B. Prohibition against subdivision of unit. No unit owner shall, by deed, plat, or otherwise, subdivide or in any manner cause his unit to be separated into tracts or parcels smaller than the whole unit as shown on the Map.

C. Ownership of common areas and facilities. The common areas and facilities shall be owned by the unit owners as tenants in common, and ownership thereof shall remain undivided. No action for partition of any part of the common areas and facilities shall be maintainable, except as specifically provided in the Utah Condominium Ownership Act, nor may any unit owner otherwise waive or release any rights in the common areas and facilities.

D. 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 purposes for which they are intended, but subject to this Declaration, the By-Laws, which right of use shall be appurtenant to and run with the unit.

E. Interest in common areas and facilities. The percentage of interest in the common areas and facilities of each unit has been determined by the Declarant on the basis of value in accordance with the Utah Condominium Ownership Act which percentages are contained in Appendix B hereof.

F. Use of limited common areas and facilities. A unit owner's use and occupancy of the limited common areas and facilities reserved for his unit shall be subject to and in accordance with this Declaration and the By-Laws. Each unit owner shall maintain the balcony(s) and/or patio, the use of which is reserved for his unit. The association of unit owners shall maintain the remainder of the limited common areas and facilities.

8. Agent for service of process:

The name and address of the person in Salt Lake County, State of Utah, appointed as the first agent to receive serve of process in matters pertaining to the property as provided under the Utah Condominium Ownership Act is:

John E. Lach
1437 South Wasatch Drive
Salt Lake City, Utah

The agent may be changed from time to time by filing appropriate instruments.

9. Percentage of ownership and voting rights:

The percentage of ownership in the common areas and facilities of the condominium shall be for all purposes, including voting. The common expenses shall be allocated among the unit owners in accordance therewith. The percentage of ownership in the common areas and facilities shall be as set forth in Appendix B.

10. Easements:

A. The management may hereafter grant easements for utility purposes for the benefit of the condominium property, including the right to install, lay, maintain, repair and replace water mains and pipes, sewer lines, gas mains, telephone wires and equipment, and electrical conduits and wires over, under along and through any portion of the common areas and facilities.

B. An easement in favor of each unit owner is hereby established, to permit such owner to attach draperies, pictures, mirror, and like decorations and furnishings to the interior surfaces of the perimeter and interior walls and ceilings.

C. Each unit shall be subject to such easement as may be necessary for the installation, maintenance, repair or replacement of any common areas and facilities located within the boundaries of such unit.

D. In the event that, by reason of the construction, reconstruction, settlement or shifting of the building, any part of the common areas and

BOOK 3708 PAGE 339

facilities encroaches or shall hereafter encroaches or shall hereafter encroach upon any part of any unit or any part of any unit encroaches or shall hereafter encroach upon any part of the common areas and facilities or any other unit, 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 for any encroachment be created in favor of any unit owner or in favor of the unit owner or owners of the common areas and facilities if such encroachment occurred due to the willful conduct of such unit owner or owners.

11. Management:

The business property and affairs of Tower Hill Condominium, shall be managed by a management committee consisting of three (3) members who are unit owners in the project to be elected as provided in the By-Laws. Such management committee shall have all the powers, duties, and responsibilities as are now or may hereafter be provided by the Act, this Declaration, the By-Laws, and/or any amendments subsequently filed thereto provided however, that the management committee may engage the services of a professional manager and fix and pay a reasonable fee or compensation therefor; further provided, any contract agreement engaging a professional manager must contain a provision that the management contract may be terminated by the management committee for cause on 90 day written notice; and further, the term of any such agreement or contract shall not exceed three years. Notwithstanding anything herein contained to the contrary, Declarant alone at its option, may act as the management committee until the completion and sale of 80 percent of the units, by value, in the project, or until two years from the date this Declaration is recorded whichever shall first occur.

The management committee shall be responsible for the control, operation, and management of the project in accordance with the provisions of the Act, this Declaration and such administrative, management and operational rules, and regulations as it may adopt from time to time as herein provided, and all agreements and determinations lawfully made and entered into by the committee.

The management committee shall have the authority to provide such facilities, in addition to those for which provisions have already been made as it may deem to be in the best interest of the unit owners and to effect the necessary amend-

BOOK 3708 PAGE 400

ment of documents and maps in connection therewith.

The management committee shall be known by such name or designation as it, or the unit owners, at any meeting may assign.

12. Change in ownership:

Whenever there is a change of ownership of a residential unit and its appurtenant rights, for whatever reason, the management committee or the manager may require as condition to recognizing the new unit owner or owners as such, that the new unit owner or owners furnish evidence substantiating the new ownership, and provide any other information that may reasonably be required by the management committee.

13. 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 management committee determines in accordance with the Act, the Declaration, or the By-Laws. There shall be a lien for nonpayment of common expenses as provided by Utah Code Annotated Section 57-8-20 (1953 as amended).

In assessing unit owners or requiring them to pay for the building improvements and other improvements of the common areas and facilities following the execution of the Declaration, it is agreed that no assessment for a single improvement in the nature of capital expenditure exceeding the sum of \$2,500 in cost shall be made without the same having been first voted on and approved by owners of 75 percent, or more, of the undivided interest in the common areas and facilities. The foregoing sentence shall not apply in connection with the replacement or reconstruction occasioned by fire or other casualty.

14. Destruction or damage:

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

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

B. If less than 75 percent of the project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the

Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all the Unit Owners shall be assessed for any deficiency on the basis of their respective percentages of undivided interest in the Common Areas and Facilities.

C. If 75 percent or more of the project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Management Committee are not alone sufficient to accomplish restoration, and if the Unit Owners within 100 days after the destruction or damage by a vote of at least 75 percent elect to repair or reconstruct the affected improvements, restoration shall be accomplished in the manner directed under subparagraph B above.

D. If 75 percent or more of the project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Committee are insufficient to accomplish restoration, and if the Unit Owners do not, within 100 days after the destruction or damage and by vote of at least 75 percent elect to repair or reconstruct the affected improvements, the Management Committee shall promptly record with the Salt Lake County Recorder a notice setting forth such facts. Upon the recording of such notice the provisions of subsections (1) through (4) of Section 57-8-31, Utah Code Annotated (1953), shall apply and shall govern the rights of all parties having an interest in the project or any of the units.

15. Taxes:

It is understood that under Utah Code Annotated Section 57-8-27 (1953 as amended) each unit, and its percentage of undivided interest in the common areas and facilities in the project are subject to separate assessments and taxation by each assessing unit and the special district for all types of taxes authorized by law, and that as a result thereof, no taxes will be assessed or payable against the project as such. Each unit owner will, accordingly, pay and discharge any and all taxes which may be assessed against him and his percentage of undivided interest in the common areas and the facilities.

16. Insurance:

The management committee shall secure and maintain the following insurance coverage on the condominium project:

BOOK 3708 PAGE 402

A. Fire and Extended Coverage. A multi-peril type policy is required covering the entire condominium providing as a minimum Fire and Extended Coverage insurance on a replacement cost basis in an amount not less than that necessary to comply with any co-insurance percentage stipulated in the policy, but not less than 80 percent of the insurable value (based upon replacement cost). If the Condominium Project is located in an area indentified by the Secretary of Housing and Urban Development as an area having special flood hazards and t he sale of Flood Insurance has been made available under the National Flood Insurance Act of 1968, a "blanket" policy of flood insurance on the condominium project must be obtained in an amount which is the lesser of the maximum amount of insurance available under the Act or the aggregate of the unpaid principal balances of the mortgages on the condominium units comprising the Condominium Project.

B. Liability Coverage. A comprehensive policy or policies insuring the management committee, the manager and their agents and employees, the unit owners and their lessees, tenants, or occupants against any liability to the public or to the unit owners, incident to the ownership and/or use of the condominium project including all common areas and facilities, and including the personal liability exposure of the unit owners. Limits of liability under such insurance shall not be less than \$100,00/\$300,000 for bodily injury; and shall not be less than \$10,000 for personal damage for each occurrence. Such limits and coverage shall be reviewed at least annually by the management committee and changed at its discretion. Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross-liability endorsement wherein the rights of names insured under the policy or policies shall not be prejudiced as in respect to his, her, or their action against another names insured. Said policy or policies shall contain "Severability of Interest" endorsement which shall preclude the insurer from denying a claim because of negligent acts of the unit owners association, management committee, or their agents and employees or other unit owners and their lessees, tenants, or occupants.

C. Workmen's compensation to the extent necessary to comply with any applicable laws.

D. Insurance for such other risks of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium projects similar in construction, design, and use.

E. Exclusive authority to adjust losses under policies hereafter in force in the project shall be vested in the management committee or its authorized representative.

F. Each unit owner may obtain additional insurance at his own expense; provided however, that no unit owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the management committee, in behalf of all the unit owners, may realize under any insurance policy which the management committee may have in force on the project at any particular time.

G. An insurance for the fidelity coverage against dishonest acts on the part of directors, managers, trustees, employees, or volunteers responsible for handling funds belonging to or administered by the Owners Association if the condominium project has more than thirty (30) units. The fidelity bond or insurance must name the Unit Owners Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than one and one-half times the insured's estimated annual operating expenses and reserves. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

The name of the insured under each of the above required policies must state in form and substance similar to the following: "The Association of Unit Owners of Tower Hill Condominium for the use and benefit of the individual owners." Each of the above required policies shall contain a standard mortgagee clause which must be endorsed to provide that any proceeds shall be paid to the Association of Unit Owners of Tower Hill Condominium for the use and benefit of the mortgagees as their insurance may appear.

Each hazard insurance policy must be written by a hazard insurance carrier which has a financial rating by Best's Insurance Reports of BBB or better. Each carrier must be specifically licensed or authorized by law to transact business within the

state or territory where the mortgaged property is located.

Policies of insurance are unacceptable where: (i) under the terms of the carrier's charter, by-laws or policy, contributions or assessments may be made against a mortgagor; or (ii) by the terms of carrier's charter, by-laws or policy, loss payments are contingent upon action by the carrier's Board of Directors, policyholders, or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent the mortgagor from collecting insurance proceeds.

All policies of hazard insurance must contain or have attached the standard mortgagee clause customarily used by private institutional investors in the area in which the mortgaged property is located. The mortgagee clause must provide that the insurance carrier shall notify the first mortgagee (or trustee) named at least ten days in advance of the effective date of any reduction in or cancellation of the policy.

17. Payment of expenses:

Each unit owner shall pay the management committee his allocated portion of the cash requirement deemed necessary by the management committee to manage and operate the condominium project, including the recreational facilities thereof, upon the terms, at the times, and in the manner herein provided without any deduction on account of any set-off or claim which the owner may have against the management committee, and if the unit owner shall fail to pay any installment within one month of the time when the same becomes due, the owner shall pay interest thereon at the rate of 10 percent per annum from the date when such installment shall become due to the date of the payment thereof.

The cash requirements above referred to for each year, or portions of the year, are hereby defined and shall be deemed to be such aggregate sum as the management committee from time to time shall determine, in its judgment, is to be paid by all the owners of condominium projects then in existence to enable the management committee to pay all estimated expenses and outlays of the management committee to the close of such year, growing out of or in connection with the maintenance and operation of such land, buildings, and improvements, recreational areas and facilities, which sum may include, among other things, the cost of management, special assess-

ments, fire, casualty, and public liability insurance premiums, common lighting, landscaping and the care of grounds, repairs, and renovations to common areas and facilities, snow removal, wages, water and charges, legal and accounting fees, management fees, expenses and liabilities incurred by the management committee under or by reason of this Declaration, the payment of any deficit remaining from the previous period, the creation of a reasonable contingency or other necessary reserve or surplus fund, as well as all other costs and expenses relating to the condominium project. The management committee may, from time to time, up to the close of the year for which such cash requirements have been so filed or determined, increase or diminish the amount previously fixed or determined for such year. It may include in the cash requirement for any year, any liabilities or items of expense which accrued or become payable in the previous year, or which might have been included in the cash requirements for a previous year, but were not included therein. It shall include sums which the management committee deems necessary to provide a reserve for the replacement and repair of the common areas and facilities and also may include any sums which the management committee may deem necessary or prudent to provide a reserve against other liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

That portion payable by the unit owner in and for each year or for a portion of a year shall be a sum within the limits and on the conditions hereinabove provided bearing to the aggregate amount of such cash requirements for such year, or portion of year, determined as aforesaid, the same ratio as the unit owner owns an undivided interest in the common areas and facilities, and such assessments, together with any additional sums accruing under this Declaration shall be payable monthly in advance, or in such payments and installments as shall be required by the management committee, and at such times as shall be provided by the management committee.

The management committee shall have discretionary powers to prescribe the manner of maintaining and operating the condominium project and to determine the cash requirements of the management committee to be paid as aforesaid by the owners under this Declaration. Every such reasonable determination by the management committee within the bounds of the Act, and this Declaration shall be

final and conclusive as to the owners, and any expenditures made by the management committee, within the bounds of the Act and this Declaration shall as against the owner be deemed necessary and properly made for such purpose.

If the owner shall at any time let or sublet the unit and shall default for a period of one month in the payment of any assessments, the management committee may, at its option, so long as such default shall continue, demand and receive, from any tenant or sub-tenant of the owner occupying the unit, the rent due or becoming due and payment of such rent to the management committee shall be sufficient payment and discharge of such tenant or sub-tenant and the owner to the extent of the amount so paid.

Each monthly assessment and each special assessment shall be separate, distinct, and personal debts and obligations of the owner against whom the same are assessed at the time the assessment is made and shall be collectible as such. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same. The amount of any assessment, whether regular or special, assessed to the owner plus interest at 10 percent per annum, and costs, including reasonable attorney's fees, shall become a lien upon such unit upon recordation of a notice of assessment as provided by the Act. The said lien for non-payment of common expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

- A. Tax and special assessment liens on the unit in favor of any assessment unit, and special district, and,
- B. Encumbrances on the owner's interest in the unit (and common areas and facilities) recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

A certificate executed and acknowledged by a majority of the management committee stating the indebtedness secured by the lien upon any condominium created hereunder, shall be conclusive upon the management committee and the owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any owner or encumbrancee or prospective encumbrancee of a condominium upon request at

a reasonable fee not to exceed ten dollars. Unless the request for a certificate of indebtedness shall be complied within ten (10) days, all unpaid common expenses which become due prior to the date of making of such request shall be subordinate to the lien held by the person making the request. Any encumbrancee holding a lien on a condominium may pay any unpaid common expenses payable with respect to such condominium and upon such payment such encumbrancee shall have a lien on such condominium for the amounts paid of the same rank as the lien of his encumbrance.

Upon payment of a delinquent assessment concerning which such certificate has been so recorded, or other satisfaction thereof, the management committee shall cause to be recorded in the same manner as the certificate of indebtedness a further certificate stating the satisfaction and release of the lien thereof. Such lien for non-payment of assessment may be enforced by sale of the management committee or by a bank or trust company or title insurance company authorized by the management committee, such sale to be conducted in accordance with the provisions of the law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any manner permitted by law. In any foreclosure or sale, the unit owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees.

In the event of foreclosure, the unit owner shall be required to pay a reasonable rental for the condominium and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The management committee or manager shall have the power to bid in the condominium at foreclosure or other sale and to hold, lease, mortgage, and convey the condominium.

18. Mortgage protection:

Notwithstanding all other provisions hereof:

A. The liens created hereunder upon any condominium shall be subject and subordinate to, and shall not affect the rights of the holder of the indebtedness secured by any recorded first mortgage (meaning a mortgage or a trust deed with first priority over other mortgages) upon such interest made in good faith and for value,

provided that after the foreclosure of any such mortgage there may be a lien created pursuant to paragraph 17 hereof on the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such purchaser as an owner after the date of such foreclosure sale, which said lien, if any claimed, shall have the same effect and be enforced in the same manner as provided herein.

B. No amendment to this paragraph shall affect the rights of the holder of any such mortgage recorded prior to recordation of such amendment who does not join in the execution thereof.

C. By subordination agreement executed by a majority of the management committee, the benefits of A and B above may be extended to mortgages not otherwise entitled thereto.

19. Maintenance of units:

Each unit owner at his own expense shall keep the interior of his 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 any time be necessary to maintain the good appearance of his unit. Except to the extent that the management committee is protected by insurance against such injury, the unit owner shall repair all injury or damages to the unit, or condominium project caused by the act, negligence, or carelessness of the unit owner or that of any lessee or sub-lessee or any member of the unit owner's family or of the family of any lessee or sub-lessee or any agent, employee, or guest of the owner of his lessee or sub-lessee 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 condition, and heating equipment, dishwasher, disposals, ranges, etc., that may be in or connected with the residential unit. The management committee shall be responsible for maintenance and up keep of all parking areas including those constituting units. Without the written permission of the management committee first had and obtained, a unit owner shall not make or permit to be made any structural alteration, improvement, or addition in or to the unit, parking space, or

to the exterior of the building, and shall not paint or decorate any portion of the exterior of the building.

20. Right of entry:

The management committee 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 or any other part of the project, whether or not the unit owner or occupant thereof is present at the time. The committee 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 the project 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 the project; and provided further, that the unit owner affected by such entry shall be first notified thereof if available and if time permits.

21. Administrative rules and regulations:

The management committee shall have the power to adopt and establish by resolution, such building management, and operational rules as it may deem necessary for the maintenance, operation, management, and control of the project, the committee may, from time to time by resolution, alter, amend, and repeal such rules. When a copy of any amendment or alteration or provision for repeal of any rule or rules has been furnished to the unit owners such amendment, alteration, and provision shall be taken to be a part of such rules. Unit owner shall at all times obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision, it being understood that such rules shall apply and be binding upon all unit owners and/or occupants of the condominium.

22. Obligation to comply herewith:

Each unit owner, tenant, or occupant of a unit shall comply with the provisions of the Act, this Declaration, the By-Laws and the rules and regulations, all agreements and determinations lawfully made and/or entered into by the manage-

ment committee or the unit owners when acting in accordance with their authority, and any failure to comply with any of the provisions thereof, shall be ground for an action by the management committee to recover any loss or damage resulting therefrom for injunctive relief.

23. Indemnification of management committee:

Each member of the management committee shall be indemnified and held harmless by the unit owners against all costs, expenses, and liabilities whatsoever, including, without limitation, attorney's fees, reasonably incurred by him in connection with any proceeding to which he may become involved by reason of his being or having been a member of said committee. Provided however, a member of the management committee shall not be indemnified for acts of gross negligence or willful misconduct.

24. Amendment:

Except as provided below and unless a different percentage is required by law, the approval and consent of unit owners representing not less than two-thirds (2/3) of the undivided interests in the common areas and facilities shall be required to amend this Declaration and/or the Map. Any amendment shall be accomplished by the recording of an instrument wherein the management committee certifies that the unit owners representing at least two-thirds (2/3) of the undivided interest in the common areas and facilities have approved and consented to any such amendment.

The foregoing right of amendment shall be subject to a paramount right of amendment that until the completion and sale of 80 percent of the units, by value, in the project or until two years from the date this Declaration is recorded, whichever shall first occur, the Declarant shall have and is hereby vested with the right to amend this Declaration and/or the Map. Such right of amendment shall apply without regard to the subject matter of the amendment so long as the amendment involved is consistent with applicable law. The right of amendment includes but is not limited to amendments necessary to comply with or meet the requirements of any governmental agency or department, or the requirements of any lender or insurer, public or private, or any governmental sponsored program.

25. Miscellaneous Provisions:

Notwithstanding anything to the contrary herein contained, it is hereby declared, certified, and agreed as follows:

A. Mortgagee's Right of Notification. Any holder of a first mortgage or trust deed on any unit upon a request by any such holder to the management committee is entitled to written notification from the management committee of any default by the mortgagor of such unit in the performance of such mortgagor's obligation under the Declaration which is not cured within thirty (30) days. Further, any holder of a first mortgage or trust deed is entitled to written notification from the management committee of any loss to, or a taking of, the common areas and facilities.

B. Priority of Mortgagee Over Certain Assessments. Any holder of a first mortgage or a trust deed on any unit which comes into possession of the unit pursuant to the remedies provided in the mortgage, foreclosure of mortgage, or deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit which accrue prior to the time such holder comes into possession of the unit.

C. Certain Prohibitions Imposed on Unit Owners. Unless 75 percent of the holders of first mortgage liens (based on one vote for each mortgage owned) on individual Units have given their prior written approval, the unit owners shall not:

1. Change the prorata interest or obligation of any condominium unit for (i) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards and for (ii) determining the prorata share of ownership of each unit in appurtenant real estate and any improvements thereon which are owned by the unit owners in the condominium project in undivided prorata interest ("common elements").

2. Partition or subdivide any unit or the common areas of the project.

3. By act or omission seek to abandon the condominium status of the project except as provided by statute in case of substantial loss to the units and common areas of the project.

4. By act or omission seek to abandon, partition, subdivide, encumber sell or transfer the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the Condominium Project shall not be deemed a transfer within the meaning of this clause.

5. Use hazard insurance proceeds for losses to any condominium property (whether to units or to common elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the units and/or common elements of the Condominium Project.

D. The holders of first mortgage liens shall have the right to examine the books and records of the Association of Unit Owners or the Condominium Project.

26. Severability:

The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections hereof shall not affect the remaining portion of this instrument or any part thereof, all of which are inserted conditionally on their being held valid in law and in the event that one or more of the phrases, sentences, clauses, paragraphs, or sections contained therein should be invalid or should operate to render this agreement invalid, this instrument shall be construed as if such invalid phrases or phrases, sentence or sentences, clause or clauses, paragraph or paragraphs, section or sections had not been inserted.

27. 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, men or women, shall in all cases be assumed as though in each case fully expressed.

28. Topical headings:

APPENDIX A

LAND DESCRIPTION

FOR

TOWER HILL CONDOMINIUM

Beginning at the Northeast corner of Lot 4, Block 71, Plat D, Salt Lake City Survey, running thence S 0° 00' 24" E along the east line of said block 71, 50.00 feet, thence N 89° 53' 30" W 148.00 feet; thence N 14° 34' 29" E 51.64 feet to the north line of said Lot 4; thence S 89° 53' 30" E along said north line 19.00 feet; thence N 12° 05' 35" E 7.16 feet; thence N 10° 55' 23" E 76.36 feet; thence S 89° 53' 30" E 100.00 feet; thence 0° 00' 24" E 82.00 feet to the point of beginning.

BOOK 3708 PAGE 415

APPENDIX B

TOWER HILL CONDOMINIUM

Residential Units

<u>Unit No.</u>	<u>Number of Bedrooms</u>	<u>% Ownership of Common Areas</u>	<u>Parking Space - Assigned Limited Common Areas</u>
101	2	4.563	P-101
102	2	3.883	P-102
200	2	5.194	P-200
201	2	4.563	P-201
202	2	4.563	P-202
203	2	4.563	P-203
300	2	5.729	P-300
301	2	5.194	P-301
302	2	5.194	P-302
303	2	5.194	P-303
400	3	10.388	P-400A and P-400B
401	2	5.729	P-401
402	2	5.729	P-402
500	2	7.039	P-500
501	2	7.039	P-501
502	2	7.039	P-502
503	2	7.039	P-503

PARKING UNITS

<u>Unit No.</u>	<u>% Ownership of Common Areas</u>	<u>General Location on Property</u>
P-1	.194	First floor parking area
P-2	.194	First floor parking area
P-3	.194	First floor parking area
P-4	.194	First floor parking area
P-5	.194	First floor parking area
P-6	.194	First floor parking area
P-7	.194	First floor parking area

APPENDIX C

BY-LAWS

TOWER HILL CONDOMINIUM

I. IDENTITY

These are the By-Laws of Tower Hill Condominium, duly made and provided for in accordance with Utah Code Annotated Section 57-8-16 (1953 as amended) of the Utah "Condominium Ownership Act".

II. APPLICATION

All present or future owners, tenants, or any other persons who might use the facilities of Tower Hill Condominium in any manner are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the units or the mere act of occupancy or use of any of said units or the common areas and facilities will signify that these By-Laws are accepted, ratified, and will be complied with by said persons.

III. ADMINISTRATION OF CONDOMINIUM PROJECT

1. Place of Meetings. Meetings of the unit owners shall be held in such places within the State of Utah as the management committee may specify in the notice, except as herein otherwise specified.

2. Annual Meetings. The annual meeting of the unit owners shall be held in the first week of September of each year. The management committee may by resolution fix the exact date of the annual meeting at such place as the management committee may deem appropriate.

3. Special Meetings. Special meetings of the association of unit owners may be called at any time by written notice signed by a majority of the management committee, or by owners having 30 percent of the total votes, delivered not less than ten days prior to the date fixed for said meeting. Such meeting shall be held on the project or such other place as the management committee may specify and the notice thereof shall state the date, time, and matters to be considered.

4. Notices. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is by mail, it shall be deemed to have been delivered 48 hours after a copy of the same has been deposited in the United States Mail, postage prepaid, addressed to each unit owner at the address given by such person to the management committee or the manager for the purpose of service of such notice or to the unit of such person if no address has been given. Such address may be changed from time to time by notice in writing to the management committee or manager.

5. Quorum. At any meeting of the unit owners, the owners of more than 50 percent in the aggregate in interest of the undivided ownership of common areas and facilities shall constitute a quorum for any and all purposes, except whereby express provisions a greater vote is required, in which event a quorum shall be the number required for such vote. In the absence of a quorum, the chairman of the meeting may adjourn the meeting from time to time without notice other than by announcement at the meeting, until holders of the amount of interest requisite to constitute a quorum shall attend. At any such adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted at all meetings as originally notified.

6. Voting. When a quorum is present at any meeting, the vote of unit owners representing more than 50 percent in the aggregate in interest of the undivided ownership of common areas and facilities, present in person or represented by proxy, shall decide any question of business brought before such meeting, including the election of the management committee, unless the question is one upon which, by express provision of the Act, Declaration, or of the By-Laws, a different vote is required in which case such express provisions shall govern and control the decision of such question. All votes may be cast either in person or by proxy. All proxies shall be in writing; and in the case of proxies for the annual meeting, they shall be delivered to the secretary prior to said annual meeting. Proxies for special unit owners' meetings must be on record with the secretary prior to said meeting.

7. Waiver of Notice. Any unit owner may at any time waive any notice required to be given under these By-Laws, or by statute or otherwise. The presence of a unit owner in person at any meeting of the unit owners shall be deemed such waiver.

IV. MANAGEMENT COMMITTEE

1. Purpose and Powers. The business, property, and affairs of the Condominium shall be managed and governed by its management committee.

2. Composition of Management Committee. The committee shall be composed of three members. At the first regular owners meeting, two members shall be elected for two-year terms and the other member for a one-year term. At each annual owners meeting thereafter, any vacant seat on the committee shall be filled with a member elected for a two-year term. Only unit owners and officers and agents of owners other than individuals shall be eligible for committee membership. At the annual meeting, each unit owner may vote his percentage of undivided ownership interest in favor of as many candidates for committee membership as there are seats on the committee to be filled. Notwithstanding anything herein contained to the contrary, declarant alone at its option may act as the management committee until completion and sale of 80 percent of the units, by value, of the project, or until two years from the date this Declaration is recorded, whichever shall first occur.

Any committee member, after having been properly notified of the meeting, who fails on three successive occasions to attend Committee meetings (whether regular or special) or who has failed to attend at least 25 percent of all committee meetings (whether regular or special) held during any 12-month period shall automatically forfeit his seat. In all cases of vacancy, a majority of the remaining committee members (even though such remaining members may consist of less than a quorum) shall elect a replacement to sit on the committee until the expiration of the term for which the member being replaced was elected. Unless he forfeits his seat as herein provided, a member shall serve on the committee until his successor is elected and qualifies.

3. Regular Meetings. A regular annual meeting of the management committee shall be held immediately after the adjournment of each annual unit owner's meetings. Regular meetings other than the annual meetings, shall be held at regular specified intervals at such places and at such times as either the president or the management committee may from time to time designate. All regular and special meetings shall be open to any owner desiring to attend.

4. Special Meetings. Special meetings of the management committee shall be held whenever called by the president, the vice-president, or by three or more members. By unanimous consent of the management committee, special meetings may be held without call or notice at any time or place.

5. Quorum. A quorum for the transaction of business at any meeting of the management committee shall consist of a majority of the management committee then in office.

BOOK 3708 PAGE 413

6. Compensation. Members of the management committee, as such, shall not receive any stated salary or compensation provided that nothing herein shall be construed to preclude any member of the management committee from serving the project in any other capacity and receiving compensation therefor.

7. Waiver of Notice. Before or at any meeting of the management committee, any member thereof, may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the management committee at any meeting thereof shall be a waiver of notice by him of the time and place thereof.

8. Adjournments. The management committee may adjourn any meeting from day to day for such other time as may be prudent or necessary, provided that no meeting may be adjourned for longer than 30 days.

9. Fidelity Bonds. The management committee may require that all officers and employees of the management committee handling or responsible for funds shall require adequate fidelity bonds. The premium on each fidelity bonds shall be paid by the management committee.

V. OFFICERS

1. Designation and Election. The principal officers of the management committee shall be a president, a vice-president, a secretary, and a treasurer, all of whom shall be elected by and from the management committee. The management committee may appoint an assistant secretary and an assistant treasurer and such officers as in their judgment may be necessary or desirable. Such election or appointment shall regularly take place at the first meeting of unit owners, provided however, that elections of officers may be held at any other meeting of the management committee.

2. Other Officers. The management committee may appoint such other officers, in addition to the officers thereinabove expressly named, as they shall deem necessary, who shall have authority to perform such duties as may be prescribed from time to time by the management committee.

3. Removal of Officers and Agents. All officers and agents shall be subject to removal, with or without cause, at any time by the affirmative vote of the majority of the then members of the management committee.

4. President. The president shall be the chief executive of the management committee, and shall exercise general supervision over its property and affairs. He shall sign on behalf of the condominium project all conveyances, mortgages, and contracts of material important to its business, and shall do and perform all acts and things which the management committee may require of him. He shall preside at all meetings of the unit owners and the management committee. He shall have all of the general powers and duties which are normally vested in the office of the president of the corporation, including but not limited to, the power to appoint committees from among the members from time to time as he may in his discretion decide to appropriate to assist in the conduct of the affairs of the condominium project.

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 management committee shall appoint some other member thereof to do so on an interim basis. The vice-president shall also perform such other duties as shall from time to time be prescribed by the management committee.

6. Secretary. The secretary shall keep the minutes of all meetings,

BOOK 5708 PAGE 419

which shall be available to any unit owner, of the management committee and of the unit owners; he shall have charge of the books and papers as the management committee may direct; and he shall in general, perform all the duties incident to the office of secretary.

7. Treasurer. The treasurer shall have the responsibility for the funds and securities of the management committee and shall be responsible for keeping full and accurate accounts of all receipts and of all disbursements in books belonging to the management committee. He shall be responsible for the deposit of all monies and all other valuable effects in the name, and to the credit of, the management committee in such depositories as may be from time to time designated by the management committee.

8. Compensation. No compensation shall be paid to the officers for their services as officers. No remuneration shall be paid to an officer for services performed by him for the management committee in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the management committee before the services are undertaken.

VI. ACCOUNTING

1. Books and Accounts. The books and accounts of the management committee shall be kept under the direction of the treasurer and in accordance with the reasonable standards of accounting procedures.

2. Reports. At the close of each accounting year, the books and records of the management committee shall be reviewed by a person or firm approved by the unit owners. Reports of such review shall be prepared and submitted to the unit owners at or before the annual meeting of the unit owners together with a statement of income and disbursements for such year and also a copy of the budget for the ensuing year. Provided however, that a certified audit by a certified public accountant approved by the unit owners shall be made if at least 75 percent of the owners of the undivided interest in the common areas and facilities determine to do so.

3. Inspection of Books. Financial reports, books of accounts, and minutes such as are required to be furnished or kept shall be available at the principle office of the management committee for inspection at reasonable times by any unit owners.

VII. BUILDING RULES

The management committee shall have the power to adopt and establish, by resolution, such building, management and operational rules as it may deem necessary for the maintenance, operation, management, and control of Tower Hill Condominium, and the management committee may from time to time by resolution, alter, amend, and repeal such rules and regulations. Unit owners shall at all times obey such rules and regulations and use their best efforts to see that they are faithfully observed by their lessees and the persons over which they have or may exercise control or supervision, it being clearly understood that such rules and regulations shall apply and be binding upon all unit owners of the condominium project. Provisions of the Utah Condominium Ownership Act pertaining to rules and regulations are incorporated herein by reference and shall be deemed a part thereof.

VIII. AMENDMENT OF THE BY-LAWS

These By-Laws may be altered, amended, or repealed, at any regular meeting of the unit owners or at any special meeting of the unit owners at which a quorum is

BOOK 3708 PAGE 420

presented or represented by a vote of unit owners, representing at least two-thirds (2/3) of the ownership in the common areas and facilities, having voting power and acting in person or represented by proxy. Provided, that as a condition of any such alteration, amendment, or repeal, written notice of the proposed alteration, amendment, or repeal shall be given to all unit owners, at least ten days in advance in the case of a regular meeting and in the written notice transmitted in the case of a special meeting.

IX. OPERATION AND MAINTENANCE OF CONDOMINIUM

The management committee shall be responsible for the maintenance, control, operation, and management of this condominium project in accordance with the provisions of the Utah Condominium Ownership Act, the Declaration under which the condominium project was established and submitted to the provisions of said Act, these By-Laws, and such other rules and regulations as the association of unit owners may adopt from time to time as herein provided, and all agreements and determinations lawfully made and entered into by the management committee.

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