

Presented to the Board of Commissioners  
AND APPROVED

3100675

APR 11 1978

Declaration of Laurelhurst Condominiums

Index to Provisions and Exhibits

*Mildred V. Higham*

CITY RECORDER  
Provisions

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at 135P m Fee Paid \$ 67.50 KATIE L. DIXON, Recorder,

Salt Lake County, Utah, By *Cheryl Warrington* Dept. Date \_\_\_\_\_  
Cheryl Warrington

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Exhibits

- A. Record of Survey Map
- B. Unit Number and Percent of Undivided Interest in Common  
Areas and Facilities
- C. Bylaws of Laurelhurst Condominiums Owners Association

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THIS DECLARATION is made and executed by Albert Peter Sieverts, Jr. ~~and~~ ARNOLD SIEVERTS and JESSIE N. SIEVERTS, his wife, ("declarant"), pursuant to the provisions of the Condominium Ownership Act as amended, Utah Code Annotated, Section 57-8-1 through 57-8-36, hereinafter referred to as the "Act."

1. Recitals

1.1 Declarant, and the persons joining in this declaration are the owners of the real property and improvements ("property") located in Salt Lake City, Utah, hereinafter more particularly described.

1.2 Declarant, by recording this declaration, submits the property to the provisions of the Act.

1.3 The covenants, conditions, and restrictions contained in this declaration and in the Exhibits hereto shall be enforceable equitable servitudes and shall run with the land.

1.4 Declarant has filed simultaneously herewith a record of survey map depicting the location and dimensions of the submitted land, and plans of every structure which contains all or part of any unit or units.

1.5 The property shall be known as Laurelhurst Condominiums. The address of the property is 2010 South Laurelhurst Drive, Salt Lake City, Utah 84108.

2. Definitions

The terms used herein shall have the same meaning as set forth in the Act and as follows, unless the context otherwise requires:

- a. "association of unit owners" - All of the unit owners acting

as a group in accordance with the bylaws and declaration to govern the affairs of the Laurelhurst Condominiums.

b. "building" - A structure containing one or more units that has been or shall hereafter be constructed on the land.

c. "common areas and facilities" - The land within the condominium project; the foundations, columns, girders, beams, supports, main walls, roofs, stairs, and stairways, entrances and exits of the buildings; the walkways, yards, gardens, parking areas and storage spaces. All limited common areas and facilities as hereinafter described; installations such as power, light, gas, hot and cold water, existing for common use; all apparatus and installations existing for common use; recreational and other community facilities; and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use, and all areas and facilities designated as common areas and facilities in the act.

d. "common expenses" - All expenditures lawfully made or incurred by or on behalf of the unit owners association, together with all funds lawfully assessed for the creation and/or maintenance of reserves.

e. "common profits" - All income collected or accrued by or on behalf of the unit owners association, other than income derived from assessments.

f. "condominium unit" - A unit together with the undivided interest in the common areas and facilities appertaining to that unit.

g. "declarant" - All persons who execute the declaration or on whose behalf the declaration is executed.

h. "declaration" - The instrument by which the property is submitted to the provisions of the Act and its lawful amendments.

i. "limited common areas and facilities" - Common areas and facilities designated in the declaration as reserved for use of certain units to the exclusion of the others.

j. "majority" or "majority of unit owners" - The majority of voting unit owners.

k. "property" - The land, the buildings, improvements and structures, all easements, servitudes, rights and appurtenances belonging thereto, and all chattels intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the Act.

l. "unit" - A portion of the condominium designed and intended for individual ownership and use.

### 3. Description of the Condominium

#### 3.1 Description of the Land

The land on which the buildings and other improvements are to be located is in Salt Lake City, a municipal corporation, Salt Lake County, Utah, and is more particularly described as follows, to wit:

The North 100 feet of Lot 49; and the North 98 feet of Lot 72, Laurelhurst Subdivision in Block 5, 5 Acre, Plat C and S. E. 1/4 of Section 15, T1S, R1E, SLB&M as recorded in the office of the Salt Lake County Recorder.  
Contains: 0.759 acres

#### 3.2 Description of the Buildings

The Laurelhurst Condominiums project will consist of four buildings containing eight (8) single level units. The buildings are

over-and-under, structures constructed of wood, cinder brick masonry, wood siding, and concrete with attached carports. Each of the buildings has a flat, tar and gravel roof. The interior partitions between units consist of stud walls, faced with gypsum sheetrock. The interior floors are of concrete and plywood construction with carpet, vinyl and ceramic tile floor coverings. The buildings are supplied with electricity, water, gas, sewage, and garbage collection service. Each unit is equipped with individual heating and air conditioning equipment. The buildings are more fully depicted in the record of survey map, which is annexed hereto and made a part hereof as Exhibit A.

The record of survey map is a survey of the land and graphic description and plot plans of the improvements constituting the Laurelhurst Condominiums. The record of survey map identifies, describes, and locates the buildings, units, and common areas and facilities included within the Laurelhurst Condominiums Project.

### 3.3 Description of the Units

The Laurelhurst Condominiums Project will include a total of eight (8) residential condominium units. Each of the units is described in the Record of Survey Map (Exhibit A). Each unit depicted in the record of survey map is identified by a specific numeral designation. The record of survey map also describes the limited common areas and facilities which are reserved for the exclusive use of one or more of the units, and the common areas and facilities to which each unit has immediate access.

Each of the eight (8) units in the Laurelhurst Condominiums

contains a living room, dining area, kitchen, two bedrooms, and one and one-half bathrooms. A condominium unit shall include that part of the building containing the unit which lies within the boundaries of the unit, which boundary shall be determined in the following manner:

a. The upper boundary shall be the place of the lower surface of the ceiling;

b. The lower boundary shall be the place of the upper surface of the floor slab; and

c. The vertical boundaries of the unit shall be the interior surface of the perimeter walls of the building bounding a unit.

#### 3.4 Description of the 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 facilities shall include the following, whether located within the bounds of a unit or not:

a. All structural parts of the buildings, including, without limitation, foundations, bearing walls, joists, beams, supports, ceilings and roofs;

b. Driveways, parking spaces, carports, stairways, entryways, patios, balconies, terraces, lawn areas, shrubs, gardens, sidewalks, fences, and perimeter walks;

c. Any utility pipe or line or system servicing more than a single unit, and all ducts, wires, conduits, and other accessories used therewith;

- e. The limited common areas and facilities herein described; and
- f. All repairs and replacements of any of the foregoing.

3.5 Description of the Limited Common Areas and Facilities

The limited common areas and facilities appurtenant to each of the eight (8) units shall include a patio or terrace located at the rear of each unit facing the common lawn areas, a patio located to the side of each unit between the building and the perimeter wall, a covered parking stall located in the carport attached to the building in which the unit is located, and an uncovered parking space located immediately behind each unit's designated covered parking stall. The lower entryways in each building shall be reserved for the exclusive use of the units within each building. The stairway, upper entryway, and exterior storage closet located on the upper level in each building shall be reserved for the exclusive use of the upper unit in each building. The limited common areas and facilities are more fully described in the Record of Survey Map (Exhibit A).

4. Unit Number and Percentages of Undivided Interest in Common Areas and Facilities

4.1 The unit number and percentage of undivided interest in the common areas and facilities appurtenant to each unit and its owner for all purposes, including voting, is set forth in Exhibit B. Except as provided in paragraph 15, the percentage of undivided interest in the common areas and facilities appurtenant to any unit shall not be changed except with the unanimous consent of all of the unit owners in the condominium project expressed in an amendment to this declaration duly executed by all such owners and recorded.



4.2 An equal undivided interest in the common areas and facilities has been allocated to each unit in the property.

5. Purpose of Property and Use Restrictions Thereon

5.1 The purpose of the property is to provide residential housing for unit owners, their respective families, tenants, guests, and servants.

5.2 The units and common areas and facilities shall be occupied and used as follows:

5.2.1 No commercial business shall be permitted within the property.

5.2.2 There shall be no obstruction of the common areas and facilities. Except in the case of designated storage areas, nothing shall be stored in the common areas and facilities without the prior written consent of the Management Committee.

5.2.3 Nothing shall be done or kept in any unit or in the general or limited common areas and facilities which will increase the rate of insurance on the general or limited common areas and facilities without the prior written consent of the management committee. No owner shall permit anything to be done or kept in his unit or in the general or limited common areas and facilities which will result in the cancellation of insurance of any unit or any part of the general or limited common areas and facilities, or which would be in violation of any law. No waste will be committed of the general common areas and facilities or limited common areas and facilities.

5.2.4 No sign of any kind shall be displayed to the public view or from any unit or from the general or limited common areas and facilities without the prior written consent of the Management Committee.

5.2.5 No animals, livestock or poultry of any kind shall be raised, bred or kept in any unit or in the common areas and facilities; except that household pets may be kept or housed in the units when expressly permitted in writing by the Management Committee. Each owner who desires to keep a pet in his unit shall apply in writing to the Management Committee for permission to keep such pet. In no event shall any pet be permitted in any portions of the common areas and facilities unless carried or on a leash. Each owner who keeps a pet in a unit shall indemnify and hold all other owners in harmless against any loss or liability of any kind or character whatsoever arising from or as a result of having such pet in the Laurelhurst Condominiums. If a pet disturbs other owners by barking or biting or in other ways becoming obnoxious, the Management Committee will give notice to the owner of such pet to cause such annoyance to be discontinued and if such annoyance is not discontinued and corrected, the Management Committee may revoke its permission to keep the pet in the Laurelhurst Condominiums and the pet shall be removed from the property.

5.2.6 No noxious, dangerous or offensive activity shall be carried on in any unit or in the general or limited common areas and facilities, nor shall anything be done therein which may be or become an annoyance or nuisance to other owners.

5.2.7 The Laurelhurst Condominiums Project has been designated for adult living. Neither the units nor the common areas and facilities are designed to accommodate families with children. No person under eighteen (18) years of age may take up residence in any of the units of the Laurelhurst Condominiums without first receiving the written

approval of the Management Committee and subject to rules and regulations adopted by the Management Committee. Residence for purposes of this subsection shall mean dwelling in one of the units of the Laurelhurst Condominiums for part or all of at least three weeks in any given month.

5.2.8 Nothing shall be altered added to, constructed in, or removed from the general or limited common areas and facilities, except upon the prior written consent of the Management Committee. Nothing shall be done which would change the appearance of the common areas and facilities, or the exterior appearance of a unit or any other portion of the property without the prior written consent of the Management Committee.

5.2.9 The Management Committee is authorized to adopt rules for the use of the general or limited common areas and facilities, and prescribe penalties for any violation thereof, and shall furnish such rules in writing to the owners, who shall be bound thereby.

5.2.10 None of the rights and obligations of the owners created herein, or by the deeds conveying the condominiums, shall be altered in any way by encroachments due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor of an owner or owners if said encroachment occurred due to the willful conduct of said owner or owners.

5.2.11 Declarant, and persons it may select, shall have the right of ingress and egress over, upon and across the general and limited common areas and facilities and the right to store materials thereon and

make such other use thereof as may be reasonably necessary incident to the conversion and sales of the condominiums and operation of the units and common areas and facilities in connection with the Laurelhurst Condominiums Project. Declarant and its agents shall retain the right to use one unit as a sales office and model unit, and to use the general and limited common areas and facilities in connection therewith during the period of conversion and sale of the Laurelhurst Condominiums Project.

#### 6. Management Committee

6.1 The governing board of Laurelhurst Condominiums Project shall be the Management Committee of the Laurelhurst Condominiums Owners Association, which shall manage and maintain the property and business of the project pursuant to the provisions of this Declaration, and its Bylaws, Exhibit C attached hereto.

6.2 Declarant hereby reserves the right to appoint and remove three of the five members of the Management Committee of the Laurelhurst Condominiums Owners Association. Such right shall expire after the first to occur of the following: a) two years from the recording of this Declaration; or b) after units to which three-fourths of the undivided interest in the common areas and facilities appertain have been conveyed, whichever last occurs. Declarant shall have the option at any time after the date of the filing of this Declaration to turn all powers and duties otherwise assigned to the owners association or the Management Committee, including the responsibility of electing all of the members of the Management Committee, to the Laurelhurst Condominiums Owners Association.

#### 7. Maintenance, Alteration, and Improvement

7.1 The maintenance, replacement, and repair of the common areas

and facilities shall be the responsibility of the Management Committee and the cost thereof shall be a common expense. The Management Committee shall replace and repair carports, entryways, stairways, and other limited common areas. The Management Committee shall also maintain, replace, and repair all conduits, ducts, plumbing and wiring, and other facilities for the furnishing of heat, gas, light, power, air conditioning, water and sewer contained in the portions of the units that service part or parts of the property other than the unit in which they are contained. All incidental damages caused to a unit by the maintenance, replacement and repair of the common areas and facilities or utility services shall be repaired promptly at the expense of the Management Committee.

7.2 The unit owners shall have the responsibility to maintain, repair, replace and keep in a clean and sanitary condition, at the unit owner's expense, all portions of the unit owner's unit, except those portions to be maintained, repaired and replaced by the Management Committee. The unit owners shall maintain, keep clean and in a sanitary condition their entryways, terraces, patios, and all other limited common areas and facilities, if any.

#### 8. Destruction or Damage

8.1 In case of fire or any other disaster which causes damage or destruction to all or part of the property, the Management Committee, with the help of an independent appraisal, shall determine the percentage of the property that was destroyed or substantially damaged. If less than two-thirds (2/3) of the total property was destroyed or substantially damaged, the Management Committee shall arrange for the prompt repair and restoration of said property using the proceeds of insurance on the

same for that purpose, and the unit owners shall be liable for assessment for any deficiency, if any, in proportion to their respective percentages of undivided interest in the common areas and facilities. Reconstruction of the property shall mean the restoring of the buildings to substantially the same condition they were in prior to the damage or destruction, with each unit and the common areas and facilities having the same vertical and horizontal boundaries as before, unless the destruction or damage is by reason of eminent domain, in which event the provisions of paragraph 11 hereof shall apply.

8.2 If two-thirds (2/3) or more of the total property is destroyed or substantially damaged, the Management Committee shall, within one hundred (100) days after such destruction or damage, call a special meeting of the unit owners for the purpose of deciding whether or not the property shall be repaired and restored. If at least three-fourths (3/4) of the unit owners, in person or by proxy, vote to repair or restore the building or buildings, the Management Committee shall promptly arrange for the reconstruction of the same, using the proceeds of insurance on the buildings affected for that purpose, and the unit owners shall be liable for assessment for any deficiency, if any, in proportion to their respective percentage of undivided interest in the common areas and facilities. If the destruction or damage is by reason of eminent domain, the provisions of paragraph 11 hereof shall apply. However, in the event at least two-thirds (2/3) of the total property is destroyed or substantially damaged, and less than three-fourths (3/4) of the unit owners vote to make provision for reconstruction, the Management Committee shall record, with the County Recorder, a notice setting forth

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such facts; and upon the recording of such notice: (i) the property shall be deemed to be owned in common by the unit owners; (ii) the undivided interest in the property owned in common which shall appertain to each unit owner shall be the percentage of undivided interest previously owned by such owner in the common areas and facilities; (iii) any liens affecting any of the units shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the unit owner in the property; and (iv) the property shall be subject to an action for partition at the suit of any unit owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the property, shall be considered as one fund and shall be divided among all unit owners in a percentage equal to the percentage of undivided interest owned by each owner in the property, after first paying out of the respective shares of the unit owners, to the extent sufficient for such purposes, all sums necessary to satisfy liens on the undivided interest in the property owned by each unit owner.

8.3 For purposes of this paragraph 8, the terms "disaster," "destruction," or "substantial damage" shall mean and include a temporary or permanent taking, injury or destruction of all or part of the common areas and facilities or one or more units or portions thereof by the exercise of the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation.

#### 9. Insurance

9.1 The Management Committee shall obtain and maintain at all times insurance coverage to carry out the purposes of paragraph 8 of the Declaration. Such coverage shall be of the type and kind as provided

herein and include insurance for such other risks, or a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other properties similar to the property in construction, design, and use. The Management Committee shall make every reasonable effort to obtain insurance with the following provisions or endorsements:

9.1.1 Exclusive authority to adjust losses shall be vested in the Management Committee as insurance trustee;

9.1.2 The insurance coverage shall not be brought into contribution with insurance purchased by individual unit owners or their respective mortgagees;

9.1.3 Each unit owner may obtain additional insurance covering his real property interest at his own expense;

9.1.4 The insurer waives its right of subrogation as to any claims against each unit owner;

9.1.5 The insurance coverage cannot be cancelled, invalidated or suspended because of the conduct of any one or more individual unit owners or their respective lessees, employees, agents, contractors, and guests;

9.1.6 The insurance coverage cannot be cancelled, invalidated or suspended because of the conduct of any officer or employee of the association or Management Committee or their employees, agents or contractors, without prior demand in writing that the Management Committee cure the defect and then only if the defect is not cured within fifteen (15) days.

9.2 The Management Committee, for the benefit of the property and the unit owners, shall maintain a policy or policies of casualty and



multi-peril, "all risk" insurance on the property, with the provisions and endorsements as set forth in paragraph 9.1 above, if obtainable, also with extended coverage endorsements, for the full insurance replacement value of the units, common areas and facilities, items of common personal property and fixtures, payable to the Management Committee as insurance trustee to be disbursed in accordance with the terms of the Declaration. The limits and coverage of said insurance shall be reviewed at least annually by the Management Committee and shall include an appraisal of the property by a qualified representative of the insurance company writing the master policy on the property. Said policy or policies shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees, if any, of each unit.

9.3 The Management Committee shall obtain a policy or policies of insurance insuring the Management Committee and its employees, including the manager, the unit owners and their respective lessees, servants, agents or guests against any liability to the public or to the owners of units, members of the households of unit owners, their respective invitees or tenants, incident to the ownership and/or use of the property, and including the personal liability exposure to the unit owners, incident to the ownership and/or use of the property. Limits of liability under such insurance shall not be less than \$250,000.00 for any one person injured, \$1,000,000 for all persons injured in any one occurrence, and shall not be less than \$100,000 for property damage in each occurrence. The limits in coverage of said liability policy or policies shall be reviewed at least annually by the Management Committee and increased at its discretion. Said policy or policies shall be issued on a comprehensive

liability basis and, if possible, shall provide cross-liability endorsements for possible claims for any one or more or group of insureds against any one or more or group of insureds, without prejudice to the right of a named insured under the policies to maintain an action against another named insured.

9.4 Each unit owner shall be required to notify the Management Committee of, and shall be liable for, any increased insurance premium for insurance maintained by the Management Committee on all improvements made by the unit owner to his unit, the value of which is in excess of One Thousand Dollars (\$1,000). Each unit owner shall bear the risk of loss for all improvements made to his unit that were not the subject of notice to the Management Committee.

9.5 Any unit owner who obtains individual insurance coverage covering any portion of the property, other than personal property belonging to such unit owner, shall be required to file a copy of such individual policy or policies with the Management Committee within thirty (30) days after obtaining such insurance coverage.

9.6 No unit owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount that the Management Committee, on behalf of all of the unit owners, may realize under any insurance policy that the Management Committee may have in force covering the property or any part thereof at any time.

#### 10. Termination

10.1 In the event two-thirds (2/3) of the property is destroyed or substantially damaged, and if the unit owners vote not to reconstruct the buildings, the property shall be removed from the provisions of the

Act without further agreement one hundred and one (101) days after such destruction or damage.

10.2 If all of the unit owners in person or by proxy, vote to remove the property from the provisions of the Act, the property shall be removed from the provisions of the Act by an instrument duly recorded to that effect, provided that the holders of all liens affecting any of the units consent or agree by instruments duly recorded, that their liens be transferred to the percentage of the undivided interest of the unit owners in the property.

10.3 After removal of the property from the Act, the unit owners shall own the property and all assets of the association as tenants in common and the respective mortgagees and lienors shall have mortgages and liens upon the respective undivided interests of the unit owners. Such undivided interests of the unit owners shall be the same as the percentage of undivided interest in the common areas and facilities appurtenant to the owners' units prior to removal from the Act.

10.4 This paragraph 10 cannot be amended without consent of all unit owners and all record owners or mortgagees on units.

#### 11. Eminent Domain

Any eminent domain proceeding, or in a form as to have the effect of eminent domain, shall be governed by the provisions of Section 57-8-32.5 of the Act.

#### 12. Mortgage Protection

12.1 The term "mortgage" as used herein shall mean any recorded mortgage having priority over other mortgages and shall include a recorded deed of trust. The term "mortgagee" shall mean the owner and

holder of a mortgage and shall include a beneficiary under a deed of trust.

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

12.3 The lien or claim against a Condominium Unit for unpaid assessments or charges levied by the Management Committee or by the Association of Unit Owners pursuant to this Declaration or the Act shall be subordinate to a first Mortgage affecting such Condominium Unit. A first Mortgagee who comes into possession of the Condominium Unit pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall take the same free of such lien or claim for unpaid assessments or charges, but only to the extent of assessments or charges which accrue prior to foreclosure of the Mortgage, exercise of a power of sale available thereunder, or deed or assignment in lieu of foreclosure (except for claims for a pro rata share of such prior assessments or charges resulting from a pro rata reallocation thereof to all Condominium Units including the Condominium Unit in which the Mortgagee is interested). No assessment, charge, lien or claim which is described in the preceding sentence as being subordinate to a first Mortgage or as not a burden to a first Mortgagee coming into possession pursuant to his Mortgage or a deed or

assignment in lieu of foreclosure shall be collected or enforced by either the Management Committee or the Association from or against a Mortgagee, a successor in title to a Mortgagee, or the Condominium Unit affected or previously affected by the Mortgage concerned (to the extent any such collection or enforcement would prejudice the interests of the Mortgagee or successor in title to the Mortgagee interested in such Unit).

12.4 Unless all of the first Mortgagees of the individual Condominium Units have given their prior written consent, neither the Management Committee nor the Association of Unit Owners shall be entitled by act, omission, or otherwise:

(a) To abandon or terminate the Condominium Project or to abandon or terminate the arrangement which is established by this Declaration and the Record of Survey Map (except as provided in Article VIII hereof in the event of certain destruction or damage);

(b) To partition or subdivide any Unit;

(c) To abandon, partition, subdivide, encumber, sell or transfer all or any of the Common Areas and Facilities (except for the granting of easements for utilities and similar purposes consistent with the intended use of the Common Areas and except as provided in Provision 8 hereof in the event of certain destruction or damage);

(d) To use hazard insurance proceeds resulting from damage to any part of the Condominium Project (whether to units or to the Common Areas) for purposes other than the repair, replacement, or reconstruction of such improvements, except as provided in Provision 8 hereof in the event of certain destruction or damage;

(e) To change the pro rata interests or obligations of any Unit which apply for (a) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards and for (b) determining the pro rata share of ownership of each Unit in the Common Areas and Facilities.

(f) To alter the provisions of Provision 9 hereof in such a way as to diminish the insurance protection required to be afforded to the parties designed to be protected thereby, or to fail to maintain the insurance coverage described therein.

12.5 Any First Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Management Committee, of the Association of Unit Owners, or of the Condominium Project. From and after the time a First Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefor, the Committee or the Association shall furnish to such Mortgagee copies of such annual operating reports and other reports or writings summarizing or reflecting the financial position or history of the Condominium Project as may be prepared for distribution to or used by the Committee, the Association, or the Unit Owners.

12.6 From and after the time a First Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefor, the Committee or the Association shall notify such Mortgagee in writing in the event that there occurs any damage or loss to, or taking or anticipated condemnation of: (a) The Common Areas involving an amount in excess of , or reasonably estimated to be in excess of, Ten Thousand

Dollars (\$10,000.00); or (b) Any Unit involving an amount in excess of, or reasonably estimated to be in excess of, One Thousand Dollars (\$1,000.00). Said notice shall be given within ten (10) days after the Management Committee or said Association learns of such damage, loss, taking or anticipated condemnation.

12.7 In the event another provision or clause of this Declaration deals with the same subject matter as is dealt with in any provision or clause of this Provision 12, the provision or clause which results in the greatest protection and security for a First Mortgagee shall control the rights, obligations, or limits of authority as the case may be, applicable to the Management Committee and Association of Unit Owners with respect to the subject concerned.

13. Sale or Lease: Right of First Refusal

13.1 No unit owner may transfer a unit or any interest therein by sale or lease without approval of the Management Committee, except to another owner. The approval of the Management Committee required for the transfer of ownership or interest of a unit or lease of a unit shall be requested as follows:

13.1.1 A unit owner intending to make a bona fide sale or lease of a unit or any interest therein shall give to the Management Committee notice of such intention, together with the name and address of the intended purchaser or lessee and such other information concerning the intended purchaser or lessee as the Management Committee may reasonably require. The notice shall be accompanied by an executed copy of the proposed contract of sale or proposed lease.

13.1.2 If the notice to the Management Committee herein required is not given, at any time after receiving knowledge of the

transaction, or of the event transferring ownership or possession of a unit, the Management Committee at its election and without notice may approve or disapprove the transaction or ownership. If the Management Committee disapproves the transaction or ownership, the Management Committee shall proceed as if it had received the required notice on the date of such disapproval.

13.1.3 Unless waived by the Management Committee, each unit owner required to give notice to the Management Committee of a transfer or lease of a unit shall pay a reasonable fee to the Management Committee in an amount determined by the rules and regulations to cover the costs incident to the determination of approval. The fee shall be paid with the giving of the notice. If the notice is not given, the fee shall be assessed against the unit owner liable for the payment.

13.2 Within fourteen (14) days after the receipt of such notice and information, the Management Committee shall approve or disapprove the proposed sale or lease. If approved, the approval shall be set forth in a certificate executed by the Management Committee. The certificate shall be delivered to the purchaser.

13.3 If the Management Committee shall disapprove a transfer of ownership of a unit, or an interest in the unit, or a lease of a unit, within fourteen (14) days after the receipt of such notice and information, the Management Committee shall deliver or mail by certified mail to the unit owner an agreement to purchase or lease by a purchaser or lessee approved by the Management Committee to whom the unit owner must sell or lease the unit upon the following terms:



13.3.1 At the option of the purchaser or the lessee to be stated in the agreement to purchase or lease agreement, the price to be paid or the lease amounts shall be that stated in the disapproved contract to sell or contract to lease; provided, however, that the purchaser or lessee provided by the Management Committee shall have the option to have the fair market value of the unit or the fair market value of the lease be determined by a group of three M.A.I. appraisers to be selected as follows: The Management Committee shall select one appraiser, the unit owner or owners desiring to sell or lease shall select one appraiser, and the two appraisers thus selected shall select the third appraiser. In the event all three appraisers cannot agree on a price or rental to be paid, as the case may be, the decision of any two of the three shall be binding. The expense of the appraisal shall be paid by the proposed purchaser or lessee. The purchase price shall be paid in cash or upon terms approved by the seller, or the lease terms shall be those as set forth in the proposed lease. The sale or lease shall be closed within thirty (30) days after the delivery or mailing of said agreement to purchase or proposed lease, or within thirty (30) days of the determination of the sales price or the lease payments, if such is done through the appraisal method referred to above. A certificate executed by the Management Committee approving the purchaser or lessee shall be recorded at the expense of the purchaser or lessee.

13.3.2 If the Management Committee shall fail to provide a purchaser or lessee upon the demand of the selling unit owner, or if a purchaser or lessee furnished by the Management Committee shall default in the agreement to purchase or lease, then notwithstanding the disapproval,

the proposed transaction shall be deemed to have been approved and the Management Committee shall furnish a certificate of approval as provided above.

13.4 In the event any unit owner shall attempt to sell or lease his unit without affording to the other unit owners the right of first refusal herein provided, such sale or lease shall be wholly null and void and shall confer no title or interest whatsoever upon the intended purchaser or lessee.

13.5 The subleasing or subrenting of said interest shall be subject to the same limitations as are applicable to the leasing or renting thereof. The liability of the unit owner under these covenants shall continue, notwithstanding the fact that he may have leased or rented said interest as provided herein.

13.6 In no case shall the right of first refusal reserved herein affect the right of a unit owner to subject his unit to a trust deed, mortgage or other security instrument whereby a bank, insurance company, savings and loan association, or other similar institution becomes the owner and holder of such trust deed, mortgage or security instrument.

13.7 The failure of or refusal by the Management Committee to exercise the right to so purchase or lease shall not constitute or be deemed to be a waiver of such right to purchase or lease when a unit owner receives any subsequent bona fide offer from a prospective purchaser or tenant.

13.8 In the event of any default on the part of any unit owner under any first mortgage made in good faith and for value, which entitled

the holder thereof to foreclose the same, any sale under such foreclosure, including delivery of a deed to the first mortgagee in lieu of such foreclosure, shall be made free and clear of the provisions of this paragraph 13, and the purchaser (or grantee under such deed in lieu of foreclosure) of such unit shall be thereupon and thereafter subject to the Declaration, and the provisions of the Bylaws. If the purchaser following such foreclosure sale (or grantee under deed given in lieu of such foreclosure) shall be the then holder of the first mortgage, or its nominee, the said holder or nominee may thereafter sell and convey the unit free and clear of the provisions of this paragraph 13, but its grantee shall thereupon and thereafter be subject to all of the provisions hereof.

13.9 The transfer of a deceased joint tenant's interest to the surviving joint tenant or the transfer of the decedent's interest to a devisee by will or his heirs at law under intestacy laws shall not be subject to the provisions of this paragraph 13.

13.10 The initial sale or transfer of any unit by declarant shall not be subject to the provisions of this paragraph 13.

#### 14. Conveyances, Easements

14.1 Every deed, lease, mortgage or other instrument may describe a unit by its identifying number as set forth in Exhibit B and in the Record of Survey Map, Exhibit A. Every such description shall be deemed good and sufficient for all purposes and shall be deemed to convey, transfer, encumber or otherwise effect the unit owner's corresponding percentage of undivided ownership in the common areas and facilities, as a tenant

in common, as set forth in Exhibit B, even though the same is not exactly mentioned or described.

14.2 Every deed, lease, mortgage or other similar instrument shall be deemed to:

14.2.1 Except and reserve with respect to a unit: (i) any portion of the common areas and facilities lying within said unit; (ii) easements through said unit, appurtenant to the common areas and facilities and all other units, for support and repair of the common areas and facilities and all other units; and (iii) easements, appurtenant to the common areas and facilities, for encroachment upon the air space of said unit by those portions of the common areas and facilities located within said unit.

14.2.2 Include with respect to a unit nonexclusive easements for ingress and support of said unit through the common areas and facilities, for the repair of said unit through all other units and through the common areas and facilities.

14.2.3 Except and reserve, with respect to the undivided percentage interest in the common areas and facilities, nonexclusive easements appurtenant to all units for ingress, egress, support and repair.

14.2.4 Include, with respect to the undivided percentage interest in the common areas and facilities, nonexclusive easements through each unit for support and repair of the common areas and facilities and nonexclusive easements for encroachments upon the air space of all of the units by and for the portions of the common areas and facilities lying within the units.

15. Combination of Units

15.1 An owner of two or more adjoining units shall have the right upon approval of the Management Committee and the Mortgagees of the units to be combined to combine one or more adjoining units or portions thereof and to alter or amend the Declaration, the Bylaws, and the Record of Survey Map to reflect such combination.

15.2 Such amendments may be accomplished by the unit owner recording an amendment or amendments to the Declaration and Bylaws, together with the amended Record of Survey Map containing the same information with respect to the altered units as required in the initial Declaration, Bylaws, and Record of Survey Map with respect to the initial units. All costs and expenses required in such amendments shall be borne by the unit owner desiring such combination.

15.3 All such amendments to the Declaration and Bylaws and Record of Survey Map must be approved by attorneys employed by the Management Committee to insure the continuing legality of the Declaration, the Bylaws, and the Record of Survey Map. The cost of such review by the attorneys shall be borne by the person wishing to combine the units.

15.4 Any amendment of the Declaration, the Bylaws, or the Record of Survey Map pursuant to this paragraph 15 shall reflect the changes in the percentage of undivided interest in the common areas and facilities which are appurtenant to the units involved in the alterations. The remaining combined unit, if two or more units are totally combined, will acquire the total of the percentage of undivided interest in the common areas and facilities appurtenant to the units that are combined as set forth in Exhibit A. If a portion of one unit is combined with another,

the resulting units shall acquire a proportionate percentage of the total undivided interest in the common areas and facilities of the units involved in the combination on the basis of area remaining in the respective, combined units. The percentage of undivided interest in the common areas and facilities appurtenant to all other units shall not be changed. All such amendments must, in all instances, be consented to by the Management Committee and also all other persons holding interest in the units affected. The consent of other unit owners need not be obtained to make such amendments or alterations valid, providing the percentages of undivided interest in the common areas and facilities of the other unit owners remain unchanged.

#### 16. Assessments

16.1 Agreement to pay assessments. Each owner of a unit by the acceptance of a deed or contract therefor, whether or not it be so expressed in the deed or contract, shall be deemed to covenant and agree with each other and with the Management Committee to pay his proportionate share of the common expenses and special assessments for capital improvements and other matters in such amounts and at such times as determined by the Management Committee in accordance with the terms of the Bylaws, Exhibit C.

16.2 Lien for unpaid assessments. All sums assessed to any unit together with interest thereon, shall be secured by a lien on such unit in favor of the Management Committee. Such lien shall be superior to all other liens and encumbrances, except as provided for in the Bylaws, Exhibit C, and foreclosure and collection shall be as therein provided for.

17. Amendment

Except as provided in paragraph 15 regarding the combination of units, and except as provided by the Act, the provisions of this Declaration may be amended only by an instrument in writing signed and acknowledged by owners who own undivided percentage interests of not less than seventy-five percent of the Laurelhurst Condominiums Project, which amendment shall be effective upon recording.

18. Enforcement

Each unit owner shall strictly comply with the provisions of the Declaration, the Bylaws, the community rules and regulations and decisions issued pursuant thereto. Failure to so comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee or its designee on behalf of the unit owners, or in an appropriate case, by an aggrieved unit owner.

19. Severability

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

20. Captions

The captions to this Declaration are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of this Declaration or the intent of any provision hereof.

21. Law Controlling

This Declaration, the condominium plat and plans, and Bylaws shall

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continued

be construed and controlled by and under the laws of the State of Utah.

22. Effective Date

This Declaration shall take effect when recorded.

23. Person to Receive Service of Process

The person to receive service of process in the cases provided herein or in the Act is Albert Peter Sieverts, Jr., whose address is 160 "D" Street, Salt Lake City, Utah 84103. The said person may be changed by the recordation by the Management Committee of an appropriate instrument.

IN WITNESS WHEREOF, the undersigned has executed this instrument this 12 day of APRIL, 1978.

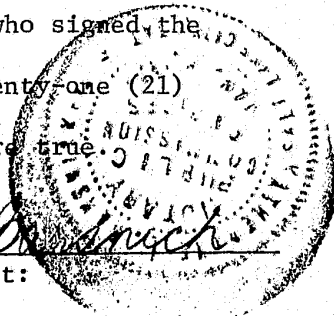
Albert Peter Sieverts  
Arnold Sieverts  
Jessie K. Sieverts

STATE OF UTAH )  
                          ) ss  
COUNTY OF SALT LAKE)

On the 6<sup>th</sup> day of April, 1978, A.D., personally appeared before me Albert P. Sieverts, Jr. and \_\_\_\_\_, who being by me duly sworn,

did say that they were the respective owners of the property which is hereby submitted to the provisions of the Utah Condominium Ownership Act as amended, Utah Code Annotated, Section 57-8-1 through 57-8-36, and that they did severally declare that they are the persons who signed the foregoing document and that they are both of the age of twenty-one (21) years or more, and that the statements therein contained are true.

Katherine L. [Signature]  
NOTARY PUBLIC Residing at:



MY COMMISSION EXPIRES: 1-8-79

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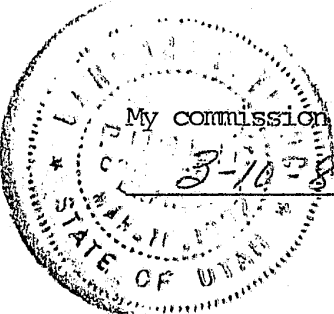
Arnold Sieverts  
Arnold Sieverts

Jessie N. Sieverts  
Jessie N. Sieverts

STATE OF UTAH )  
 ) SS  
COUNTY OF SALT LAKE )

On the 13 day of April, 1978, A.D., personally appeared before me ARNOLD SIEVERTS and JESSIE N. SIEVERTS, his wife who being by me duly sworn, did say that they were the respective owners of the property which is hereby submitted to the provisions of the Utah Condominium Ownership Act as amended, Utah Code Annotated, Section 57-8-1 through 57-8-36 and that they did severally declare that they are the persons who signed the foregoing document and that they are both of the age of twenty-one (21) years or more, and that the statements therein contained are true.

My commission expires:  
3-10-82



Barbara S. Young  
Notary Public - residing at  
Salt Lake County, Utah

EXHIBIT "C"

LAURELHURST CONDOMINIUMS

BYLAWS

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EXHIBIT "B"

LAURELHURST CONDOMINIUMS

Unit Number and Percentage of Undivided Interest in the Common  
Areas and Facilities

<u>UNIT NUMBER</u>	<u>PERCENTAGE OF UNDIVIDED INTEREST</u>
1	12.5
2	12.5
3	12.5
4	12.5
5	12.5
6	12.5
7	12.5
8	12.5

BYLAWS  
OF  
LAURELHURST CONDOMINIUMS OWNERS ASSOCIATION

The administration of the Laurelhurst Condominiums Project and the Laurelhurst Condominiums Owners Association shall be governed by the Declaration, these Bylaws, and by the Condominium Ownership Act, as amended, Utah Code Annotated, Sections 57-8-1 through 57-8-26 (the "Act").

1. Application of Bylaws

All present and future unit owners, mortgagees, lessees and occupants of units and their employees, and any other persons who may use the facilities of the property in any manner are subject to the Declaration, these Bylaws, and all rules and regulations made pursuant hereto and any amendment thereof. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a unit shall constitute an agreement that the provisions of the Declaration and these Bylaws (and any rules and regulations made pursuant thereto), as they may be amended from time to time, are accepted, ratified, and will be complied with.

2. Association of Unit Owners

The Laurelhurst Condominiums Owners Association is an unincorporated association. The name in which contracts shall be entered into, title to property shall be acquired, held, dealt in, and disposed of, bank accounts shall be opened, and suits shall be brought and defended by the Management Committee or officers thereof on behalf of and agents for the unit owners in the manner specified by the Act, the Declaration, or these Bylaws, is: "Laurelhurst Condominiums Owners Association."

3. Meetings of the Association

3.1 The presence in person or by proxy at any meeting of the association of unit owners holding at least fifty percent (50%) of the undivided ownership of the common areas and facilities in response to notice of all unit owners of record properly given shall constitute a quorum. In the event that unit owners holding at least fifty percent (50%) of the undivided ownership of the common areas and facilities are not present in person or by proxy, the meeting shall be adjourned for twenty-four (24) hours, at which time it shall reconvene and any number of unit owners present at such subsequent meeting will constitute a quorum. Unless otherwise expressly provided in the Declaration or the Act, any action may be taken at any meeting of the unit owners upon a majority vote of the unit owners who are present in person or by proxy and who are voting.

3.2 There shall be an annual meeting of the association on the second Thursday of February at 7:00 p.m. at the property or at such other reasonable place or time (not more than sixty (60) days before or after such date) as may be designated by written notice by the Management Committee delivered to the unit owners not less than fifteen (15) days prior to the date fixed for said meeting. At or prior to an annual meeting, the Management Committee shall furnish to the unit owners for their review and ratification: (i) a budget for the coming fiscal year that shall itemize the estimated common expenses of the coming fiscal year with the estimated allocation thereof to each unit owner; and (ii) a statement of the common expenses itemizing receipts and disbursements

for the previous and current fiscal year, together with the allocation thereof to each unit owner. Within ten (10) days after the annual meeting, the budget statement shall be delivered to the unit owners who were not present at the annual meeting.

3.3 Special meetings of the association may be held at any time at the property or at such other reasonable place to consider matters which, by the terms of the Declaration, require the approval of all or some of the unit owners, or for any other reasonable purpose. Special meetings shall be called by written notice, signed by a majority of the Management Committee, or by unit owners representing at least one-third (1/3) in interest of the undivided ownership of the common areas and facilities and delivered to all unit owners not less than fifteen (15) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting, and the matters to be considered.

3.4 The first annual meeting of the association shall be held at 7:00 p.m. on the second Thursday of February following the date on which the Declaration was recorded.

3.5 Robert's Rules of Order (latest edition) shall govern the conduct of the association's meeting when not in conflict with the Declaration or these Bylaws.

#### 4. Officers

4.1 All officers and employees of the association shall serve at the will of the Management Committee. The officers shall be a president, secretary, and treasurer. The Management Committee may appoint such

other assistant officers as the Management Committee may deem necessary. No officer shall be required to be a unit owner, but the president must be a member of the Management Committee. No officer shall receive compensation for serving as such. Officers shall be annually elected by the Management Committee and may be removed and replaced by the Management Committee. The Management Committee may, in its discretion, require that officers (and other employees of the association) be subject to fidelity bond coverage. Resignation of any officer shall be in writing directed to the Management Committee which shall act promptly thereon.

4.2 The president shall be the chief executive of the Management Committee and shall preside at all meetings of the unit owners and of the Management Committee and may exercise the powers ordinarily assigned to and exercised by the presiding officer of an association, including the appointment of committees. The president shall exercise general supervision over the property and its affairs. He shall sign on behalf of the association all conveyances, mortgages and contracts of material importance to its business. He shall do and perform all acts which the Management Committee may require.

4.3 The secretary shall keep minutes of all proceedings of the Management Committee and of the meetings of the association and shall keep such books and records as may be necessary and appropriate for the records of the unit owners and the Management Committee. In the absence or inability of the president, the secretary shall perform the functions of the president.

4.4 The treasurer shall be responsible for the fiscal affairs of

the association, but may delegate the daily handling of funds and the keeping of records to a manager or managing company.

4.5 The membership may ratify actions of the officers subsequent thereto and thereby give full force and effect to such actions as though approved in advance.

#### 5. Management Committee

5.1 The management and maintenance of the property and the business, property and affairs of the Laurelhurst Condominiums Owners Association ("association") shall be managed by a Management Committee consisting of three (3) members, who need not be unit owners. The Management Committee shall be elected as provided in these Bylaws, as modified by Section 6.2 of the Declaration.

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

5.2.1 To make and enforce all house rules and administrative rules and regulations covering the operation and maintenance of the property.

5.2.2 To hire and terminate a manager or managing company, accountants, attorneys and other employees agents, and independent contractors and to pay to said persons a reasonable compensation therefor.

5.2.3 To regulate the use, maintenance, repair, replacement and modification of common elements.

5.2.4 To adopt and amend budgets for revenues, expenditures, and reserves.



5.2.5 To assess and collect assessments for common expenses from unit owners.

5.2.6 To make contracts and incur liabilities on behalf of the association.

5.2.7 To open bank accounts on behalf of the association and to designate the signatures therefor.

5.2.8 To acquire, hold, encumber, and convey in the name of the association any right, title, or interest to real or personal property.

5.2.9 To institute, defend, settle, or intervene in litigation or administrative proceedings for itself, the association and the property, provided that it shall make no settlement which results in a liability against the Management Committee, the association, or the property in excess of \$5,000 without prior approval of a majority of unit owners.

5.2.10 To obtain insurance for the association with respect to the units and the common areas and facilities, as well as Workmen's Compensation Insurance.

5.2.11 To repair or restore the property following damage or destruction, or a permanent taking by the power of, or power in the nature of, eminent domain or by an action or deed in lieu of condemnation, not resulting in the removal of the property from the provisions of the Act.

5.2.12 To impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for

violations of the Declaration, Bylaws, and rules and regulations of the association.

5.2.13 To keep adequate books and records.

5.2.14 To grant easements, leases, licenses, and concessions through or over the common areas.

5.2.15 To approve and sign checks and issue payment vouchers.

5.2.16 To pay off liens against any portion of the property.

5.2.17 To do all other acts necessary for the operation and maintenance of the property, including the maintenance and repair of any unit if the same is necessary to protect or preserve the property, provided however that the management shall operate no other business for profit.

5.3 The Management Committee may delegate to a manager or managing company all of its foregoing powers, duties and responsibilities referred to in paragraph 5.2 above except: the final determination of common expenses, budgets and assessments based thereon, the promulgation of rules and regulations, the power to enter into any contract involving more than \$5,000 in any one fiscal year, the opening of bank accounts, the power to purchase, hold, sell, convey, mortgage or lease any real or personal property, in the name of the association or to institute, defend, settle or intervene in litigation or administrative proceedings.

5.4 Members of the Management Committee, the officers and any assistant officer, agents and employees of the association (i) shall not be liable to the unit owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own

willful misconduct or gross neglect; (ii) shall have no personal liability in contract to a unit owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the association in their capacity as such; (iii) shall have no personal liability in tort to any unit owner or any person or entity, direct or imputed, by virtue of acts performed by them, or acts performed for them in their capacity as such; and (iv) shall have no personal liability arising out of the use, misuse or condition of the property, which might in any way be assessed against or imputed to them as a result or by virtue of their capacity as such.

5.5 The unit owners shall indemnify and hold harmless, any person, his heirs and personal representatives, from and against all personal liability and all expenses including counsel fees, incurred or imposed, or arising out of or in settlement of any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative instituted by any one or more unit owners, or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Management Committee or an officer or assistant officer, agent or employee of the association, other than to the extent, if any, that such liability or expense shall be attributable to his willful misconduct or bad faith, provided, in the case of any settlement, that the Management Committee shall have approved the settlement, which approval is not to be unreasonably withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of

law or agreement or vote of unit owners or of the Management Committee or otherwise. The indemnification by the unit owners as contained herein shall be paid by the Management Committee on behalf of the unit owners and shall constitute a common expense and shall be assessed and collectible as such.

5.6 Beginning with the first annual meeting and at every annual meeting thereafter, the association shall elect the members of the Management Committee for the forthcoming year. Nominations for positions on the Management Committee shall be made by petition filed with the secretary of the association at least seven (7) days prior to the annual meeting of the association, which petition shall be signed by three (3) or more unit owners and signed by the nominee named therein indicating his willingness to serve as a member of the Management Committee if elected. Members of the Management Committee shall not be required to be unit owners, but must be natural persons and residents of the State of Utah.

5.7 Members of the Management Committee shall serve for a term of two (2) years; provided, however, that one member of the Management Committee elected at the first annual meeting shall serve for an initial term of one (1) year and the two other members shall serve for initial terms of two (2) years. The terms of no more than two members will end each year. The members of the Management Committee shall serve until their respective successors are elected, or until their death, resignation or removal. Any member of the Management Committee who fails to attend three consecutive Management Committee meetings or fails to

attend at least 25% of the Management Committee meetings held during any calendar year shall forfeit his membership on the Management Committee.

5.8 Any member of the Management Committee may resign at any time by giving written notice to the president of the association or the remaining Management Committee members. Any member of the Management Committee may be removed from membership on the Management Committee by a five-eighths (5/8) majority vote of the association. Whenever there shall occur a vacancy on the Management Committee due to death, resignation, removal or any other cause, the remaining members shall elect a successor member to serve until the next annual meeting of the association, at which time said vacancy shall be filled by the association for the unexpired term, if any.

5.9 The members of the Management Committee shall receive no compensation for their services unless expressly approved by a majority of the association; provided, however, that any member of the Management Committee may be employed by the association in another capacity and receive compensation for such employment, if otherwise allowed.

5.10 The meetings of the Management Committee shall be held at such places within the state of Utah as the Management Committee shall determine. Two (2) members of the Management Committee shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Management Committee. The Management Committee shall annually elect all of the officers of the association. The meeting for the election of officers shall be held at the first meeting of the Management Committee immediately following the annual meeting of the association.

5.11 Regular meetings of the Management Committee may be held without call or notice.

5.12 Special meetings of the Management Committee may be called by the president or by any two Management Committee members. The person or persons calling a special meeting of the Management Committee shall, at least seven (7) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called; if an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

5.13 Any member of the Management Committee may, at any time, waive notice of any meeting of the Management Committee in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Management Committee at a meeting shall constitute a waiver of notice of such meeting except if a Management Committee member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the members of the Management Committee are present at any meeting of the Management Committee, no notice shall be required and any business may be transacted at such meeting.

5.14 After the election of the members of the Management Committee at the first annual meeting of the association, they shall execute, acknowledge and record an affidavit stating the names of the members of the newly elected Management Committee. Thereafter, any two (2) persons who are designated of record as being members of the most recent Management Committee (regardless of whether or not they shall still be members)

may execute, acknowledge and record an affidavit stating the names of all of the members of the then current Management Committee. The most recently recorded of such affidavits shall be prima facie evidence that the persons named therein are all of the incumbent members of the Management Committee and shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.

5.15 The fiscal year shall be determined by the Management Committee.

5.16 The membership may ratify actions taken by the Management Committee subsequent to such actions and thereby give such action the full force and effect as though approved in advance.

6. Common Expenses: Assessments

6.1 All assessments shall be made and collected in accordance with this paragraph and the provisions of paragraph 7 hereof.

6.2 Each owner shall be liable for a proportionate share of the common expenses, such shares being the same as the percentage of undivided interest in the common areas and facilities appurtenant to the unit owned by the unit owner as set forth in Exhibit B.

6.3 Within thirty (30) days prior to the annual meeting of the association, the Management Committee shall prepare an annual budget showing the estimated common expenses and capital contributions for the following year. The estimated capital contributions may include such amounts as the Management Committee may deem proper for general working capital, for the general operating reserve, for a reserve fund for replacements and major maintenance and shall take into account any expected income, surplus or deficit in the common expenses for any prior

year. The annual budget showing the estimated capital contributions and common expenses for the coming year shall be presented to the unit owners at the annual meeting for their review and ratification. The affirmative vote of unit owners holding at least fifty percent (50%) of the undivided ownership of the common areas and facilities shall be necessary to ratify the annual budget presented to the unit owners at the annual owners meeting by the Management Committee. Thereafter the budgeted capital contributions and common expenses shall be assessed on a monthly basis to the unit owners in proportion to their percentage of undivided interest in the common areas and facilities as set forth in the Declaration. If the estimated common expenses prove inadequate for any reason, including nonpayment of any unit owner's assessments, the Management Committee may, by resolution duly adopted, make additional assessments, which shall be assessed to the unit owners in the same manner as the estimated common expenses. Each unit owner shall be obligated to pay to the Management Committee assessments made pursuant to this paragraph on or before the first day of each month, or in such other reasonable manner as the Management Committee shall designate. The funds received by the Management Committee from assessments shall be kept in either the capital account or in the common expense fund and shall be expended by the Management Committee only in accordance with the provisions of the Act, the Declaration and these Bylaws.

6.4 The failure by the Management Committee before the expiration of any year, to estimate the common expenses as required herein, shall not be deemed a waiver or modification in any respect of the provisions



of the Declaration or these Bylaws, or a release of the unit owner from the obligation to pay any past or future assessments, and the estimated common expenses fixed for the previous and current year shall continue until a new estimate is fixed.

6.5 No unit owner may exempt himself from liability for common expenses by waiver of the use or enjoyment of any of the common areas and facilities or by abandonment of his unit.

6.6 The treasurer shall keep detailed records of all receipts and expenditures, including expenditures affecting the common areas and facilities, specifying and itemizing the maintenance, repair and replacement expenses of the common areas and facilities and any other expenses incurred. In accordance with the actions of the Management Committee assessing common expenses against the units and unit owners, the treasurer shall keep an accurate record of such assessments and of the payments thereof by each unit owner. The books and accounts of the association shall be kept in accordance with generally accepted accounting procedures under the direction of the treasurer. The books and accounts of the association shall be available for inspection at the office of the association by any unit owner or his authorized representative during the regular business hours.

6.7 There shall be no single improvement exceeding the sum of \$5,000 made by the Management Committee without the same having been first voted on and approved by five-eighths (5/8) majority of those present in person or by proxy of the association at a meeting duly called for that purpose. The foregoing shall not apply in connection

with damage or destruction referred to in paragraph 8 of the declaration or to such structural alterations, capital additions to or capital improvements of the common areas and facilities as are necessary in the Management Committee's reasonable judgment to preserve or maintain the integrity of the common areas and facilities or the property.

7. Collection of Assessments

7.1 All common expense assessments shall be a separate, distinct and personal liability of the owner of the unit at the time each assessment is made. The Management Committee shall have the rights and remedies contained in the Act, the Declaration, and these Bylaws to enforce the collection of assessments for common expenses.

7.2 Any person who shall have entered into a written agreement to purchase a unit shall be entitled to obtain a written statement from the treasurer setting forth the amount of unpaid assessments charged against the unit and its owners, and if such statement does not reveal the full amount of the unpaid assessments as of the date it is rendered, neither the purchaser nor the unit shall be liable for the payment of an amount in excess of the unpaid assessments shown thereon, provided that the former unit owner grantor shall remain so liable. Any such excess which cannot be promptly collected from the former unit owner grantor shall be reassessed by the Management Committee as a common expense to be collected from all unit owners, including without limitation the purchaser of the unit, his successors and assigns. The new unit owner shall, and the former unit owner shall not, be liable for any assessments made after the date of transfer of title to a unit, even though the expenses incurred

or the advances made by the Management Committee for which the assessment is made relate in whole or in part to any period prior to that date.

7.3 In the event that title to a unit is transferred at a sheriff's sale pursuant to execution upon any lien against the unit, the Management Committee shall give notice in writing to the sheriff of any unpaid assessments for common expenses which are a lien against the unit, and for any expenses of or advances by the Management Committee which have not theretofore been reduced to a lien, which shall be paid out of the proceeds of the sale prior to the distribution of any balance to the former unit owner against whom the execution was issued. The purchaser at such sheriff's sale and the unit involved shall not be liable for unpaid assessments for common expenses and for any expenses of or advances by the Management Committee which became due prior to the sheriff's sale of the unit. Any such unpaid assessments which cannot be promptly collected from the former unit owner shall be reassessed by the Management Committee as a common expense to be collected from all of the unit owners, including the purchaser who acquired title at the sheriff's sale, his successors and assigns. To protect its right to collect unpaid assessments for common expenses which are a lien against a unit, and for any expenses of and advances by the Management Committee, the Management Committee may on behalf of all the unit owners, purchase the unit at sheriff's sale, provided such action is authorized by the affirmative vote of a majority of the members of the Management Committee.

7.4 In addition to the statements issuable to purchasers of units,

the Management Committee shall provide a current statement of unpaid assessments for common expenses and for any expenses of and advances by the Management Committee in respect of the unit, to the unit owners, to any person who shall have entered into a binding agreement to purchase the unit and to any mortgagee on request at reasonable intervals.

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

7.6 Lien for unpaid assessments.

7.6.1 All sums assessed to any unit pursuant to this section, together with interest thereon as provided herein, shall be secured by a lien on such unit in favor of the Management Committee. Such lien shall be superior to all other liens and encumbrances on such unit, except only for: (a) valid tax and special assessment liens on the unit in favor of any governmental assessing authority; and (b) encumbrances on the interest of the unit owner recorded prior to the date that notice of the lien provided for herein is recorded which by law would be a lien prior to subsequently recorded encumbrances. All other lienors acquiring liens on any unit after the Declaration shall have been recorded shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

7.6.2 To evidence a lien for sums assessed pursuant to this section, the Management Committee may prepare a written notice of lien setting forth the amount of the assessment, the due date, the amount remaining unpaid, the name of the owner of the unit and a description of the unit. Such a notice shall be signed by such body and may be recorded in the office of the County Recorder of Salt Lake County, Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such liens may be enforced by foreclosure by the Management Committee in the same manner in which mortgages or trust deeds on real property may be foreclosed in Utah. In any such foreclosure, the owner shall be required to pay the cost and expenses of such proceeding, the cost and expenses of filing the notice of lien, and all reasonable attorney's fees. All such costs, expenses and fees shall be secured by the lien being foreclosed. The lien shall also secure, and the owner shall also be required to pay to the Management Committee any assessments against the unit which shall become due during the period of foreclosure. The Management Committee shall have the right and the power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the owner thereof.

7.6.3 A release of lien shall be executed by the Management Committee and recorded in the office of the County Recorder of Salt Lake County, upon payment of all sums and secured by a lien which has been made the subject of a recorded notice of lien.

7.6.4 Any encumbrancer holding a lien on a unit may pay, but shall not be required to pay, any amounts secured by the lien created by this section, and upon such payments such encumbrancer shall be subrogated to all rights of the Management Committee with respect to such lien, including priority.

7.6.5 The assessing body shall report to any encumbrancer of a unit any unpaid assessments remaining unpaid for longer than thirty (30) days after the same shall have become due; provided, however, that such encumbrancer first shall have furnished to the assessing body written notice of such encumbrance.

7.6.6 In any foreclosure of a lien for assessments, the unit owner subject to the lien shall be required to pay a reasonable rental for the unit, and the Management Committee shall be entitled to the appointment of a receiver to collect the same.

7.7 Personal obligation assessments. The amount of any annual or special assessment against any unit shall be the personal obligation of the owner thereof to the Management Committee. Suit to recover a money judgment for such personal obligation shall be maintainable by the Management Committee without foreclosing or waiving the lien securing the same. No owner may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the common areas or by abandonment of his unit.

7.8 In addition to and not limited by any other remedy provided for herein, the Management Committee may restrict or deny the use and enjoyment of any common area or facility to any owner, his family,

guests or assigns, who is delinquent in the payment of any regular or special assessment.

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

7.10 Assessments and any installments thereof not paid on or before ten (10) days after the date when due shall bear interest at the rate of ten percent (10%) per annum, or at such rate of interest as may be set by the Management Committee from the date when due until paid. All payments on account shall be first applied to interest and then to the assessment payment first due.

## 8. Litigation

8.1 If any action is brought by one or more but less than all unit owners on behalf of the association and recovery is had, the plaintiff's expenses, including reasonable counsel's fees, shall be a common expense; provided, however, that if such action is brought against the unit owners or against the Management Committee, the officers, employees, or agents thereof, in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all the unit owners, the plaintiff's expenses, including counsel fees, shall not be charged to or borne by the other unit owners, as a common expense or otherwise.

8.2 Complaints brought against the association, the Management Committee, or the officers, employees or agents thereof, in their respective capacities as such or the property as a whole, shall be directed to the Management Committee, which shall promptly give written notice thereof to the unit owners and any mortgagees and shall be defended by the Management Committee and the unit owners and mortgagees shall have no right to participate other than through the Management Committee in such defense. Complaints against one or more, but less than all unit owners, shall be directed to such unit owners, who shall promptly give written notice thereof to the Management Committee and to the mortgagees affecting such units, and shall be defended by such unit owners.

9. Abatement and Restraint of Violations of Unit Owners

The violation of any house rules or regulations adopted by the Management Committee or the breach of any provision contained herein, or the breach of any provision of the Declaration, shall give the Management Committee the right, in addition to any other rights set forth in these Bylaws:

9.1 To enter the unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Management Committee shall not thereby be deemed guilty in any manner of trespass; or

9.2 To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.



## 10. Special Committees

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

## 11. Membership and Voting

11.1 The members of the association shall be the fee owners of the units. The Management Committee shall maintain a list of owners which shall be updated on a regular basis. Disputes over the membership list shall be resolved by reference to the Official Records of the Salt Lake County Recorder's Office. At any meeting of the Association of Unit Owners, each unit owner, including declarant, either in person or by proxy, shall be entitled to the same number of votes as the percentage of undivided interest of the common areas and facilities assigned to his unit in Exhibit B to the Declaration. If there is more than one unit owner with respect to a particular unit, any or all of such unit owners

may attend any meeting of the association, but it shall be necessary for all such unit owners present to act unanimously in order to cast the votes pertaining to their unit.

11.2 When a quorum is present at any meeting, the vote of the unit owners representing more than fifty percent (50%) of the undivided interest present at the meeting either 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 Declaration or these Bylaws, a greater vote is required, in which case such express provision 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 at least five (5) days prior thereto. Proxies for special meetings of the association must be of record with the secretary at least two (2) days prior to such meeting. In voting for members of the Management Committee, cumulative voting is allowed. In all other matters, cumulative voting shall not be allowed.

## 12. Notices, Waiver of Notice

Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to be delivered twenty-four (24) hours after a copy of the same has been deposited in the U. S. Postal Service, postage prepaid, return receipt requested. Notice to unit owners shall be addressed to each unit owner at the address given by such unit owner to

the Management Committee for the purpose of service of such notice or to the unit of such unit owner if no such address has been given to the Management Committee. Such address may be changed from time to time by notice in writing to the Management Committee. Notice to the Management Committee shall be addressed to: Laurelhurst Condominiums Owners Association, Management Committee, 2010 South Laurelhurst Drive, Salt Lake City, Utah 84108. Any unit owner may at any time waive any notice required to be given under these Bylaws, or by statute or otherwise. The presence of a unit owner in person at any meeting of the unit owners shall be deemed such waiver.

#### 13. No Waiver

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

#### 14. Amendment of Bylaws

These Bylaws may be amended by a five-eighths (5/8) affirmative

vote of the association at a meeting duly called for such purpose. Upon such an affirmative vote, the Management Committee shall acknowledge the amended Bylaws, setting forth the fact of the required affirmative vote of the unit owners and the amendment shall be effective upon recording.

15. Severability

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

16. Captions

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

17. Effective Date

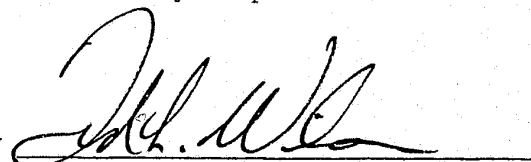
These Bylaws shall take effect upon recording of the Declaration of Laurelhurst Condominiums, to which these Bylaws are an Exhibit.

SALT LAKE CITY APPROVAL

On this 11th day of April, 1978, Salt Lake City Corporation, a body politic and corporate of the State of Utah and the Municipality in which the Laurelhurst Condominiums are located, hereby gives final approval to said project, to the foregoing declaration, to the record of survey map recorded concurrently herewith and to the attributes of said project which are mentioned in Section 57-8-35 (3) of the Utah Condominium Ownership Act, as amended and expanded by the Laws of Utah, 1975, Chapter 173, Section 18.

Salt Lake City Corporation

by



Mayor



*Richard V. Higham*  
Recorder