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3344577 DECLARATION OF CONDOMINIUM
CONVENANTS, CONDITIONS, AND RESTRICTIONS

THIS DECLARATION OF CONDOMINIUM CONVENANTS, CONDITIONS AND RESTRICTIONS, hereinafter called "Declaration" and By-Laws, which are attached hereto as Appendix D and made a part hereof is made and executed in Salt Lake County, Utah, this 28th day of September, 1979, by WARNER DEVELOPMENT, a Utah Partnership, authorized to do business in Utah, hereinafter called "Declarant" for itself and its successors, grantees, and assigns, pursuant to the provision of the Utah Condominium Ownership Act, Utah Code Ann. Section 57-8-1 et. seq. (1953 as amended) hereinafter referred to as the "Act."

WITNESSETH:

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

WHEREAS, One (1) residential building consisting of a total of 30 residential condominium units and 28 parking units and other improvements upon the aforesaid land has been constructed in accordance with the plans and drawings set forth in the Record of Survey Map filed concurrently herewith, consisting of 4 sheets prepared and certified by Lynn Barlow, 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 buildings and other improvements constructed thereon to the provisions of the Utah Condominium Ownership Act as a condominium project known as the GARNER CHALET CONDOMINIUM and,

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WHEREAS, Declarant 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, Limited 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 for the benefit of said property and the owners thereof; and,

WHEREAS, the Declarant intends to develop the above condominium project consisting of 30 residential units and 28 parking units and to subject the entire property and units so developed as one condominium project by the filing of a Declaration to accomplish that purpose;

NOW, THEREFORE, for such purposes, Declarant hereby makes the following Declaration of Condominium containing covenants, conditions and restrictions relating to this condominium project which, pursuant to the provisions of Utah Code Annotated Section 57-8-10 (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 THE GARNER CHALET CONDOMINIUM.

2. DEFINITIONS. The terms used herein shall have the meaning stated in the Utah Condominium Ownership Act and shall apply to this Declaration and By-Laws as follows unless the context clearly indicates a different meaning therefore:

A. "Declarant" shall mean WARNER DEVELOPMENT, a Utah Partnership which has made and executed this Declaration.

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

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

D. The word "Declaration" shall mean and refer to this instrument by which the GARNER CHALET CONDOMINIUM project is established.

E. The word "property" shall mean and include land, whether leasehold or in fee simple, the buildings, all improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property for use in connection therewith.

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

G. The word "map" shall mean and refer to the Record of Survey Map of the GARNER CHALET CONDOMINIUM, recorded herewith by Declarant in accordance with Utah Code Annotated Section 57-8-13 (1953 as amended).

H. The word "unit" shall mean one or more of the residential units designated on the Record of Survey Map attached hereto as Appendix "C". Horizontally each unit consists of the area measured horizontally from the unit side of the exterior walls of the building to the unit side of the walls and partitions separating each such unit from corridors, stairs, incinerators, and other mechanical equipment spaces, and where walls and partitions separate such units from other units, to the side of such walls and partitions on the interior of such units. Vertically each unit consists of the space between the top of the floor to the underside of the ceiling. 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.

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I. The words "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 this Declaration.

J. The words "association of Unit Owners" shall mean all of the unit owners acting as a group in accordance with the Act, the Declaration and By-Laws.

K. The words "Unit Number" shall mean number letter or combination thereof designating the unit in this Declaration and in the Record of Survey Map.

L. The words "majority" or "majority of unit owners" shall mean the owners of more than fifty percent (50%) of the total residential units in the subject condominium.

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

N. The word "management" shall mean the person, persons, corporation or other entity selected by the Board of Directors to manage the affairs of the condominium project.

O. The words "common areas" refers to and consists of the entire condominium property, including all parts of the building other than the units, and including without limitation, the following:

- (a) The land on which the building is erected;
- (b) All foundations, columns, girders, beams, and supports, main walls, roofs, halls, corridors, stairs, stairways, fire escapes, and building entrances and exits.

(c) All exterior walls of the building not including the portions thereof on the unit side of such walls; all walls and partitions separating units from corridors, elevators, stairs, incinerators, and other mechanical equipment spaces, other than the portions of the plaster or sheetrock partitions separating units between the center lines of the plaster or sheetrock on each side of such partitions; and all concrete floors and concrete ceilings;

(d) Basements, sub-basements, yards, gardens, recreational or common facilities, mail rooms, vaults and other areas used in connection therewith; parking and driveway areas and storage spaces;

(e) The premises for lodging of janitors or persons in charge of the property.

(f) All central and appurtenant installations for services such as power, light, telephone, gas, hot and cold water, heat, refrigeration, air condition and incinerating (including all pipes, ducts, wires, cables, and conduits used in connection therewith, whether located in common areas or units) and all other mechanical equipment spaces;

(g) All elevators, tanks, pumps, motors, fans, compressors, and control equipment;

(h) All sewer pipes;

(i) All storage spaces, and laundry rooms;

(j) All terraces and balconies or patios; provided, however, that each unit owner whose unit has sole access to a terrace or balcony or patio shall have an easement for the exclusive use thereof; and,

(k) All other parts of the condominium property and all apparatus and installations existing in the building or on the property for common use or necessary or convenient to the existence, maintenance or safety of the condominium.

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P. The words "limited common areas and facilities" shall mean and include those common areas and facilities designated in the Declaration and appendixes as reserved for use of a certain unit or units to the exclusion of the other units.

Q. The words "common expense" shall mean;

(1) all expenses of administration, maintenance, repair or replacement of the common areas and facilities,

(2) all sums described in the Act which are lawfully assessed against the unit owners in accordance with the provisions of the act, this Declaration, or the By-Laws,

(3) such rules and regulations pertaining to the condominium project as the association of unit owners or the Board of Directors may from time to time adopt.

R. The words "par value" shall mean the number of points assigned to each unit by Appendix "A", attached hereto and made a part of this Declaration. Substantially identical units shall be assigned the same par value, but units located at substantially different heights above the ground or having substantially different heights above the ground or having substantially different amenities or other characteristics that might result in differences in market value may be considered substantially identical within the meaning of this term. Any statement of par value shall not be deemed to reflect or control the same price or fair market value of any unit, and no opinion, appraisal or fair market transaction shall effect the par value of any unit, or any undivided interest in common areas and facilities, voting rights in the unit owner's association, liability for common expenses or the right to common profits assigned on the basis thereof.

S. The words "size" shall mean the number of square feet of floor space within each unit as computed by reference to the Record of Survey Map and rounded off to the next highest whole number.

T. The words "reconstruction of the buildings" shall mean restoring the building to substantially the same condition in which it existed at the time of this declaration or at the time prior to the fire, with each unit and common elements having the same vertical and horizontal boundaries as before.

U. Those definitions contained in the Act, to the extent they are applicable to the not inconsistent herewith, shall be the same effect as if expressly set forth herein and made a part hereof.

V. The words "parking units" shall refer to the parking units more fully described in paragraph 7 and designated on the record of survey map attached hereto as Exhibit C.

3. DESCRIPTION OF PROPERTY:

A. Description of Land:

The tract of land located in Salt Lake City, Salt Lake County, State of Utah, as is more fully described as Appendix B.

The buildings consist of one residential building with a total of 30 residential units. There are 28 covered parking spaces.

The residential building is constructed of concrete and brick with steel structure. Exterior walls are of brick and frame; interior walls are of wooden studs, wood, plaster and dry wall plaster. The floors are concrete and or wood. The units are supplied with electricity.

All other details describing the building and its location, together with a statement of the number of units and other details are set forth in the Record of Survey Map which is filed with this Declaration and made a part hereof by reference.

B. Description of Units:

(a) Attached hereto and made a part hereof as Appendix A is a list of all units in the building, the unit designations and the percentage of interest of each unit in the common elements (referred to as par value). Attached hereto as Appendix C is a Record of Survey Map certified by Lynn Barlow and filed with the Salt Lake County Recorder's office simultaneously

with the recording to this document which map and additional sheets depict each unit, its location, its approximate area, and the number of rooms and the common areas to which each unit has immediate access.

(b) Each residential unit shall consist of:

(1) The space enclosed within the undercoated interior surface of its perimeter walls, floors and ceilings (Being in appropriate cases the 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 including any pipes, ducts, wires, conduits or structural divisions such as interior walls or partitions which may intervene.

(2) Any finishing material applied or affixed to the interior surfaces of the perimeter walls, floors and ceilings including without limitations, paint, lacquer, varnish, wallpaper, tile and paneling.

(3) Non-supportive 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 units.

(5) Balconies, porches and patios where so designated on the Record of Survey Map as being a part of the unit.

Each parking space is defined by the dimensions of such space as shown on the map.

Each unit has immediate access to the common areas and facilities.

Any contract for the sale of a unit and any other instrument affecting title to a unit shall 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 this Declaration, as each unit shall appear on the records of the County Recorder of Salt Lake County, Utah in substantially the following fashion:

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"Unit _____, in Building _____, and/or parking unit _____, as shown on the Record of Survey Map for the GARNER CHALET CONDOMINIUM, appearing on the records of the county recorder of Salt Lake County, State of Utah, in Book _____, at Page _____, of Plats, and as defined and described in the Declaration of Condominium appearing in such records in Book _____, Page _____, of Records, in, together with _____ percent of the undivided interest in the common areas and facilities of the GARNER CHALET.

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 appurtenant undivided interest and all rights and limitations arising as a result of any amendment to the project.

C. Description of Common areas and Facilities: Except as otherwise provided in this Declaration, 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:

(a) All structural parts of the building including, without limitation, foundations, columns, joists, beams, supports, supporting walls, floors, ceilings and roofs;

(b) Patios, yards, courts and driveways;

(c) The roadways contained therein;

(d) 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;

(e) All other parts of the condominium property necessary or convenient to its existence, maintenance and safety,

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or normally in common use, or which have been designated as common areas and facilities, in the drawings;

(f) The limited common areas and facilities hereinafter described;

(g) All repairs, replacements or improvements of the foregoing.

D. 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.

4. SUBMISSION TO CONDOMINIUM OWNERSHIP. Declarant hereby submits the above-described property, tract of land, building, and any 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 of the provisions of the Act and shall be construed and interpreted in accordance therewith as set forth in Utah Code Ann. (1953).

5. CONVENANTS TO RUNNING WITH THE LAND. This covenants, conditions and restrictions contained herein relating to the project shall be enforceable equitable servitudes and shall run with the land. These servitudes shall be binding upon Declarant its successors and assigns, and upon present and future unit owners and their successors and upon their grantees, mortgages, successors, heirs, executors, administrators, devisees and assigns.

6. STORAGE AREAS. The Declarant is under no obligation to provide unit owners with storage area other than that provided within each unit. Storage areas as shown on the Record of Survey Map are for informational purposes only and the Declarant is under no obligation to provide such storage area, nor are any assurances given that the storage areas shall be as shown on the Record of Survey Map. There shall be limited common areas for storage. The Board of Directors may, at their sole discretion, designate storage areas within the condominium common areas.

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7. PARKING UNITS. Each parking space shall be designated as a limited common area separate and apart from any residential condominium unit. A unit owner may be assigned one or more parking units as apart of his unit. The owner of the unit thereof shall be responsible for common area fees in relation to such percentage or ownership.

Parking space may not be purchased by any person, association, corporation or otherwise who is not a condominium unit owner. No parking space may be transferred by a unit owner to any other entity not a unit owner.

In the event that there are any parking spaces remaining unsold at the time that Declarant has sold all of the condominium units, the Declarant may, at his option, deed such remaining parking units to the Unit Owners Association. The Associate may then, in its sole descretion, sell, lease, rent or otherwise dispose of such parking units. All parking units shall be subject to rules and regulations made by the Association.

8. STATEMENT OF USE, PURPOSES AND RESTRICTIONS.

A. Purposes. The purpose of this condominium project is to provide housing and recreation 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, limited common areas and facilities shall be used and occupied only as follows:

(a) No part of the condominium project shall be used for other than housing and related common purposes for which the property is designated. Each unit shall be used and occupied as a single family residence and for no other purpose. Each parking space shall be used only for storage of one (1) vehicle.

(b) Common areas shall not be obstructed nor shall anything be stored in them without the prior written consent of the Board of Directors except as is otherwise provided herein.

(c) Nothing shall be done or kept in any unit or in the common areas and facilities, or limited common areas, which will increase the rates of insurance on the buildings or the contents thereof beyond those items customarily kept for residential use, without the prior written consent of the Board of Directors. No unit owner shall permit anything to be done or kept in his unit or in the common areas and facilities which is likely to, or 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.

(d) No unit owner shall cause or permit anything (including, without limiting the generality of the foregoing, any sign, awning, canopy, shutter, stormdoors, screen doors, radio or television antenna) to hang, be displayed or otherwise attached to or placed on the exterior walls or roof of any part thereof, or to the outside of windows or doors, without the prior written consent of the Board of Directors.

(e) No animal or birds of any kind shall be raised, bred or kept in any unit or in the common areas and facilities by unit owners. Household pets may be kept in units only subject to the rules adopted and with the approval of the Board of Directors. Any such pet which shall create a disturbance or be a nuisance shall be permanently removed from the condominium project within ten (10) days notice. The Board of Directors shall issue said notice upon receipt of two (2) written complaints from other unit owners.

(f) No noxious or offensive activity of any kind shall be carried on in any unit or in the common areas or facilities, or in the limited common areas or facilities, nor shall anything be done therein, either willfully or intentionally which may be or is likely to become an annoyance or nuisance to the other owners or occupants.

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(g) Except as otherwise provided herein, nothing shall be done to, or in any unit, to or on any common area or facility, to or on any limited common area or facility which will impair the structural integrity of the building or any part thereof which would structurally change the building or any part thereof.

(h) No clothes, sheets, blankets, laundry, bicycles, recreational equipment, storage items or other articles of any kind shall be hung out or exposed on any part of the common areas or limited common areas and facilities, in any manner as to be visible from any other unit, except as the rules and regulations of the unit owners association may otherwise provide. The common areas and facilities and limited common areas and facilities shall be kept free of all rubbish, debris, and any other unsightly material.

(i) There shall be no playing, lounging or placing of baby carriages, playpens, bicycles, wagons, toys, vehicles, benches, chairs or other matter in or any part of the common areas and facilities, except as the foregoing is subject to the rules promulgated by the Board of Directors.

(j) No industry, business, trade, occupation or profession of any kind, whether for commercial, religious, educational, charitable or any other purpose shall be conducted, maintained or permitted on any part of the condominium project except as may be permitted by the Board of Directors and subject to the rules, nor shall any "For Sale" or "For Rent" sign or other window display or advertising be maintained or permitted by any unit owner on any part of the condominium property or in any unit therein, except that:

(1) The Declarant may perform or cause to be performed such work as is incident to the sale, repair or alteration of the condominium property, or to the sale or lease of units owned by Declarant, including advertising and signs showing the location

of model units and the like.

(2) 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 for the purpose of facilitating the sale or lease of units by any unit owner:

(3) The association of unit owners or the Board of Directors or its agents or representatives may place "For Sale" or "For Rent" signs on any units or on the condominium project for the purpose of facilitating the sale or lease of units by any unit owner or mortgagee.

(d) The GARNER CHALET CONDOMINIUM has been designated for adult living, neither the units nor the common areas are designed to accomodate large families or children. One child over 14 is permitted as a matter of course so long as no nuisance or disturbance is created by such child for the unit owners. Additional children may be permitted only with the approval of the Board of Directors and subject to reasonable rules and regulations adopted by the Board of Directors. The Declarant makes no warranty, however, that the foregoing restriction would be valid if subjected to a court test.

9. OWNERSHIP

A. Ownership of a Unit. Except with respect to any of the common areas and facilities located within the bounds of a unit, each unit owner shall be entitled to the exclusive ownership and possession of his unit and to the ownership of an undivided interest in the common areas and facilities in the percentage expressed in Appendix "A" hereof.

B. Prohibition against Subdivision of a 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 unit shown on the map.

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C. Ownership of Common Areas and Facilities. The common areas and facilities shall be owned by the unit owners as tenants in common, ownership of which 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. No owner may otherwise waive or release any rights in the common areas and facilities.

D. Use of Common Areas and Facilities. Except with respect to the limited common areas, each unit owner may use the common areas and facilities in accordance with the purpose for which they are intended, provided such use shall also be consistent with this Declaration and 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 assigning points to each unit according to the size and value of each unit in ratio to the entire condominium project.

F. Use and Maintenance of Limited Common Areas and Facilities. A unit owner's use and occupancy of the limited common areas and facilities reserved for his exclusive use shall be in accordance with the provisions of this Declaration and By-Laws. Each unit owner shall be responsible for maintenance and repair of the interior of any limited common area reserved for his exclusive use.

The Board of Directors shall have responsibility for the maintenance and repair of the exterior of any limited common area. The Board of Directors may provide insurance for, or otherwise take such measures as it may deem appropriate to insure the maintenance and repair of such limited common areas.

10. The name and address of the person in Salt Lake County State of Utah, appointed as first agent to receive service of process for all matters pertaining to the project under the Utah

Condominium Ownership Act is:

Warner Development Co., a Utah

PARTNERSHIP

Reed E. Warner

66 West 5th South, SLC 84101

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

11. PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS. The percentage of ownership in the common areas and facilities of the condominium shall be controlling for all purposes, including voting. The common expenses shall be allocated in accordance with the percentage of ownership. The percentage of ownership in the common areas and facilities shall be as set forth in Appendix "A".

12. EASEMENTS

A. The Board of Directors 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. Declarant shall have a transferable easement over and on the common areas and facilities for the purpose of making improvements on the land within the project and for the purpose of doing all things reasonably necessary and proper connected with the same.

C. Declarant and his duly authorized agents, representatives and employees shall have the right to maintain sales offices and model units on the land within the project. Declarant may use one (1) unoccupied unit for a model unit and one (1) unoccupied unit for a sales and rental office.

D. To the extent that any damage is inflicted on any part of the condominium project or by any person or persons utilizing the easements reserved by this Declaration or created by subsections "A" or "B" or "C" or this Section 12, the Declarant,

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together with the person or person causing the same, shall be jointly and severally liable for the prompt repair of the damage and for the restoration of the same to a condition compatible with the remainder of the condominium project.

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

F. In the event that, by reason of the construction, reconstruction, settlement or shifting of a building, any part of the common areas and facilities encroach or shall hereafter encroach upon any part of any unit or any part of any unit encroaches upon or shall hereinafter 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 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 owners of the common areas and facilities if such encroachment occurred due to the willful conduct of such unit owner or owners.

13. WAIVER OF ALL WARRANTIES.

Each unit and all common areas and limited common areas are sold by Declarant "as is" without any warranty, express or implied, as to any structural or mechanical defects whether they are apparent or latent. The Declarant does not warrant the merchantability of any part of the units, the common areas or the limited common areas. The Declarant does not warrant that any part of any unit, the common area or the limited common area is fit for any particular purpose. Any one purchasing a condominium waives any right he may have to bring an action against the Declarant for breach of warranty. No suit, whether in equity or at law

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shall be maintainable against Declarant by the unit owners individually or the association of unit owners by reason of any alleged breach of an express or implied warranty.

14. MORTGAGE PROTECTION.

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

A. Mortgagee's Right to Modification and Default.

Any holder of a first or second mortgage or any unit is entitled to written notification from the Board of Directors of any default by the Mortgagor of such unit in the performance of such mortgagor's obligations under the Declaration which has not been cured within thirty (30) days.

B. Priority of Mortgagee over Certain Assessments. Any

holder of a first or second mortgage or a deed of trust on any unit which comes into possession of a unit pursuant to the remedies provided in the mortgage or trust deed or by assignment in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit which accrued prior to the time such holder comes into possession of the unit (except for claims of a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all units including the mortgaged unit). After a foreclosure, however, a lien may be created to secure all assessments which may be enforceable as provided herein.

C. Prohibitions Imposed on Owners. Without the prior written approval of all holders of first mortgage liens on individual units the unit owners shall not:

(a) Change the pro rata interest or obligation of any unit for purposes of assessments and charges and determining shares of the common areas and facilities of the project.

(b) Partition or subdivide any unit or the common areas of the project.

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(c) By act or omission seek to abandon the condominium status of the project except as provided by status in case of destruction or taking in eminent domain.

15. AMENDMENT. The unit owners shall have the right to amend this Declaration and/or the map upon the approval and consent of unit owners representing not less than two-thirds (2/3) of the undivided interest in the common areas and facilities; provided, however, that any amendment which would reduce the undivided interest of any unit owner in the common areas and facilities must be consented to by all unit owners. Any amendment shall be effected by the recordation of an instrument wherein the Board of Directors certifies that the unit owners representing their required percentage of the undivided interests in the common areas and facilities have approved and consented to any such amendment.

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

17. TOPICAL HEADINGS. The topical headings of the paragraphs contained in the Declaration are for convenience only and do not define, limit or control the interpretation of the paragraphs of this Declaration.

18. GENDER. The singular, whenever used herein, shall be construed to mean the plural whenever applicable and the necessary changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be

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assumed as through in each case fully expressed.

18. EFFECTIVE DATE. This Declaration shall take effect upon recording.

DECLARANT:

WARNER DEVELOPMENT a Utah Partnership,

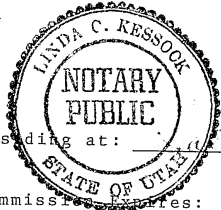
ATTEST:

Linda C. Kessock

By Reed E. Warner
REED E. WARNER, General Partner

STATE OF UTAH)
: ss
COUNTY OF SALT LAKE)

On this 28th day of September, 1979, personally appeared before me Reed E. Warner, who being by me duly sworn, did say that is is the General Partner of WARNER DEVELOPMENT, a Utah Partnership and did execute the above and foregoing instrument, and that said instrument was signed on behalf of said Partnership, and that he, the said Reed E. Warner is duly authorized to sign the foregoing instrument as a General Partner.



Linda C. Kessock
NOTARY PUBLIC

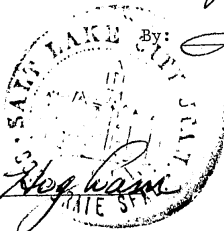
Residing at: State City Utah
Commission Expires: December 15, 1980

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SALT LAKE CITY APPROVAL

On this 18th day of January, 1979, Salt Lake City Corporation, a body politic and corporate of the State of Utah and the Municipality in which the Garner Chalet Condominiums is 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 Laws of Utah, 1975, Chapter 0.73, Section 18.

Salt Lake City Corporation



By: [Signature]
Mayor

Mildred V. Hoghane
Recorder

APPENDIX A

<u>UNIT NUMBER</u>	<u>UNIT SIZE SQUARE FEET</u>	<u>PARKING ASSIGNED</u>	<u>STORAGE SPACE ASSIGNED</u>	<u>PAR VALUE AND PERCENTAGE OF OWNERSHIP</u>
1	758.030	1 space	Small unit	3.085
2	783.194	1 space	Small unit	3.187
3	784.181	1 space	Small unit	3.191
4	769.716	1 space	Small unit	3.132
5	670.794	1 space	Small unit	2.730
6	934.602	1 space	Large unit	3.803
7	673.272	None	Small unit	2.740
8	956.159	1 space	Large unit	3.891
9	833.413	1 space	Small unit	3.391
10	792.661	1 space	Small unit	3.226
11	695.554	1 space	Small unit	2.830
12	924.951	1 space	Large unit	3.764
13	666.641	None	Small unit	2.713
14	801.061	1 space	Small unit	3.260
15	955.445	1 space	Large unit	3.888
16	927.271	1 space	Large unit	3.773
17	924.984	1 space	Large unit	3.764
18	951.142	1 space	Large unit	3.870
19	798.355	1 space	Small unit	3.249
20	665.336	1 space	Small unit	2.707
21	941.024	1 space	Large unit	3.829
22	677.451	1 space	Small unit	2.757
23	949.366	1 space	Large unit	3.863
24	939.689	1 space	Large unit	3.824
25	866.046	1 space	Small unit	3.524
26	864.380	1 space	Small unit	3.517
27	798.914	1 space	Small unit	3.251
28	674.974	1 space	Small unit	2.747
29	930.117	1 space	Large unit	3.785
30	665.749	1 space	Small unit	2.709
TOTAL	24,574.749	28 spaces		100.000

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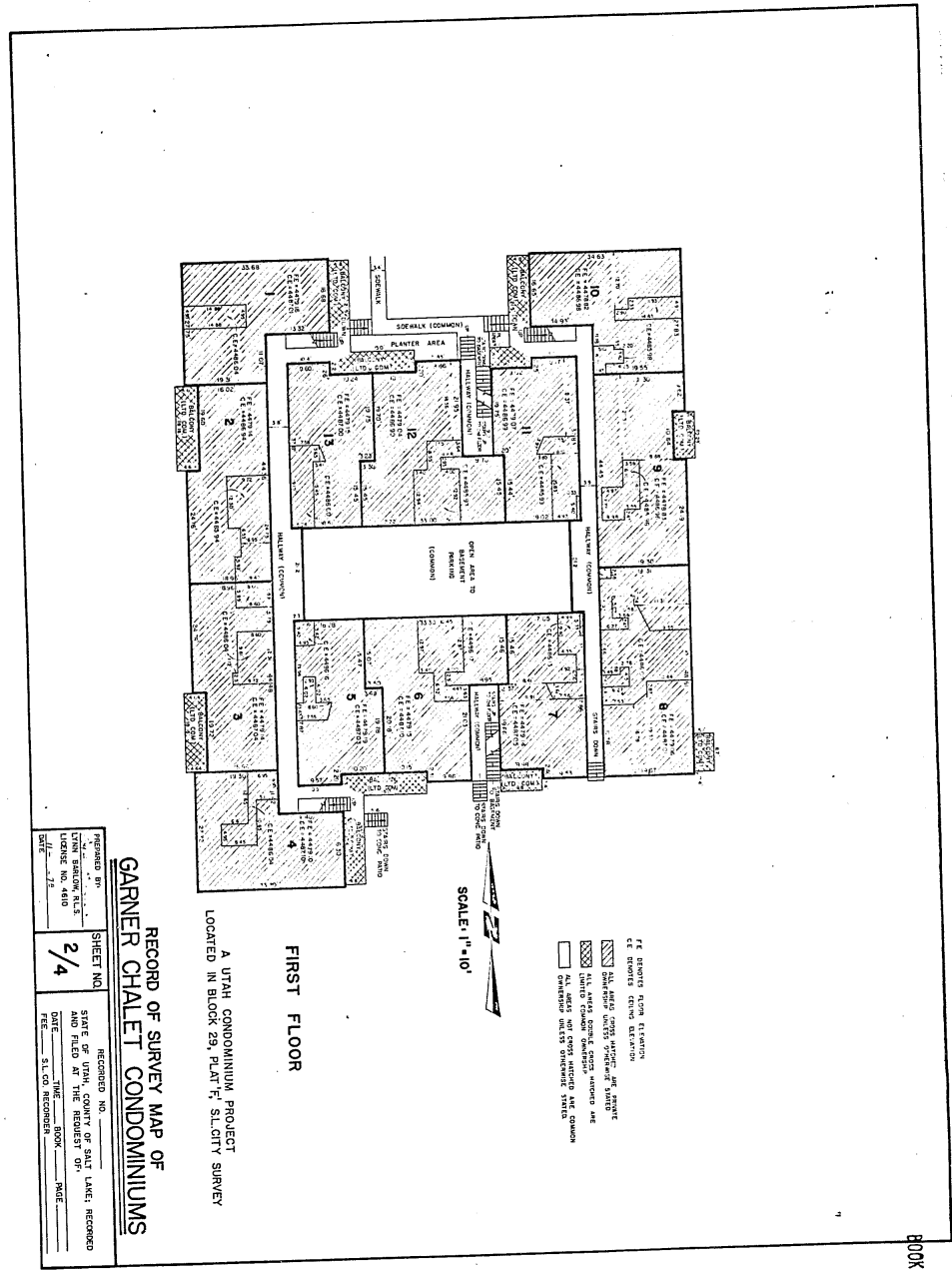
APPENDIX B

PROPERTY DESCRIPTION

BEGINNING AT THE SOUTHWEST CORNER OF LOT 5,
BLOCK 29, PLAT "F", SALT LAKE CITY SURVEY, AND RUNNING
THENCE N. 0° 00'03" W., 165.00'; THENCE N. 89° 59'57" E.,
165.00'; THENCE S. 0° 00'03" E., 165.00'; THENCE S. 89°
59'57" W., 165.00' TO THE POINT OF BEGINNING.

CONTAINS 27,225.00 SQ. FT., 0.625 ACRES

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FIRST FLOOR
 A UTAH CONDOMINIUM PROJECT
 LOCATED IN BLOCK 29, PLAT F, SLC CITY SURVEY

**RECORD OF SURVEY MAP OF
 GARNIER CHALET CONDOMINIUMS**

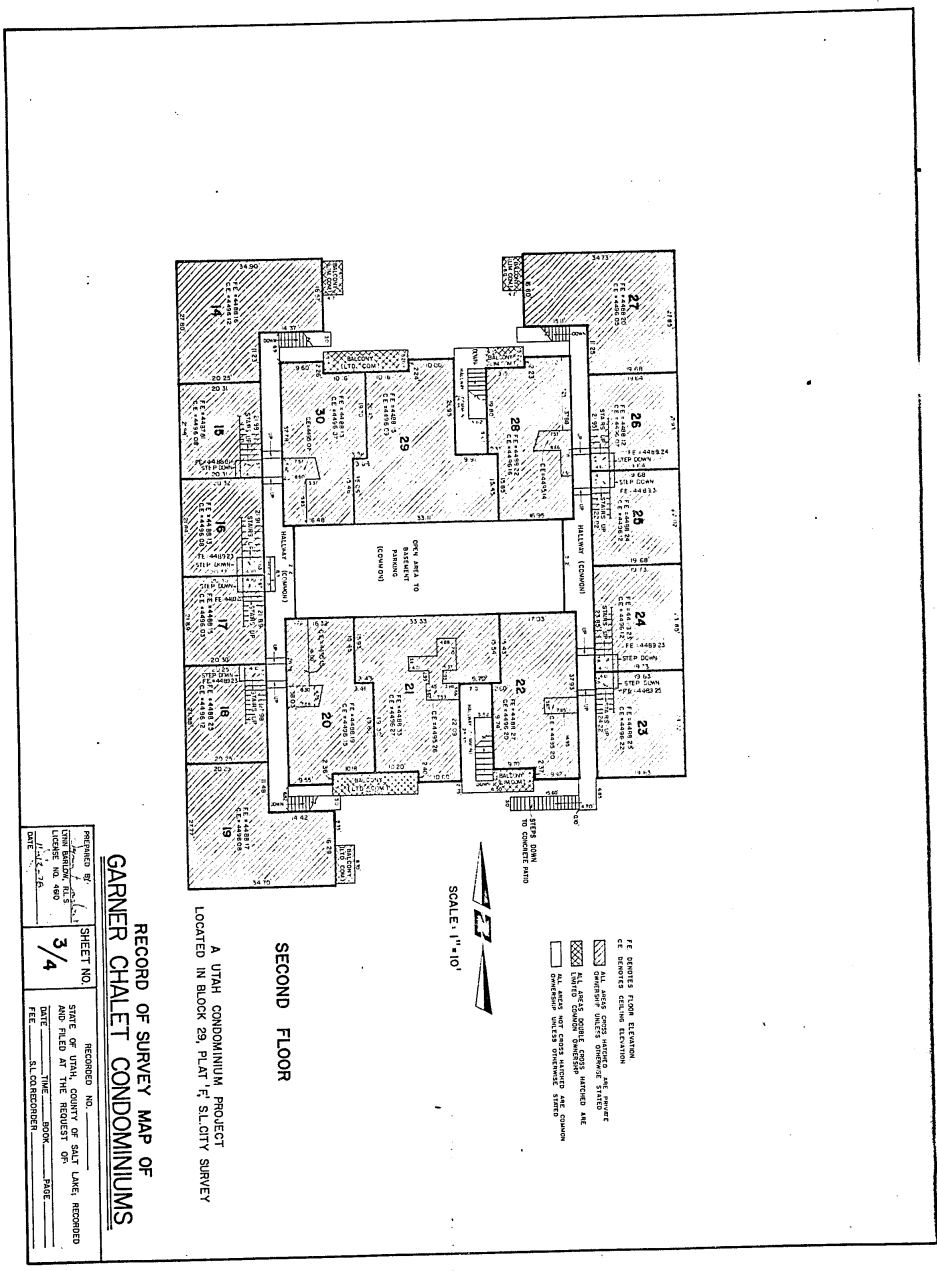
PREPARED BY: _____
 UTAH ARCHITECTURE BOARD
 LICENSE NO. 4810

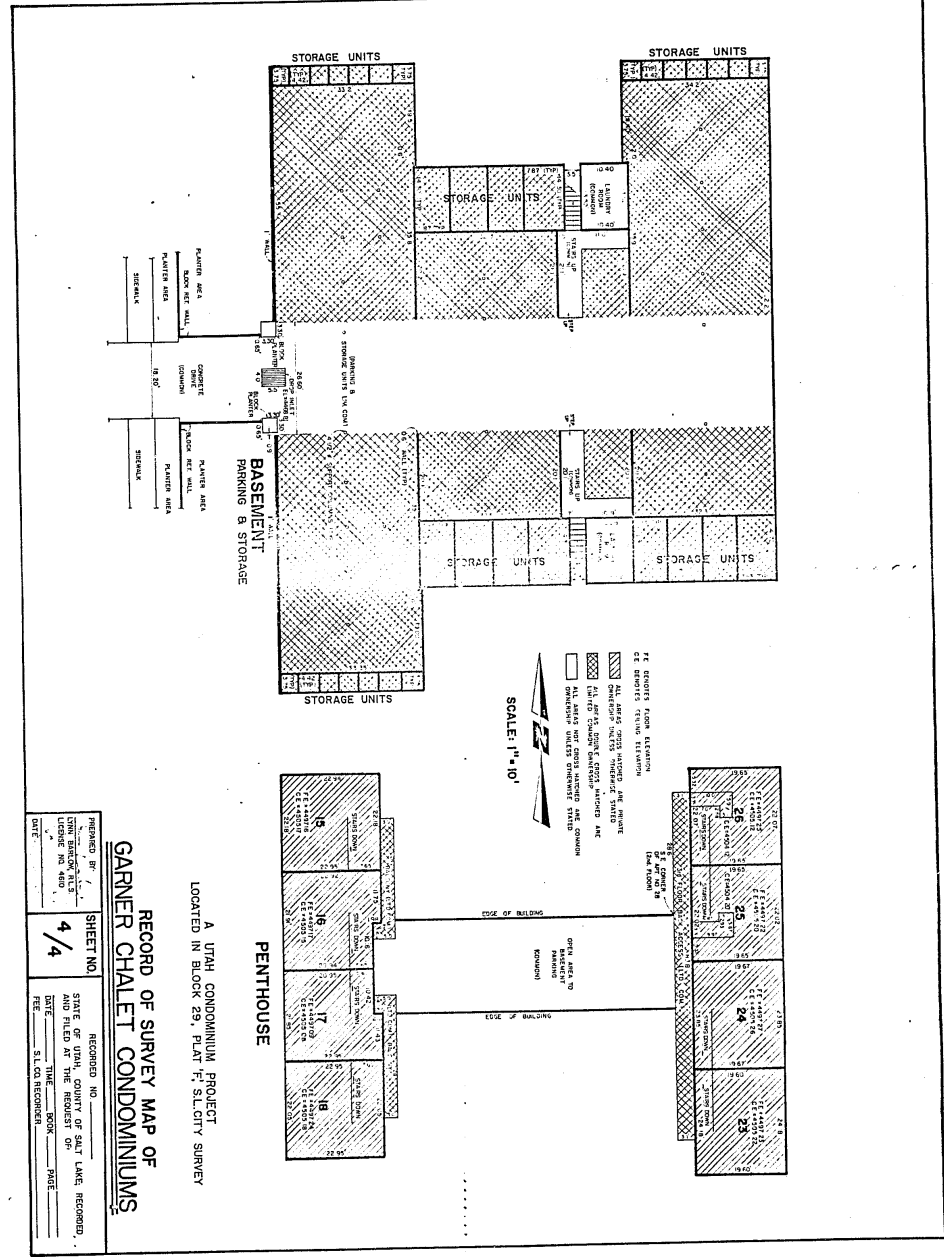
SHEET NO. **2/4**

STATE OF UTAH, COUNTY OF SALT LAKE, RECORD OF SURVEY NO. _____

DATE _____ TIME _____ BOOK _____ PAGE _____

FILE NO. _____ SL CO. RECORD NO. _____





APPENDIX D

BY-LAWS OF THE GARNER CHALET CONDOMINIUM

ARTICLE I

Plan of Condominium Unit Ownership

Section 1. Condominium Unit Ownership. The property located at 131 So. 10th East, SLC, Utah, and more particularly described in Appendix "B", hereinafter called the "condominium", has been submitted to the provisions of the Utah Condominium Ownership Act, by the Declaration recorded in the Office of the County Recorder, Salt Lake County, State of Utah, simultaneously herewith.

Section 2. Applicability of By-Laws. The provisions of these By-Laws are applicable to the condominium and to its use and occupancy. The term "condominium property," as used herein, shall include the land, the building and all other improvement thereto, all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of the Utah Condominium Ownership Act.

Section 3. Application. All present and future owners, mortgagees, lessees and occupants of the apartment units and their employees and any other persons who may use the facilities of the condominium in any manner are subject to these By-Laws, the Declaration, and rules and regulations pertaining to the use and operation of the condominium property. The acceptance of a deed or conveyance or the entering into a lease or the act of occupancy of an apartment unit shall constitute an acceptance of the provisions of these instruments and an agreement to comply therewith.

Section 4. Offices. The office of the condominium and of the Board of Directors shall be located at 66 West 5th South, SLC 84101, Salt Lake City, Utah,

ARTICLE II

Board of Directors

Section 1. Number and Qualification. The affairs of the condominium shall be governed by a Board of Directors of the GARNER CHALET CONDOMINIUM Unit Owner's Association, a non-profit, Utah corporation. Until three years have elapsed from the time the Declaration and By-Laws have been recorded or at such earlier time the Declaration and By-Laws have been recorded or at such earlier time as the Declarant, in its sole discretion, may determine, and thereafter until their successors shall have been elected by the unit owners, the Declarant shall have the right to select the Board of Directors. The Board of Directors, during that period, shall consist of such persons or agents of the Declarant as shall have been designated by the Declarant. Thereafter, the Board of Directors shall be composed of five (5) persons, all of whom shall be the owners, spouses of owners or mortgagees of condominium units; or, in the case of partnership owners or mortgagees, members or employees of such partnership, or in the case of corporate owners or mortgagees, officers, shareholders or employees of such corporation; or in the case of fiduciary owners or mortgagees, fiduciaries or officers or employees of such fiduciaries.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary and proper for the administration of the affairs of the condominium, except as such powers and duties as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Directors by the unit owners. The powers and duties to be exercised by the Board of Directors shall include, but shall not be limited to, the following:

- (a) Operation, care, upkeep and maintenance of the common elements;
- (b) Determination and assessment of the amounts required for operation, maintenance and other affairs of the condominium;

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(c) Collection of the common charges from the unit owners;

(d) Employment and dismissal of personnel as necessary for the efficient maintenance and operation of the condominium;

(e) Adoption and amendment of rules and regulations covering the details of the operation and use of the condominium and designating the signatures required thereof;

(f) Obtaining insurance for the condominium property including the apartment units, pursuant to the provision contained in the Declaration; and,

(g) Making repairs, additions and improvements to, or alterations of the condominium property, and repairs to and reconstruction of the property in accordance with the provisions of the Declaration after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

(h) Enforcing the terms of the Declaration, By-Laws, or Rules and Regulations through injunction, suit, foreclosure, abatement or any other lawful means.

Section 3. Managing Agent and Manager. The Board of Directors may employ for the condominium a managing agent or manager at a compensation established by the Board. The Manager will perform such duties and services as the Board of Directors shall authorize, including, but not limited to, the duties listed in subdivision (a), (c), and (d) of Section 2 of this Article II. The Board of Directors may delegate to the manager or managing agent, all of the powers granted to the Board of Directors by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g) and (h) of Section 2 of this Article II.

Section 4. Election and Term of Office. At the first annual meeting of the unit owners, the term of office of all members of

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the Board of Directors shall be fixed at one (1) year. At the first annual meeting of the unit owners, the term of office of all members of the Board of Directors shall be fixed at one (1) year. At the expiration of the initial term of office of the initial Board of Directors, their successors shall be elected to serve for a term of one (1) year. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the unit owners.

Section 5. Removal of Members of Board of Directors. At any regular or special meeting of unit owners, after the unit owners have assumed the management responsibility, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the unit owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by a vote of the unit owners, shall be filled by a vote of a majority of the remaining members at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors for the remainder of the term of the member so removed and until a successor shall be elected at the next annual meeting of the unit owners.

Section 7. Organization of Meeting. The first meeting of the members of the Board of Directors following the annual meeting of the unit owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by the unit owners at the meeting at which such Board of Directors shall have elected, and no notice shall be necessary to the newly elected

members of the Board of Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present thereat.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors, by mail or telephone at least three business days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the president on three business days' notice to each member of the Board of Directors, given by mail or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the president or secretary in like manner and on like notice on the written request of at least three members of the Board of Directors.

Section 10. Waiver of Notice. Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors, in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the members thereof shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the Board of Directors. If, at any meeting of the Board of Directors, there shall be less than a quorum present, a majority of those present may adjourn the

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the meeting from time to time. At any such adjournment at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

Section 12. Fidelity Bonds. The Board of Directors shall obtain adequate fidelity bonds for all officers and employees of the condominium handling or responsible for condominium funds. The premiums on such bonds shall constitute a common expense.

Section 13. Compensation. No member of the Board of Directors shall receive any compensation from the condominium for acting as such.

Section 14. Liability of the Board of Directors. The members of the Board of Directors including Declarant shall not be liable to any unit owners for any mistake of judgment, negligence or otherwise only for their own willful misconduct or bad faith. The unit owners shall indemnify and hold harmless each member of the Board of Directors, including Declarant, against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the association of unit owners. It is intended that the liability of any unit owner arising out of any contract made by the Board of Directors or out of the indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his interest in the common elements. Every agreement made by the Board of Directors or by the managing agent or manager on behalf of the association of the condominium shall provide that the members of the Board of Directors, the managing agent, or the manager, as the case may be, are acting only as agents for the unit owners and shall have no personal liability thereunder (except as unit owners), and that each unit owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interest of all unit owners in the common elements.

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Section 15. Right of Entry. The Board of Directors or its duly authorized agents shall have the right to enter any or all units in the case of an emergency originating in or threatening such unit or any part of the project, whether or not the unit owner or occupant thereof is present at the time. The Board of Directors or its duly authorized agent shall also have the right to enter into any and all of said units at all reasonable times as required for the purpose of performing emergency installations, alternations or repairs to the mechanical, electrical or other utility devices or installations located therein or thereon; provided, however, that such emergency installation, alteration or repair is necessary to prevent damage or threatened damage to such unit or units in the project; and provided further, that the unit owner affected by such entry shall first be notified thereof if available and if time and circumstances shall permit.

Section 16. Administrative Rules and Regulations. The Board of Directors shall have the power to adopt, establish and amend by resolution, such building management and operational rules as it may deem necessary for the maintenance, operation, management and control of the project and the Board of Directors 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 or repeal shall be deemed to be a part of such rules has been furnished to the unit owners, such amendment, alteration or repeal shall be deemed to be a part of such rules. Unit owners 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 to and be binding upon all unit owners and or occupants or guests of any unit. All such rules adopted shall be kept in a book for that purpose or made a part of the minutes

of the Board meeting where passed.

Section 17. Obligation to Comply with Rules. Each unit owner, tenant or occupant of a unit shall comply with the provision of the Act, Declaration, By-Laws, the rules and relations and all agreements and determinations lawfully made and/or entered into by the Board of Directors or unit owners, when acting within the scope of their authority and any failure to comply with any of the provisions thereof shall be grounds for an action by the Board of Directors for injunctive relief and/or to recover for any loss or damage resulting therefrom.

ARTICLE III

Unit Owners

Section 1. Annual Meetings. Promptly after the Declarant has given notice of its intention to give up control of the Board of Directors or three years after recordation of the Declaration has elapsed, whichever shall first occur, the Declarant shall notify all unit owners of the first annual meeting of the unit owners which shall be held within thirty (30) days thereafter on a call issued by the president. At such meeting the officers and directors of the Declarant shall resign as members of the Board of Directors and all responsibility and obligations Declarant may have shall cease, and all unit owners, including Declarant, shall elect a new Board of Directors which shall immediately assume all such responsibilities and obligations on behalf of the unit owners. Thereafter, the annual meetings of the unit owners shall be held on the Third Monday of January of each succeeding year, unless such date shall occur on a Saturday or Sunday, in which event the meeting shall be held on the succeeding Monday. At such meetings the Board of Directors shall be elected by ballot of the unit owners in accordance with the requirements of Section 4 of Article II of these By-Laws. After 75% or more of the units shall have been sold by the Declarant and paid for, the unit owners

other than Declarant shall be entitled to elect at least three members of the Board of Directors each of whom shall serve for a term of three years. So long as the Declarant shall own one or more of the apartment units, the Declarant shall be entitled to elect at least one member of the Board of Directors who shall serve for a term of one year. The unit owners may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meetings. Meetings of the unit owners shall be held at the principal office of the condominium or at such other suitable place convenient to the owners as may be designated by the Board of Directors.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the unit owners if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by unit owners owning a total of at least 25% of the common interest. The notice of any special meeting shall state the time, place and purpose of the meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meeting. The Secretary shall mail to each unit owner of record a notice of each annual or special meeting of the unit owners at least ten (10) but not more than twenty (20) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held at the building or at such other address as such unit owner shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this section shall be considered service of notice.

Section 5. Adjournment of Meetings. If any meeting of unit owners cannot be held because of a quorum has not attended, a majority in common interest of the unit owners who are present at such meeting, either in person or by proxy, may adjourn the

meeting to a time not less than 48 hours from the time the original meeting was called.

Section 6. Order of Business. The order of business at all meetings of the unit owners shall be as follows:

- (a) Roll Call;
- (b) Proof of Notice of Meeting;
- (c) Reading of Minutes of Preceding Meeting;
- (d) Reports of Officers;
- (e) Report of Board of Directors;
- (f) Reports of Committees;
- (g) Election of Inspectors of Election (when so required);
- (h) Election of Members of the Board of Directors (when required);
- (i) Unfinished Business; and
- (j) New Business.

Section 7. Title to Condominium Units. Title to condominium units may be taken in the name of an individual or the names of two or more persons, as tenants in common or joint tenants, or in the name of a corporation or partnership, or in the name of a fiduciary.

Section 8. Voting. The owner or owners of each condominium unit, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the votes appurtenant to such condominium unit at all the meetings of unit owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary, by the owner or owners so designating. The total number of votes of all unit owners shall be Thirty (30) and each unit owner shall be entitled to cast one vote at all meetings of the unit owners. A fiduciary shall be the voting member with respect to

any condominium owned in a fiduciary capacity.

Section 9. Majority of Unit Owners. As used in these By-Laws the term "majority of unit" owners having more than fifty percent (50%) of the total authorized votes of all unit owners present in person or by proxy and voting at any meeting of the unit owners, determined in accordance with the provisions of Section 8 of the Article III.

Section 10. Quorum. Except as otherwise provided in these By-Laws or Declaration, the presence in person or by proxy of unit owners having one-third of the total authorized votes of all unit owners shall constitute a quorum at all meetings of the unit owners.

Section 11. Majority Vote. The vote of majority of unit owners present at a meeting at which a quorum shall be present shall be binding upon all unit owners for all purposes except where a higher percentage vote is required by law, by the Declaration or by these By-Laws.

ARTICLE IV

Officers

Section 1. Designation. The principal officers of the condominium shall be the President, the Vice President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer and Assistant Secretary and such other officers as in its judgment may be necessary. The President and Secretary must be members of the Board of Directors.

Section 2. Election of Officers. Officers shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors, and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors any officer may be removed, either with or without cause, and his successor

may be elected at any regular meeting of the Board of Directors or any special meeting of the Board of Directors called for such purpose.

Section 4. President. The President shall be the chief executive officer of the condominium. He shall preside at all meetings of the unit owners and of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of President of a corporation organized under the Business Corporation Act of the State of Utah, including but not limited to the power to appoint from among the unit owners any committee which he may deem appropriate to assist in the conduct of the affairs of the condominium.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the unit owners and of the Board of Directors. He shall have charge of such books and papers as the Board of Directors may direct; and he shall in general perform all the duties incident to the office of Secretary of a corporation organized under the Business Corporation Act of the State of Utah.

Section 7. Treasurer. The Treasurer shall have the responsibility for condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial statements. He shall be responsible for the deposit of all monies and other valuable effects in the name of the Board of Directors or the managing agent in such depositories as may from time to time be designated by the Board

of Directors, and he shall in general perform all the duties incident to the office of Treasurer of a corporation organized under the Business Corporation Act of the State of Utah.

Section 8. Agreements, Contracts, Deeds, Checks, Etc.

All agreements, contracts, deeds, leases, checks and other instruments of the condominium shall be executed by two officers of the condominium one of whom must be the Treasurer or assistant treasurer or by such other person or persons as may be designated by the Board of Directors.

Section 9. Compensation of Officers. No officer shall receive any compensation from the condominium for acting as such.

ARTICLE V

Operation of the Property

Section 1. Determination of Common Expenses and Common Charges.

The Board of Directors shall from time to time, and at least annually, prepare a budget for the condominium, determine the amount of the common charges required to meet the common expenses of the condominium, and allocate and assess such common charges against the unit owners according to their respective common interests. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Directors pursuant to the provisions of Section 2 of this Article V and the fees and disbursements of the Board of Directors. The common expenses may also include such amounts as the Board of Directors may deem proper for the operation and maintenance of the condominium property including without limitation an amount for working capital of the condominium, for a general working reserve, for a reserve fund for replacements and to make up any deficit in the common expenses for any prior year. The Board of Directors shall advise each unit owner in writing of the amount of common charges payable by him,

and shall furnish copies of each budget on which such common charges are based to all unit owners and their mortgagees. In the event that such assessment shall result in an excess for any one year, the Board of Directors may refund the excess to the unit owners or apply such excess to assessments for the succeeding year.

That portion of the common assessments payable by each unit owner in and for each year or for a portion of a year determined by applying the same ratio as the unit owner owns an undivided interest in the common areas and facilities, together with any additional sums accruing under this Declaration, the By-Laws or the Act shall be payable monthly in advance or in such payments and installments as shall be required by the Board of Directors and at such times as shall be provided by the Board of Directors.

The Board of Directors shall have absolute discretionary authority to prescribe the manner of maintaining and operating the project and to determine the cash requirements to be paid as aforesaid by the owners under this Declaration. Any such determination by the Board of Directors within the bounds of the Act, By-Laws or this Declaration shall be final and conclusive on the unit owners, and any expenditure made by the Board of Directors within the Bounds of the Act, By-Laws or Declaration shall be deemed necessary and proper for such purposes against the unit owners.

Section 2. Insurance. The Board of Directors shall be responsible for obtaining and maintaining at all times insurance as set forth within the By-Laws, including insurance against fire with endorsements for extended coverage for full insurable replacement value. Such insurance shall run the benefit of the Board of Directors, the respective unit owners and the respective mortgagees as their interests may appear. Said insurance shall be governed by the following provisions:

(a) The Board of Directors shall be required to maintain a single master policy covering physical damage to the entire property under which insurance company will issue to each unit owner a certificate or sub-policy specifying the portion of the master policy allocated to each owner's unit and undivided interest in the general common elements. The master policy should also provide:

(1) that each unit owner shall have the right to request an increase in coverage allocated to his unit by reason of improvement made solely to his unit, but any additional premium resulting from such additional coverage shall be billed by the insurance company directly to and shall be paid by such unit owner; and,

(2) each unit owner may obtain at his own expense additional coverage insuring him for the cost of emergency shelter resulting from damage rendering his unit uninhabitable.

(b) In addition, the Board of Directors shall be required to secure a master policy covering physical damage that will provide the following:

(1) That the insurer waive its rights of subrogation to any claims against the Declarant, the Board of Directors, the unit owners and their respective agents, employees and guests, and in the case of the unit owners, members of their household.

(2) That the master policy on the property cannot be cancelled, invalidated or suspended on account of conduct of any member of the Committee or the Board of officer or employee of the Board or Committee or managing agent without a prior demand in writing that the Board of Directors, or managing agent cure the defect.

(3) That no other insurance clause contained in the master policy shall expressly exclude an individual unit owner's policy from operation.

(4) That until the expiration of 30 days after

the insurer gives notice in writing to the mortgagee of any unit, the mortgagee insurance coverage will not be affected, jeopardized by the act or conduct of the unit owner, the other unit owners, Board of Directors or any of their agents, employees or household members nor cancelled for non-payment of premiums.

(5) That the master policy may not be cancelled or substantially modified without at least 30 days prior written notice to the Board of Directors.

(6) That the net proceeds of such policy, if less than 1,000,000, shall be payable to the Board of Directors; and, if more than 1,000,000, shall be payable to an insurance trustee.

(7) The master policy shall contain a standard mortgage clause in favor of the mortgagee of the unit to the extent of the portion of the coverage of the master policy allocated to such unit and to which, provided that the loss, if any, thereunder shall be payable to such mortgagee and the unit owner as their interests may appear; subject, however, to a lost payment and adjustment provision in favor of the Board of Directors and the insurance trustee.

(c) All policies of insurance should be written with a company licensed to do business in the State of Utah.

(d) In no event shall the coverage obtained and maintained by the Board of Directors hereunder be brought into contradiction with insurance purchased by individual owners or their mortgagees.

(e) Each unit owner shall be required to notify the Board of Directors of all improvements made by the unit owners to their units, the value of which is in excess of \$1,000.00.

(f) Any unit owner who obtains any individual policy which covers any portion of the property other than the personal belonging to such unit owner shall be required to file a copy of such individual policy or policies with the Board of Director within 30 days after purchase of the insurance. Such unit owner

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shall also promptly notify in writing the Board of Directors in the event such policy is cancelled.

(g) The Board of Directors shall review all types of coverage and limits of coverage at least annually, but in no event shall have less than 1,000,000 with respect to any one accident or occurrence and 250,000 with respect to any claim for property damage. It shall also be the responsibility of each unit owner to obtain at his own expense liability insurance with respect to his ownership or use of his unit and the Board of Directors shall not be responsible for obtaining such insurance.

(h) A duplicate original of the master policy physical damage insurance or renewals thereof or subpolicies or certifications issued thereunder together with proof of payment of premium shall be delivered to all mortgagees of units at least 30 days prior to the expiration of the then current policies.

(i) The lender that is the holder of 51% of mortgages or deeds of trust encumbering units shall be designated as insurance trustee. If for any reason such lender shall refuse or shall cease to act as such, or at such time shall have the right to designate any bank, trust company, management agent, savings and loan association, building loan association, insurance company or any institutional lender or the condominium association as the insurance trustee and all parties beneficially interested in such insurance coverage shall be bound thereby. The insurance trustee at the time of deposit of such policy endorsement shall acknowledge the policy, and any proceeds thereof shall be held in accordance with the terms of these By-Laws. The insurance trustee shall not be liable for payment of premiums, the renewal of the policy, sufficiency of coverage, the form or content of the policy, the correctness of any amount received by it upon account of proceeds of any insurance policy nor for the failure to collect any insurance proceeds. The sole duty of the insurance trustee shall be to receive such proceeds as are paid to it and to hold the same in trust for the benefit of the unit owners of the condominiums and their respective

mortgagees.

Section 3. Repair or Reconstruction After Damage. In the event of damage to or destruction of any building as a result of fire or other casualty (unless 75% or more of the building is destroyed or substantially damaged and 75% or more of the unit owners do not duly and promptly resolve to proceed with repair or restoration), the Board of Directors shall arrange for the prompt repair and reconstruction of the buildings (including any damaged condominium units, and any kitchen or bathroom fixture initially installed therein by the Declarant, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed by unit owners in the condominium units), and the Board of Directors shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance payments shall constitute a common expense and the Board of Directors may assess all the unit owners for such deficit as part of the common charges.

If 75% or more of the building is destroyed or substantially damaged and 75% or more of the unit owners do not duly and promptly resolve to proceed with repair or reconstruction, the condominium property shall be subject to an action for partition at the suit of any unit owner lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration) then the excess of such insurance proceeds shall be divided by the Board of Directors among all the unit owners in proportion to their respective common interests, after first paying out of the share of each unit owner the amount of any unpaid liens on his condominium unit, in the order or priority of such liens.

Section 4. Payment of Common Charges. All unit owners shall be obligated to pay the common charges assessed by the Board of Directors pursuant to the provisions of Section 1 of Article V at such time or times as the Board of Directors shall determine.

No unit owner shall be liable for the payment of any part of the common charges assessed against his condominium unit subsequent to a sale, transfer or other conveyance by him thereof (made in accordance with the provisions of Section 1 of Article VII of these By-Laws). A purchaser of a condominium unit shall be jointly and severally liable for the payment of common charges assessed against such condominium unit subsequent to the acquisition by him of such condominium. A mortgagee or other purchaser of a condominium unit at a foreclosure sale of such condominium unit shall not be subject to a lien for the payment of common charges assessed prior to the foreclosure sale.

Section 5. Collection of Assessments. The Board of Directors shall assess common charges against the unit owners from time to time and at least annually and shall take prompt action to collect from a unit owner any common charge due which remains unpaid by him for more than 5 days from the due date for its payment.

Section 6. Default in Payment of Common Charges.

(a) If any unit owner shall fail or refuse to take any payment of the common expenses when due, the amount thereof shall constitute a lien on the interest of the owner of the property and upon the recording of notice thereof by the Board of Directors shall be a lien upon the unit owner's interest in the property prior to all other liens and encumbrances, recorded and unrecorded, except only:

- (1) tax and special assessment liens; and,
 - (2) prior recorded encumbrances which are superior
- as a matter of law.

(b) In the event of default by any unit owner in paying to the Board of Directors the assessed common charges, such unit owner shall be obligated to pay a Five dollar (5) late charge on all fees not paid within five (5) days and in the event that such default is not cured within ten (10) days a late charge of Ten dollars (10) shall be charged from the date due thereof, together with all expenses, including attorney's fees, incurred by the Board of Directors in any proceeding brought to collect such unpaid common charges. The Board of Directors shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceedings, including attorney's fees, in an action at law brought against such unit owners, or by foreclosure of the lien on such condominium unit.

(c) Upon payment of a delinquent assessment the Board of Directors shall cause a satisfaction of lien to be filed in cases where a notice of lien has been filed.

(d) If a unit owner shall at any time let or sublet the unit and shall be in default for a period of one month in the payment of any assessments, the Board of Directors may bring suit directly against such unit owner for the amount in default and such unit owner shall remain obligated for any such assessment regardless of any contract or instrument between the tenant and unit owner. No such contract attempting to relieve the unit owner of any liability shall be of any force or validity as against the Board of Directors.

Section 7. Foreclosure of Liens for Unpaid Common Charges.

In any action brought by the Board of Directors to foreclose a lien on a condominium unit because of unpaid common charges, the unit owner shall be required to pay a reasonable rental for the use of his condominium unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect such rental. A suit to recover a money judgment for unpaid common

charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. Statement of Common Charges. The Board of Directors shall promptly provide any unit owner who makes a request in writing with a written statement of his common charges.

Section 9. Abatement and Enjoining of Violations. The violation of any rule or regulation adopted by the Board of Directors, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights available at law or set forth in these By-Laws.

(a) to enter the condominium 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 Board of Directors shall not thereby be deemed guilty in any manner of trespass; or,

(b) to enjoin, abate or remedy such thing or condition by appropriate legal proceedings.

Section 10. Maintenance and Repair.

(a) All maintenance of and repairs to any apartment unit, structural or non-structural, ordinary or extraordinary (other than maintenance of and repairs to any common elements contained therein not necessitated by the negligence, misuse or neglect of the owner of such condominium unit), shall be made by the owner of such condominium unit. Each unit shall be responsible for all damages to any other condominium unit and to the common elements resulting from his failure to effect such maintenance and repairs.

(b) All maintenance, repairs and replacements to the common elements, whether located inside or outside of the condominium units (unless necessitated by the negligence, misuse or neglect of a unit owner, in which case such expense shall be charged to the unit owner), shall be made by the Board of Directors

and be charged to all the unit owners as a common expense.

Section 11. Terraces, Balconies and Patios. A terrace, balcony or patio to which a condominium unit has sole access, shall be for the exclusive use of the owner of such condominium unit. Such unit owner shall keep such balcony, terrace or patio free and clean of snow, ice and any accumulation of water, and shall make all repairs thereto resulting from his negligence, misuse or neglect. All other repairs in, to or with respect to such terrace, balcony or patio shall be made by the Board of Directors as a common expense.

Section 12. Use of Condominium Units. In order to provide for congenial occupancy of the condominium property and for the protection of the values of the condominium units, the use of the condominium property shall be subject to the following limitations:

- (a) The condominium units shall be used for residences only, except as the Board of Directors may choose to purchase and use a unit as a management office.
- (b) The common elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incidental to the use and occupancy of the condominium units.
- (c) No nuisances shall be allowed on the condominium property nor shall any use or practice be allowed which is a source of annoyance to its residents or which intereferes with the peaceful possession or proper use of the condominium property by its residents.
- (d) No immoral, improper, offensive or unlawful use shall be made of the condominium property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be complied with. Such compliance shall be accomplished at the sole expense of the unit owners or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the

condominium property.

(e) No portion of a condominium unit (other than the entire condominium unit) may be rented and no transient tenants may be accommodated therein.

Section 13. Additions, Alterations or Improvements by Unit Owners. No unit owner shall make any structural addition, alteration or improvement in or to his condominium unit without the prior written consent thereto of the Board of Directors. The Board of Directors shall have the obligation to answer any written request by a unit owner for approval of a proposed structural addition, alteration or improvement in such unit owner's condominium unit within thirty (30) days and failure to answer within the stipulated time shall constitute a consent by the Board of Directors to the proposed addition alteration or improvement. Any application to any governmental authority for a permit to make an addition, alteration or improvement in or to any condominium unit shall be executed by the Board of Directors. The Board of Directors shall not be liable to any contractor, subcontractor or materialman or to any person sustaining personal injury or property damage for any claim arising in connection with such addition, alteration or improvement. The provisions of this Section 13 shall not apply to condominium units owned by the Declarant until such time as such condominium units have been initially sold by the Declarant and paid for.

Section 14. Water Charges and Sewer Rents. Water shall be supplied to all of the condominium units and the common elements through one or more building meters and the Board of Directors shall pay, as a common expense, all charges for water consumed on the premises, together with all related sewer rents arising therefrom, promptly after the bills therefor are rendered. In the event of a proposed sale of a condominium by the unit owner thereof, the Board of Directors, on request of the selling unit owner, shall execute and deliver to the purchaser of such

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condominium unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the property as of the date of closing of title to such condominium promptly after such charges have been billed by the appropriate collector.

Section 15. Gas. Gas shall be supplied to the building through the building meter and the bills for the same shall be paid by the Board of Directors as a common expense. No gas service shall be supplied to each individual unit.

Section 16. Electricity. Electricity shall be supplied by the public utility company serving the area directly to each condominium through a separate meter and each unit owner shall be required to pay the bills for electricity consumed or used in his condominium unit. The electricity serving the common elements shall be separately metered and the Board of Directors shall pay all bills for electricity consumed in such portions of the common elements as a common expense.

Section 17. Taxes. Each unit and its percentage of undivided interest in common areas and facilities shall be deemed to be a parcel and shall be subject to separate assessment and taxation by each assessing unit and special district for all types of taxes authorized by law, including but not limited to advalorem liens and special assessments.

ARTICLE VI

Mortgages

Section 1. Mortgage of units. No unit owner shall mortgage his condominium unit except by a mortgage made to a bank, trust company, insurance company, federal or state savings and loan association, pension fund or other institution lender. Any such mortgage shall be substantially in the form on file with the Board of Directors, except for such changes and/or additions as may be legally necessary in order to permit the particular

institutional lender to make the mortgage loan, or to the extent permitted in writing by the Board of Directors.

Section 2. Notice to Board of Directors. A unit owner who mortgages his condominium unit shall notify the Board of Directors of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Directors. The Board of Directors shall maintain such information in a book entitled "Mortgages of Condominium Units."

Section 3. Notice of Unpaid Common Charges. The Board of Directors, whenever so requested in writing by a mortgages of a condominium unit, shall promptly report any then unpaid common charges or other default by the owner of the mortgaged condominium unit.

Section 4. Notice of Default. The Board of Directors, when giving notice to a unit owner of a default in paying common charges or any other default, shall send a copy of such notice to each holder of a mortgage covering such condominium unit whose name and address has theretofore been furnished to the Board of Directors.

Section 5. Examination of Books. Each unit owner and each mortgagee of a condominium unit shall be permitted to examine the books of account of the condominium at reasonable times on business days, but not more often than once a month.

ARTICLE VII

Sales and Leases of Units

Section 1. Sales and Leases. No unit owner may sell or lease his condominium unit or any interest therein except by complying with the provisions of this section. A unit owner's sale of his condominium shall include the sale of:

- (a) the undivided interest in the common elements appurtenant thereto; and,
- (b) The interest of such unit owner in any other assets of the condominium, hereinafter collectively called the

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appurtenant interests.

Section 2. No Severance of Ownership. No unit owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his condominium unit without including the appurtenant interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant interests of any condominium unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the condominium unit to which such interests are appurtenant or as part of a sale, transfer or other disposition of such part of the appurtenant interests of all condominium units.

Section 3. Gifts and Devises, Etc. Any unit owner shall be free to convey or transfer his condominium unit by gift or to devise his condominium unit by will or to pass the same by intestacy without restriction.

Section 4. Payment of Assessments. No unit owner shall be permitted to convey, mortgage, pledge, hypothicate, sell or lease his condominium unit unless and until he shall have paid in full to the Board of Directors all unpaid common charges theretofore assessed by the Board of Directors against his condominium unit and until he shall have satisfied all unpaid liens against such condominium unit, except permitted mortgages.

ARTICLE VII

Condemnation

Section 1. Condemnation. In the event of a taking in condemnation or by eminent domain, part of all of the common elements, the award made for such taking shall be payable to the

Board of Directors. If 75% or more of the unit owners duly and promptly approve the repair and reconstruction of such common elements, and the Board of Directors shall discuss the proceeds of such award to the contractors engaged in such repair and reconstruction in appropriate progress payments. In such event that 75% or more of the unit owners do not duly and promptly approve the repair and reconstruction of such common elements, the Board of Directors shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceed where there is no repair or reconstruction of the damage, as provided in Section 3. of Article V of these By-Laws.

ARTICLE IX

Records

Section 1. Records and Audits. The Board of Directors or the managing agent shall keep detailed records of the actions of the Board of Directors and the managing agent, minutes of the meetings of the Board of Directors, minutes of the meetings of the unit owners and financial books and records of account of the condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each condominium unit, which among other things shall contain the amount of each assessment of the common charges against such condominium unit, the date when due, the amounts paid thereon and the balances remaining unpaid. A written report summarizing all receipts and expenditures of the condominium shall be rendered by the Board of Directors to all unit owners at least quarterly. In addition, an annual report of the receipts and expenditures of the condominium, certified by an independent certified public accountant shall be rendered by the Board of Directors to all unit owners and to all mortgagees of condominium units who have requested the same, promptly after the end of each fiscal year.

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ARTICLE X

Miscellaneous

Section 1. Notices. All notices to the Board of Directors shall be sent by registered or certified mail, in care of the managing agent, or if there is no managing agent to the office of the Board of Directors or to such other address as the Board of Directors may hereinafter designate from time to time. All notices to any unit owner shall be sent by registered or certified mail to the building or to such other address as may have been designated by him from time to time in writing to the Board of Directors. All notices to mortgagees of condominium units shall be sent by registered or certified mail to their respective addresses as designated by them from time to time in writing, to the Board of Directors. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

Section 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 3. Captions. The captions herein inserted are done so only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws or the intnet of any provision thereof.

Section 4. Gender. The use of the masculine gender in these By-laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 5. Waiver. No restriction, condition, obligation or provisions contained in these By-laws shall be deemed to have been abrogated, amended or waived by any reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

ARTICLE XI

Amendments to By-laws

Section 1. Amendments to By-laws. Except as provided otherwise herein these By-laws may be modified or amended by the vote of 51% of the holders of the common interest of all of the unit owners at a meeting of the unit owners held for such purpose pursuant to proper notice. Section 1 of Article III, insofar as it provides that the Declarant, so long as it is the owner of one or more units, shall be entitled to elect at least one member of the Board of Directors, and Section 8 of Article III, insofar as it provides that the Declarant, so long as it is the owner of one or more units may vote the votes appurtenant thereto, and this Section 1 of Article XI, however, may not be amended without the consent in writing of the Declarant so long as the Declarant shall be the owner of one or more units.

ARTICLE XII

Conflicts

Section 1. Conflicts. These By-laws are set forth to comply with the requirements of the Condominium Ownership Act of the State of Utah as set forth in Utah Code Ann. (1953) as amended. In case of any of these By-laws being in conflict with the provisions of such statute, or of the Declaration, the provisions of such statute or of the Declaration, as the case may be, shall control.

DECLARANT:

WARNER DEVELOPMENT, a Utah Partnership,

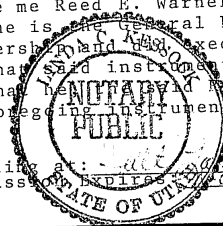
ATTEST:

By Reed E. Warner
Reed E. Warner, General Partner

STATE OF UTAH)
 : ss
COUNTY OF SALT LAKE)

On this 28th day of September, 1979, personally appeared before me Reed E. Warner, who being by me duly sworn, did say that he is the General Partner of WARNER DEVELOPMENT, a Utah Partnership, and that he executed the above and foregoing instrument, and that said instrument was signed on behalf of said Partnership, and that Reed E. Warner is duly authorized to sign the foregoing instrument as a General Partner.

Residing at: 1111 S. 1000 E. Salt Lake City, Utah NOTARY PUBLIC
Commission Expires: 10/10/80



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