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KATHIE L. DIXON  
RECORDER  
SALT LAKE COUNTY,  
UTAH

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DECLARATION OF CONDOMINIUM  
OF  
VIRGINIA SQUARE

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THIS DECLARATION is made as of the date hereinafter set forth by Fort Union Six, a Utah Partnership, with Jeffrey L. Keller and Douglas J. Parrish as partners, Lester M. Partlow, A&Z Investment, all hereinafter referred to as the "Declarant", pursuant to the provisions of the Utah Condominium Ownership Act.

R E C I T A L S :

A. Declarant is the owner of that certain tract of land, more particularly described in Article II hereof.

B. There has been constructed upon said tract three apartment buildings containing six apartment units and other improvements, which Declarant now desires to convert to a condominium project. All of such construction has been performed in accordance with the plans and drawings contained in the Record of Survey Map filed for record simultaneously herewith, consisting of one sheet, prepared and certified by a Utah Registered Land Surveyor.

C. Declarant desires, by filing this Declaration and the Record of Survey Map, to submit said tract and all improvements now or hereafter constructed thereon to the provisions of the Utah Condominium Ownership Act as a condominium project to be known as "Virginia Square."

D. Declarant intends to sell to various purchasers the fee title to the individual Units contained in the Project, together with the undivided ownership interest in the Common Areas and Facilities appurtenant to such Units, subject to the covenants, conditions, restrictions, limitations, and easements herein set forth.

NOW, THEREFORE, for the foregoing purposes, Declarant hereby declares and certifies as follows:

I. Definitions. When used in this Declaration (including that portion hereof captioned "Recitals" and in the By-laws attached hereto as Exhibit "A") the terms used shall have the meaning stated in the Utah Condominium Ownership Act and as follows unless the context otherwise requires.

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1. Act shall mean and refer to the Utah Condominium Ownership Act (Title 57, Chapter 8, Utah Code Annotated) as the same may be amended from time to time.

2. Association shall mean and refer to Virginia Square Home Owners Association, a Utah nonprofit Association, its successors and assigns.

3. Declaration shall mean and refer to this Declaration.

4. Declarant shall mean and refer to Fort Union Six, a Utah Partnership, and to its successors and assigns.

5. Map shall mean and refer to the Record of Survey Map filed herewith captioned "Virginia Square".

6. Property shall mean and refer to the land and the right-of-way as detailed in Article II hereof and as shown on the Map, the buildings, all improvements and the structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

7. Common Areas or the Common Areas and Facilities shall mean and refer to and include:

(a) The land and the right-of-way on which the buildings and other improvements are constructed and submitted by this Declaration to the terms of the Act.

(b) Those Common Areas and Facilities specifically set forth and designated as such in the Map.

(c) All portions of the Project not specifically included within the individual Units.

(d) All limited Common Areas and Facilities.

(e) All foundations, columns, girders, beams, supports, perimeter walls and roofs, constituting a portion of or included in the improvements which comprise a part of the Project.

(f) All installations for and all equipment connected with the furnishing of Project central services such as gas and water.

(g) All apparatus, installations, and facilities included within the Project and existing for common use.

(h) All other parts of the project normally in common use or necessary or convenient to its use, existence, maintenance, safety, or management.

(i) All Common Areas and Facilities as defined in the Act, whether or not expressly listed herein.

8. Condominium Unit or Unit means and refers to one of the home Units intended for independent use as defined in the Act and as shown (single cross - hatched) in the Map. Mechanical equipment and appurtenances located within any one Unit or located without said Unit but designated and designed to serve only that Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, fixtures and the like, shall be considered part of the Unit, as shall all decorated interiors, all surfaces of interior structural walls, floors and ceilings, windows and window frames, doors and door frames, and trim, consisting of, inter alia and as appropriate, wallpaper, paint, flooring, carpeting and tile. All pipes, wires, conduits, or other public utility lines or installations constituting a part of the Unit and serving only the Unit, and any structural members or any other property of any kind, including fixtures and appliances within any Unit, which are removable without jeopardizing the soundness, safety or usefulness of the remainder of the building within which the Unit is situated shall be considered part of the Unit.

9. Management Committee and the Committee shall mean and refer to the Management Committee of Virginia Square Home Owners Association.

10. Common Expenses shall mean all items, things and sums described in the Act which are lawfully assessed against the Unit Owners in accordance with the provisions of the Act, this Declaration, the By-laws, such rules, regulations and other determinations and agreements pertaining to the Condominium Project as the Management Committee may from time to time adopt.

11. Mortgage shall mean any mortgage, deed of trust or other security instrument by which a Unit or any part thereof is encumbered.

12. Mortgagee shall mean any person named as a Mortgagee or beneficiary under or holder of a deed of trust.

13. Limited Common Areas and Facilities or Limited Common Areas shall mean those Common Areas designated in the Declaration (and shown in the Map by double cross-

hatching) as reserved for use of a certain Unit to the exclusion of other Units. Limited Common Areas include the assigned parking spaces (two per each Unit) associated with the Units as shown in the Map, a fenced back yard adjacent to the Units and a storage shed in the back yard.

14. Unit Number shall mean and refer to the number letter, or combination thereof which designates a Unit as indicated on the Map.

15. Unit Owner or Owner shall mean and refer to the Owner of the fee in a Unit and the ownership of undivided interest in the Common Areas which is appurtenant thereto. The Declarant shall be deemed to be the Owner of all completed but unsold Units. In the event a Unit is the subject of an executory contract of sale, the contract buyer shall, unless the seller and the buyer have otherwise agreed and have informed the Committee in writing of such agreement be considered the Unit Owner for all purposes.

16. "Member" shall mean and refer to every Owner of a fee or undivided fee, interest in any of the Units which are by covenants of record, subject to assessment by the Association.

17. Tract shall mean and refer to the real property which Article II of this Declaration submits to the terms of the Act.

18. Condominium Project or Project shall mean and refer to Virginia Square Condominium Project.

II. Submission to the Act. Declarant hereby submits to the provisions of the Act the following described real property situated in the County of Salt Lake, State of Utah, to wit:

See Exhibit B Attached

III. Covenants, Conditions and Restrictions. The foregoing submission is made upon and under the following covenants, conditions and restrictions:

1. Description of Improvements. The improvements are now located upon the Tract described above, and all of such improvements are described in the Map. The Map shows the number of stories, the number of Units which are contained in the three apartment buildings which comprise a part of such improvements and other significant facts relat-

ing to such improvements. Every Unit has two parking spaces for automobiles, a fenced back yard with a storage shed. These improvements are identified in the Map as limited common areas by double cross-hatching and in the case of the parking stalls, by also matching the unit number on the stalls that go with that unit preceded by a capital P. These limited common areas shall be used in connection with such Unit to the exclusion thereof by other Owners of Common Areas except by invitation. All buildidngs are of wood-frame construction with brick veneer and aluminium siding exterior.

2. Description and Legal Status of Units. The Map shows the Unit Number of each Unit, its location, dimensions from which its area may be determined, those Limited Common Areas which are reserved for its use, and the Common Areas to which it has such access.

3. Common and Limited Common Areas. The Common Areas contained in the Project are described and identified in Article I hereof and in the Map. Neither the ownership of undivided interest in the Common Areas nor the right of exclusive use of a Limited Common Area shall be separated from the Unit to which it appertains; and even though not specifically mentioned in the instrument of conveyance, such ownership of undivided interest and such right of exclusive use shall automatically accompany the conveyance of the Unit to which they relate.

4. Determination of Interest in Common Areas. An equal, undivided interest in the common areas and facilities is allocated to each unit. The proportionate ownership in Common Areas shall be for all purposes including, but not limited to, voting and assessment for Common Expenses.

5. Holding Title. Title to a Unit may be held or owned by any individual or entity and in any manner in which title to any other real property may be held or owned in the State of Utah, including, but without limitation, joint tenancy or tenancy in common.

6. No Separation. No part of a Unit or of the legal rights comprising ownership of a Unit may be separated from any other part thereof during the period of Condominium Ownership described herein, so that each Unit, the undivided interest in the Common Areas appurtenant to such Unit, and the exclusive right to use and occupy the Limited Common Areas appurtenant to such Unit, shall always be conveyed, devised, encumbered, and otherwise affect only together and may never be separated from one another. Every gift, devise, bequest, transfer, encumbrance, or other disposition of a Unit or any part thereof shall constitute a

gift, devise, bequest, transfer, encumbrance or conveyance, respectively, of the entire Unit, together with all appurtenant rights created by law or by this Declaration.

7. No Partition. The Common Areas shall be owned in common by all the Owners of the Units, and no Unit Owner may bring action for partition thereof.

8. Use of Common Areas and Limited Common Areas. Subject to the limitations contained in the Declaration, any Unit Owner shall have the non-exclusive right to use and enjoy the Common Areas and shall have the exclusive right to use and enjoy the Limited Common Areas designated herein (and on the Map) for exclusive use by such Unit Owner.

9. Unit Maintenance. Each Owner shall at his own cost and expense maintain, repair, paint, re-paint, tile, tax, paper or otherwise refinish and decorate the interior surfaces of the walls, ceilings, floors, windows and doors forming the boundaries of his Unit and all walls, ceiling, floors, windows and doors within such boundaries. In addition to decorating and keeping the interior of his Unit in good repair and in a clean and sanitary condition, he shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heater, heating equipment, air conditioner, lighting fixtures, refrigerator, dishwasher, disposal equipment, range, or other appliances or fixtures that may be in, or connected with this Unit.

10. Maintenance of Common and Limited Common Areas. The Association shall maintain and care for all Common Areas and bear the expenses therefor. Each Owner shall at his own cost keep the Limited Common Areas designed for use in connection with his Unit in a clean, sanitary and attractive condition at all times except that the Association shall be responsible for lawn and fence care and shall be responsible for resurfacing the parking stalls when normal wear warrants such resurfacing as determined by the Association. In order to facilitate the Association in fulfilling its maintenance duties outlined above, each Unit Owner shall allow the Association or its agent access to the Limited Common Areas during reasonable hours upon one day notification.

11. Access for Repair of Common Areas. Some of the Common Areas are or may be located within the Units or may be conveniently accessible only through the Units. The Association shall have the irrevocable right, to be exercised by the Committee, as its agent, to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance,

repair or replacement of any of the Common Areas located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damages to the Common Areas or to another Unit or Units. The Committee shall also have such rights independent of the agency relationship. The cost of repairing any damage to the interior of any part of a Unit or Units resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Areas or as a result of emergency repairs within another Unit at the instance of the Committee or of the Association shall be borne by the Association; provided, that if such damage is the result of negligence of the Owner of a Unit, then such Owner shall be financially responsible for all such damage. Such damage shall be repaired and the property shall be restored substantially to the same condition as existed prior to damage. Amounts owing by the Association pursuant hereto shall be collected by the Committee by assessment.

12. Easement for Encroachment. If any part of the Common Areas encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance for the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance shall and does exist. Such encroachments shall not be considered to be encumbrances either to the Common Areas or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the building(s) on the Tract, by error in the Map, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

13. Right of Ingress, Egress, Lateral Support. Each Owner shall have the right to ingress and egress over, upon and across the Common Areas necessary for access to his Unit, and to the Limited Common Areas designated for use in connection with his Unit, and each Owner shall have the right to the horizontal and lateral support of a Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

14. Easement to Management Committee. The Management Committee shall have non-exclusive easements to make such use of the Common Areas as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration.

15. Easement for Utility Services. There is hereby created a blanket easement upon, across, over and under the Tract above described in Article II for ingress,

egress, installation, replacing, repairing and maintaining all utilities, including but not limited to, water, sewers, gas, telephones electricity, and other utility services.

16. Legal Description of a Unit. Every conveyance or contract for the sale of a Unit and every other instrument affecting title to a Unit may describe that Unit by the number shown on the Map with the appropriate reference to the Map and to this Declaration, as each shall appear on the records of the County Recorder of Salt Lake County, Utah, and in substantially the following form:

Unit \_\_\_\_\_ in Building \_\_\_\_\_ as shown in the Record of Survey Map for Virginia Square Condominium appearing in the Records of the County Recorder of Salt Lake County, Utah, in Book \_\_\_\_\_ Page \_\_\_\_\_ of Plats, and as defined and described in the Declaration of Condominium of Virginia Square appearing in such records in Book \_\_\_\_\_ Page \_\_\_\_\_ of Records.

This conveyance is subject to the provisions of the aforesaid Declaration of Condominium of Virginia Square.

Such description will be construed to describe the Unit, together with the appurtenant undivided interest in the Common Areas, and to incorporate all the rights incident to Ownership of a Unit and all the limitations on such ownership as described in this Declaration.

17. Status and General Authority of Association.

(a) Except as hereinafter provided, the Condominium Project shall be managed, operated, and maintained by the Association as agent for the Unit Owners. The Association shall have, and is hereby granted, the following authority and powers:

(1) The authority to grant or create on such terms as it deems advisable, utility and similar easements over, under, across, and through the Common Areas.

(2) The authority to execute and record, on behalf of all of the Members, any amendments to the Declaration or the Map which has been approved by the vote or consent necessary to authorize such amendment.

(3) The power to sue and be sued.

(4) The authority to enter into contracts relating to the Common Areas and other matters over which



it has jurisdiction, so long as any vote or consent of Members necessitated by the subject matter of the agreement has been obtained.

(5) The power and authority to convey or transfer any interest in real property, so long as the vote or consent necessary under the circumstances has been obtained.

(6) The power and authority to purchase or otherwise acquire, and accept title to, any interest in a Unit of this Project, so long as such action has been authorized by any vote or consent which is necessary under the circumstances.

(7) The authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable in carrying out its functions or to insure that the Project is maintained and used in a manner consistent with the interests of the Members.

(8) The power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary to perform its functions as agent for the Unit Owners. Any instrument executed by the Association relating to the Common Areas of the Project that recites facts which, if true, would establish the Association's power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.

(9) The Association shall elect a Management Committee to manage the affairs of the Association.

(b) Composition of Management Committee, Election, Vacancy. The Management Committee shall be composed of three (3) members. At the first regular Association meeting. At the first annual meeting the Members shall elect one committee member for a term of one year, one committee member for a term of two years and one committee member for a term of three years; and at each annual meeting thereafter the members shall elect one committee member for a term of three years. Only Members shall be eligible for Committee positions. At the annual meeting each Member may vote his percentage of undivided ownership interest (one vote per assessable unit) in favor of as many candidates for Committee positions as there are seats on the Committee to be filled. In the event a Committee seat becomes vacant the remaining Committee members shall elect a replacement

to sit on the Committee until the expiration of the term for which the member being replaced was elected. Committee members shall be reimbursed for all expenses reasonably incurred in connection with Committee business.

(c) Rights and Duties. (1) The business, property and affairs of the Project shall be managed and governed by the Management Committee. The Committee shall be responsible for the exclusive control and management of the Common Areas and all improvements thereon and shall cause the same to be kept in good, clean, attractive and sanitary condition, order and repair. The Committee shall be responsible for the maintenance and repair of exterior surfaces of the buildings, including, without limitation, the painting of the same as often as necessary, the replacement of trim, the maintenance and repair of roofs, the maintenance, repair and replacement of all other Common Areas. The specification of duties of the Committee with respect to particular Common Areas shall not be construed to limit its duties with respect to other Common Areas. The cost of such management, operation, maintenance and repair by the Committee shall be borne by assessment as hereinafter provided. The Committee may carry out any of its functions which are capable of delegation through a manager. The manager so engaged shall be responsible for managing the Common Areas and shall, to the extent permitted by law and the terms of the agreement with the Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Committee itself.

(2) The Committee may make reasonable rules and regulations governing the use of the Units and of the Common Areas, which rules and regulations shall be consistent with the rights and duties established in this Declaration. The Committee may suspend any Member's voting rights at the meeting of the Association during any period or periods during which such Member fails to comply with such rules and regulations, or with any other obligations of such Member under this Declaration. The Committee may also take judicial action against any Member to enforce compliance with such rules and regulations or other obligations or to obtain damages for non-compliance, all to the extent permitted by law.

(3) The Committee may exercise any other right or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

(d) Payment for Services, Etc. The Management Committee may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Committee shall determine to be necessary or desirable for the proper operation of its functions in the Project. The Committee may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration.

(e) Personal Property Ownership and Use. The Committee may acquire and hold for the use and the benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interests in the Common Areas. Such interest shall not be transferrable except with the transfer of a Unit. A transfer of a Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto, and such beneficial interest may in no event be reserved by the transferor of a Unit.

(f) Capital Improvements. There shall be no structural alterations, capital additions to, or capital improvements of, the Common Areas requiring expenditure in excess of \$300.00 without the prior approval of Members holding a majority of the voting power.

18. Provisions Concerning Assessments.

(a) Agreement to Pay Assessments. Each Owner of a Unit by the acceptance of a deed or contract therefor, whether or not it be so expressed in the deed or contract, shall be deemed to covenant and agree with each other and with the Association and Committee to pay annual assessments made by the Committee for the purposes provided in this Declaration, and special assessments for capital improvements and other matters as provided in this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided hereunder.

(b) Basis of Assessments. The total annual assessments against all Units shall be based upon advance estimates of cash requirements by the Committee to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Areas, which estimates may include among other things, expenses of management, taxes and special assessments levied by governmental authorities until the Units are separately assessed as provided herein; premiums for all insurance

which the Committee is required or permitted to maintain pursuant hereto; water charges; repairs, maintenance and replacement of the Common Areas; wages for employees of the Committee; legal and accounting fees; any deficit remaining from a previous period; the creation of a reasonable contingency reserve; surplus and/or sinking fund, and any other expenses and liabilities which may be incurred by the Committee for the benefit of the Members under or by reason of this Declaration.

(c) Apportionment of Expenses. Expenses attributable to the Common Areas and to the Project as a whole shall be apportioned among all Units in proportion to their respective undivided interest in the Common Areas.

(d) Method, Payment of Assessment, Etc. Annual assessments shall be made on a calendar year basis. The Committee shall give written notice to each Member as to the amount of the annual assessment with respect to his Unit not less than thirty (30) days nor more than sixty (60) days prior to the beginning of the next calendar year, provided, however, that the first annual assessment shall be for the balance of the calendar year remaining after the day fixed by the Committee as the date of commencement of the assessment. Each annual assessment shall be due and payable in monthly installments. Each monthly assessment shall bear interest at the rate of eighteen percent (18%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date. Such monthly assessment becomes payable upon the date the Unit Owner purchases his Unit whether by conveyance of title or entering into a contract of sale and purchase, and thereafter each monthly payment shall be due and payable on the first day of each and every month in advance.

(e) Special Assessments. In addition to the annual assessments authorized hereunder, the Committee may levy in any assessment year, special assessments, subject to the provisions of Paragraph 17(f) above, payable over such a period as the Committee may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Common Areas of the Project or any other part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration. This paragraph shall not be construed as an independent source of authority for the Committee to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other paragraphs hereof. Any amounts assessed pursuant hereto shall be assessed to Members in proportion to their respective undivided interests in the Common Areas. Notice in writing of the amount of such special

assessment and the time for payment thereof shall be given promptly to the Members, and no payment shall be due less than thirty (30) days after such notice shall have been given. A special assessment shall bear interest at the rate of eighteen percent (18%) per annum from the date it becomes due and payable if not paid within thirty days after such date.

(f) Lien for Unpaid Assessments. (1) All sums assessed to any Unit pursuant to this section, together with interest thereon as provided herein, shall be secured by a lien on such Unit in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Unit, except only for: (a) valid tax and special assessment liens on the Unit in favor of any governmental assessing authority; and (b) encumbrances on the interest of the Unit Owner recorded prior to the date of notice of the lien provided for herein is recorded which by law would be a lien prior to subsequently recorded encumbrances. All other lienors acquiring liens on any Unit after this Declaration shall have been recorded shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

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

(3) A release of notice of lien shall be executed by the Committee and recorded in the office of the County Recorder of Salt Lake County, Utah, upon payment of all sums secured by the lien which was the subject of the recorded notice of lien.

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

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

(g) Personal Obligation Assessments. The amount of any annual or special assessment against any Unit shall be the personal obligation of the Owner thereof to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Committee without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of his Unit.

(h) Information Concerning Unpaid Assessments. Upon payment of a reasonable fee not to exceed the sum of \$10.00 or such other amount as may be allowed by the Act, and upon written request of any Owner or mortgagee, prospective mortgagee or prospective purchaser of a Unit, the Committee concerned shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Unit; the amount of the current yearly assessment and the portion thereof which has theretofore been paid; credit for advance payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums; and such statement shall be conclusive upon the Committee in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within ten (10) days, all unpaid assessments which became due prior to the lien of a mortgagee which became due prior to the date of making such request shall be subordinate to the lien of a mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligations of the purchaser shall be released

automatically if the statement is not furnished within the ten (10) day period provided herein and thereafter an additional written request is made by such purchaser and is not complied with within ten (10) days, and the purchaser subsequently acquires the Unit.

(i) Purchaser's Obligation. Subject to the provisions of subparagraph (i), a purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

19. Use of Condominium and Common Areas.

(a) Single Family Housing Use. Each of the Units in the Project is intended to be used for single family residential housing and is restricted to such use.

(b) Restrictions Concerning Common Areas. There shall be no obstructions of the Common Areas by the Owners, their tenants, guests or invitees without the prior written consent of the Committee. The Committee may by rules and regulations prohibit or limit the use of the Common Areas as may be reasonably necessary for protecting the interests of all the Owners or protecting the Units or the Common Areas. Nothing shall be kept or stored on any part of the Common Areas without the prior written consent of the Committee, except as specifically provided herein. Nothing shall be altered on, constructed in, or removed from the Common Areas except upon the prior written consent of the Committee. Alterations to existing landscaping in the Common or Limited Common Areas are prohibited unless specifically approved by the Committee.

(c) Miscellaneous Restrictions. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would result in the cancellation of the insurance on the Project or any part thereof or increase of the rate of the insurance on the Project or any part thereof over what the Committee, but for such activity, would pay, without the prior written consent of the Committee. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Committee and the Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees; provided, however, that any invitee of the Declarant

shall not under any circumstances be deemed to be an invitee of any other Owner. No noxious, destructive or offensive activity shall be carried on in any Unit or in the Common Areas or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project.

(d) Animals. No livestock or poultry of any kind shall be raised, bred, or kept in any Unit or in the Common Areas, except that cats and dogs of household variety may be kept in the Units, provided, however, that both cats and dogs must be exercised on leash in the Common Areas, and provided, further, that rules and regulations concerning cats and dogs shall be strictly observed.

(e) No Violation of Rules and Regulations. No Owner shall violate the rules and regulations for the use of the Units and of the Common Areas as adopted from time to time by the Management Committee.

(f) Restrictions on Alterations. No structural alterations to any Unit shall be made by any Owner without the prior written consent of the Committee.

(g) Declarant's Right to Sell Units. Notwithstanding anything contained herein to the contrary, until the Declarant has completed and sold all of the Units, neither the Unit Owners who have purchased Units from the Declarant nor the Committee shall interfere with the completion of improvements and sale of the remaining Units. The Declarant may make such use of the unsold Units and the Common Areas as may facilitate such completion and sale, including but not limited to the showing of the Units, showing of the Common Areas, and the conducting of advertising and promotional programs.

20. Insurance. The Management Committee on behalf of the owners at their common expense shall at all times keep project improvements insured against loss or damage by fire with extended coverage in an insurance company authorized to do business in Utah in an amount as near as practicable to the full replacement cost thereof without deduction for depreciation, in the name of the Committee as trustee for all unit owners according to the loss or damage to their respective units and appurtenant common interests and easements and payable in case of loss to such bank or trust company authorized to do business in Utah as the Committee shall designate for the custody and disposition as herein provided of all proceeds of insurance, and from time to time upon receipt thereof cause to be deposited promptly with the fee owner true copies of such insurance policies



or current certificates thereof, without prejudice to the right of each unit owner to insure his unit for his own benefit. In every case of such loss or damage, all insurance proceeds shall be used as soon as reasonably possible by the Committee on behalf of the unit owners for rebuilding, repairing, or otherwise reinstating the buildings in a good and substantial manner according to the original plan and elevation thereof or such modified plans conforming to laws and ordinances then in effect as shall be first approved by the Association, and the unit owners at their common expense shall make up any deficiency in such insurance proceeds.

The Committee on behalf of the Unit Owners at their common expense shall also procure and maintain at all times comprehensive general liability insurance, covering all members of the Association and the Committee, officers, and employees with respect to the Project and naming the fee owner as an additional assured without any cost to the fee owner, in an insurance company authorized to do business in Utah with minimum limits of not less than \$500,000 for injury to one person and \$1 million for injury to more than one person in any one accident or occurrence and \$500,000 for property damage, or a single limit policy of not less than \$1 million and from time to time upon receipt thereof deposit promptly with the fee owner current certificates of such insurance, without prejudice to the right of any apartment owner to maintain additional liability insurance for his unit.

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

(a) If proceeds of the insurance maintained by the Management Committee are alone sufficient to repair or reconstruct the damaged or destroyed improvement, such repair or reconstruction shall be carried out.

(b) If less than 75% of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Management Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all the Unit Owners shall be assessed for any deficiency on the basis of their respective percentages of undivided interest in the Common Areas and Facilities.

(c) If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Management Committee are

not alone sufficient to accomplish restoration, and if the Unit Owners within 100 days after the destruction or damage by a vote of at least 75% elect to repair or reconstruct the affected improvements, restoration shall be accomplished in the manner directed under subparagraph (b) above.

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

Any reconstruction or repair which is required to be carried out by this Paragraph 21 shall be accomplished at the instance and direction of the Management Committee. Any determination which is required to be made by this Paragraph 21 shall be accomplished at the instance and direction of the Management Committee. Any determination which is required to be made by this Paragraph 21 regarding the extent of damage to or destruction of Project improvements shall be made by three MAI appraisers selected by the Management Committee. The decision of any two such appraisers shall be conclusive.

22. Amendments. Until Units representing 75% of the undivided ownership interest in the Project have been sold, Declarant shall have, and is hereby vested with, the right to amend this Declaration or the Record of Survey Map. Such right shall obtain without regard to the subject matter of amendment, so long as the amendment involved is consistent with law. Thereafter, the vote of at least 2/3 of the undivided ownership interest in the Common Areas and Facilities shall be required to amend this Declaration or the Record of Survey Map. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Management Committee. In such instrument the Committee shall certify that the vote required by this paragraph for amendment has occurred.

23. Consent Equivalent to Vote. In those cases in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for the authorization or approval of a trans-

action, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who collectively hold at least the necessary percentage of undivided ownership interest.

24. Service of Process. Douglas Parrish, whose address is 2192 East Fort Union Boulevard, Unit A, Salt Lake City, Utah, is the person to receive service of process in cases authorized by the Act. The Management Committee shall, however, have the right to appoint a successor or substitute process agent. Such successor or substitute agent and his address shall be specified by an appropriate instrument filed in the office of the County Recorder of Salt Lake County, State of Utah.

25. Mortgagee Protection. Notwithstanding anything to the contrary contained in the Declaration:

(a) An adequate reserve fund for replacement of the Common Areas must be established and shall be funded by the regular monthly payments rather than by special assessments.

(b) There shall be established a working capital fund for the initial months of operation of the Project equal to a minimum amount of two months' estimated Common Area charge for each Unit.

(c) Any mortgage holder which comes into possession of the Unit pursuant to the remedies provided in the Mortgage or foreclosure of the Mortgage or deed (or assignment in lieu of foreclosure) shall be exempt from any "right of first refusal" or other provisions relating to sale or lease of the Units in the Project.

(d) Any management agreement for the Project shall be terminable by either party without cause or payment of termination fee upon ninety (90) days' written notice thereof and the term of any such agreement shall not exceed three years.

(e) In the event of substantial damage to or destruction of any Unit or any part of the Common Areas, the institutional holder of any first mortgage on a Unit shall be entitled to timely written notice of any such damage or destruction. No Unit Owner or other party shall be entitled to priority over such institutional holder with respect to the distribution to such Unit of any insurance proceeds.

(f) If any Unit or portion thereof or the Common Areas or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the

institutional holder of any first mortgage of a Unit shall be entitled to timely written notice of any such proceedings or proposed acquisition and no Unit Owner or other party shall have priority over such institutional holder with respect to the distribution to such Unit of the proceeds of any award or settlement.

(g) With the exception of a lender in possession of a Unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Unit Owner shall be permitted to lease his unit for transient or hotel purposes. No Unit Owner may lease less than the entire unit. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and By-Laws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing.

(h) Each holder of a first mortgage lien on a unit who comes into possession of a Unit by virtue of foreclosure of the mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of any unpaid claims or assessments and charges against the Unit which accrue prior to the time such holder comes into possession of the Unit, (except for claims for a pro-rata share of such assessments or charges resulting from a pro-rata re-allocation of such assessments or charges to all Units in the Project, including the mortgaged Unit.)

(i) Any holder of the Mortgage is entitled to written notification from the Management Committee of any default by the Mortgagor of such Unit in the performance of such Mortgagor's obligation under the Declaration which is not cured within thirty (30) days.

(j) Any lien which the Management Committee may have on any Unit in the Project for the payment of Common Expense assessments attributable to such Unit will be subordinated to the lien or equivalent security interest of any first mortgage on the Unit recorded prior to the date any such Common Expense assessments become due.

(k) Unless at least 75% of the first Mortgagees (based on one vote for each Mortgage owned) of Units have given their prior written approval neither the Management Committee nor the Association of Unit Owners shall:

(1) By act or omission, seek to abandon or terminate the Project, except for abandonment or termination provided by law in the case of substantial destruction

by fire or other casualty or in the case of a taking by condemnation or eminent domain..

(2) Change the pro-rata interest or obligations or any Unit for (i) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards and for (ii) determining the pro-rata share of ownership of each Unit in the appurtenant Common Areas.

(3) Partition or subdivide any Unit.

(4) Make any material amendment to the Declaration or to the By-Laws of the Management Committee, including, but not limited to, any amendment which would change the percentage interests of the Unit Owners in the Common Areas, except as provided in paragraph 23.

(5) By act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer, the Common Areas. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas of the Project shall not be deemed a transfer within the meaning of this subparagraph.)

(6) Use hazard insurance proceeds for losses to any condominium property (whether to Units or to the Common Areas) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the Units and/or the Common Areas of the Project.

(7) Terminate professional management and assume self-management of the Project.

27. Duty of Owner to Pay Taxes of Unit Owned. It is understood that under the Act each Unit (and its percentage of interest in the Common Areas) in the Project is subject to separate assessment and taxation of each taxing authority and the special district(s) for all types of taxes and assessments authorized by law, and that as a result thereof no taxes will be assessed or levied against the Project as such. Accordingly, each Unit Owner will pay and discharge any and all taxes and assessments which may be assessed against him on his Unit.

28. Covenants to Run with Land; Compliance. This Declaration and all provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of Declarant, all parties who hereafter acquire any interest in any Unit or in the Project, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. Each Owner or

occupant of a Unit shall comply with, and all interests in all Units shall be subject to, the terms of the Act, the terms of this Declaration, and the provisions of any rules, regulations, agreements, instruments, and determinations contemplated by this Declaration. By acquiring any interest in a Unit or in the Project, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

28. Enforcement. Each Unit Owner shall comply strictly with the provisions of this Declaration and with the administrative rules and regulations drafted pursuant thereto as the same may be lawfully amended from time to time and with the decisions adopted pursuant to this Declaration and the administrative rules and regulations, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee or manager on behalf of the Unit Owners, or in a proper case, by an aggrieved Unit Owner.

30. Indemnification of Management Committee. Each member of the Management Committee shall be indemnified and held harmless by the Unit Owners against all cost, expenses, and liabilities whatsoever, including, without limitation, attorney's fees, reasonably incurred by him in connection with any proceeding to which he may become involved by reason of his being or having been a member of said Committee.

31. Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

32. Severability. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

33. Topical Headings. The headings appearing at the beginning of the paragraphs of this Declaration are only for convenience of reference and are not intended to describe, interpret, define or otherwise affect the content, meaning or intent of this Declaration or any paragraph or provision thereof.

34. Effective Date. This Declaration shall take effect upon recording in the office of the County Recorder of Salt Lake County, Utah.

IN WITNESS WHEREOF, the undersigned, being the Declarant, has caused this instrument to be executed and its seal be affixed hereto on the 25<sup>th</sup> day of November, 1980.

FORT UNION SIX, A Utah  
Partnership By Douglas Parrish  
and Jeffrey Keller

Douglas Parrish  
Douglas Parrish

Jeffrey Keller  
Jeffrey Keller

Lester M. Partlow by Majorie E. J. Partlow  
Lester M. Partlow Attorney in fact

A & Z INVESTMENT

Bijan Fakrieh  
Bijan Fakrieh

AGZ Abol Selfari  
Abol Selfari

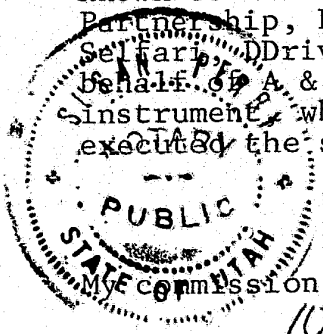
AGZ Drivah Zamani  
Drivah Zamani

Rababeh Talebkarime  
Rababeh Talebkarime

STATE OF UTAH :

COUNTY OF SALT LAKE:

On this 25<sup>th</sup> day of November, 1980 personally appeared before me Douglas Parrish and Jeffrey Keller, known to me to be the partners of Fort Union Six, a Utah Partnership, Lester M. Partlow and Bijan Farkien, Abol Selfari, Drivah Zamani and Rababeh Talebkarime, for and on behalf of A & Z Investment, who executed the foregoing instrument, who duly acknowledged to me that such parties executed the same.



Susan Perry  
Notary Public  
Residing at:  
SFC, UT

My commission expires:  
10-1-84

EXHIBIT "A"

BY-LAWS

I

IDENTITY

1.1 These are the By-Laws of VIRGINIA SQUARE Condominium Project.

II

APPLICATION

2.1 All Unit Owners, tenants, occupiers, guests, or others who might use the facilities of this Condominium Project in any manner are subject to the provisions set forth in these By-Laws. The mere acquisition or rental of any of the Units or the mere act of occupancy or use of any of said Units will signify that these By-Laws are accepted, ratified, and will be observed by such persons.

III

MEETING OF THE ASSOCIATION

3.1 Place of Meetings. Meetings of the Association shall be held at such place within the State of Utah as the Management Committee may specify in the notice, except as herein otherwise specified.

3.2 Annual Meeting of the Association. The first regular meeting of the Association shall be held on the 4th day of December, 1980, at such place as the Management Committee shall specify. Thereafter, the annual meeting shall be held on such day of each succeeding year; provided, however, that whenever such date falls on a legal holiday, or on a weekend, the meeting shall be held on the next succeeding business day, and provided further, that the Management Committee may by resolution fix the date of the annual meeting on such other date and at such place as it may deem appropriate or desirable.

3.3 Special Meetings of the Association. Special meetings of the Association may be called at any time by written notice served by the Management Committee, or by Unit Owners having 30 percent of the total votes, delivered not less than seven (7) days prior to the date fixed for such meeting. Such meeting shall be held on the Project or



at such other place as the Management Committee may specify and the notice thereof shall state the place, date, time and matters to be considered.

3.4 Notice. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is by mail, it shall be deemed to have been delivered 24 hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to each Member at the address given by such person to the Management Committee for the purpose of service of such notice or to the Unit of such person if no address has been given. Such address may be changed by Members from time to time by notice in writing to the Management Committee.

3.5 Quorum. At any meeting of the Association, the Members of more than forty (40) percent in the aggregate in interest of the undivided ownership of Common Areas shall constitute a quorum for any and all purposes, except where by express provisions a greater vote is required, in which event a quorum shall be the number required for such vote. In the absence of a quorum the Chairman of the meeting may adjourn that meeting from time to time, without notice other than by announcement at the meeting, until holders of the amount of interest requisite to constitute a quorum shall attend. At any such adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted at the meeting as originally notified.

3.6 Voting. When a quorum, as provided in the Act is present at any meeting, the vote of the Members representing more than fifty (50) percent of the undivided ownership of Common Areas, present in person or represented by proxy, shall decide any question of business brought before such meeting, including the election of the Management Committee, unless the question is one upon which, by express provisions of the statutes, the Declaration, or of these By-laws, a different vote is required, in which case such express provision shall govern and control the decision of such question. All votes may be cast either in person or by proxy. All proxies shall be in writing, and in the case of proxies for the annual meeting, they shall be delivered to the Secretary at least five days prior thereto. Proxies for special Association meetings must be of record with the Secretary at least two days prior to such meeting.

3.7 Waivers of Notice. Any Member may at any time waive any notice required to be given under these ByLaws, or by statutes or otherwise. The presence of a Member in person at any meeting of the Association shall be deemed such waiver.

## IV

### MANAGEMENT COMMITTEE

4.1 Purpose and Powers. The business, property and affairs of the Condominium Project shall be managed and governed by the Management Committee pursuant to paragraph 17 of Section III of the Declaration. The Management Committee, as it deems advisable, may enter into such management agreement or agreements with a third person, firm, or corporation to act as the Manager of the Project.

4.2 Regular Meetings. A regular annual meeting of the Management Committee shall be held immediately after the adjournment of each annual Association meeting. Regular meetings, other than the annual meeting, shall or may be held at regular intervals at such places and at such times as the Chairman of the Management Committee may from time to time designate.

4.3 Special Meetings. Special meetings of the Management Committee shall be held whenever called by the Chairman, the Vice Chairman, or by any two or more members thereof. By unanimous consent of the Management Committee, special meetings may be held without call or notice at any time or place.

4.4 Quorum. A quorum for the transaction of business at any meeting of the Management Committee shall consist of a majority of the Management Committee then in office.

4.5 Compensation. Members of the Management Committee, as such, shall not receive any stated salary or compensation; provided that nothing herein contained shall be construed to preclude any member thereof from serving the Project in any other capacity and receiving compensation therefor.

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

4.7 Adjournment. The Management Committee may adjourn any meeting from day to day or for such other time as may be prudent or necessary, provided that no meeting may be adjourned for longer than thirty (30) days.

4.8 Fidelity Bonds. The Management Committee may, in its discretion, require that all officers and employees of the Management Committee handling or responsible for funds have adequate fidelity bonds. The premium on such fidelity bonds shall be paid by the Management Committee.

V

OFFICERS

5.1 Designation and Election. The principal officers of the Management Committee shall be a Chairman, a Vice Chairman, a Secretary-Treasurer, all of whom shall be elected by and from the Management Committee. The Management Committee may appoint an assistant secretary and an assistant treasurer and such other officers as it in its judgment may deem necessary or desirable. Except as otherwise mentioned in Paragraph 17 of the Declaration, such election or appointment shall regularly take place at the first meeting of the Management Committee immediately following the annual meeting of the Association; provided, however, that elections of officers may be held at any other meeting of the Management Committee.

5.2 Other Officers. The Management Committee may appoint such other officers, in addition to the officers hereinabove expressly named, as it shall deem necessary, who shall have authority to perform such duties as may be prescribed from time to time by the Management Committee.

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

5.4 Chairman. The Chairman shall be the chief executive of the Management Committee, and shall exercise general supervision over its property and affairs. He shall sign on behalf of the Condominium Project all instruments and contracts of material importance to its business, shall do and perform all acts and things which the Management Committee may require of him. He shall preside at all meetings of the Unit Owners and of the Management Committee. He shall have all of the general powers or duties which are normally vested in the office of the president of a corporation, including but not limited to the power to appoint committees from among the members from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Condominium Project.

5.5 Vice Chairman. The Vice Chairman shall take the place of the Chairman and perform his duties whenever the Chairman shall be absent, or unable to act. If neither the Chairman nor the Vice Chairman is able to act, the Management Committee shall appoint some other member thereof to do so on an interim basis. The Vice Chairman shall also perform such other duties as shall from time to time be prescribed by the Management Committee.

5.6 Secretary-Treasurer. The Secretary-Treasurer shall keep the minutes of all meetings of the Management Committee and of the Association; he shall have charge of the books and papers as the Management Committee may direct; and he shall in general, perform all the duties ordinarily incident to the office of the Secretary. The Secretary-Treasurer shall also have the responsibility for the funds of the Management Committee and shall be responsible for keeping full and accurate accounts of all receipts and of all disbursements in books belonging to the Management Committee. He shall be responsible for the deposit of all monies and all other valuable effects in the name, and to the credit of, the Management Committee to such depositories as may be from time to time designated by the Management Committee.

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

## VI

### ACCOUNTING

6.1 Books and Accounts. The books and accounts of the Management Committee shall be kept under the direction of the Secretary-Treasurer and in accordance with the reasonable standards of accounting procedures.

6.2 Reports. At the close of each accounting year, the books and reports of the Management Committee shall be reviewed by a person or firm approved by the Association. Report of such review shall be prepared and submitted to the Association at or before the annual meeting of the Association; provided, however, that a certified audit by a certified public accountant approved by the Association shall be made if at least 75 percent of the Members who hold an undivided interest in the Common Areas determine so to do.

6.3 Inspection of Books. Financial reports, such as are required to be furnished, shall be available at the principal office of the Management Committee or the Manager for inspection at reasonable times by any Unit Owner.

## VII

### BUILDING RULES

The Management Committee shall have the power to adopt and establish, by resolution, such building, management and operational rules and regulations as it may deem necessary for the maintenance, operation, management and control of the Condominium Project, and it may from time to time by resolution, alter, amend, and repeal such rules and regulations. Unit Owners shall at all times obey such rules and regulations and use their best efforts to see that they are faithfully observed by their lessees and the persons over whom they have or may exercise control and supervision, it being declared that such rules and regulations shall be binding upon all Unit Owners of the Project. Provisions of the Act pertaining to rules and regulations are incorporated herein by reference and shall be deemed a part thereof.

## VIII

### AMENDMENT OF BY-LAWS

These By-Laws may be amended at any duly constituted meeting of the Association called for that purpose by the affirmative vote of at least two-thirds of the ownership in the Common Areas.

EXHIBIT B

PARCEL 1:

BEGINNING at a point that is North 89°57'24" West along the North Section line 825.00 feet and South 0°14'40" West parallel with the North-South quarter Section line 165.00 feet from the North quarter corner of Section 27, Township 2 South, Range 1 East, Salt Lake Base and Meridian; and running thence South 0°14'40" West 59.00 feet; thence North 89°57'24" West 87.20 feet; thence North 0°14'40" East 59.00 feet; thence South 89°57'24" East 87.20 feet to the point of Beginning.

TOGETHER WITH and subject to a right of way described as follows:

BEGINNING at a point that is North 89°57'24" West along the North Section line 898.20 feet and South 0°14'40" West parallel with the North-South quarter Section line 7.00 feet from the North quarter corner of Section 27, Township 2 South, Range 1 East, Salt Lake Base and Meridian; and running thence South 0°14'40" West 158.00 feet; thence North 89°57'24" West 14.00 feet; thence South 0°14'40" West 42.881 feet; thence South 45° East 22.814 feet; thence South 0°14'40" West 28.088 feet; thence North 45° West 39.746 feet; thence North 89°57'24" West 38.976 feet; thence North 0°14'40" East 217.00 feet; thence South 89°57'24" East 65.00 feet to the point of Beginning.

PARCEL 2:

BEGINNING at a point that is North 89°57'24" West along the North Section line 825.00 feet and South 0°14'40" West parallel with the North-South quarter Section line 224.00 feet from the North quarter corner of Section 27, Township 2 South, Range 1 East, Salt Lake Base and Meridian; and running thence South 0°14'40" West 105.790 feet to a point on the extended North line of Lot 51, TOWNCREST TERRACE, a Subdivision; thence due West along said North line 71.00 feet; thence North 0°14'40" East 105.844 feet; thence South 89°57'24" East 71.00 feet to the point of Beginning.

TOGETHER WITH a right of way described as follows: BEGINNING at a point that is North 89°57'24" West along the North Section line 898.20 feet and South 0°14'40" West parallel with the North-South quarter Section line 7.00 feet from the North quarter corner of Section 27, Township 2 South, Range 1 East, Salt Lake Base and Meridian; and running thence South 0°14'40" West 158.00 feet; thence North 89°57'24" West 14.00 feet; thence South 0°14'40" West 42.881 feet; thence South 45° East 22.814 feet; thence South 0°14'40" West 28.083 feet; thence North 45° West 39.746 feet; thence North 89°57'24" West 38.976 feet; thence North 0°14'40" East 217.00 feet; thence South 89°57'24" East 65.00 feet to the point of Beginning.

PARCEL 3:

BEGINNING at a point that is North  $89^{\circ}57'24''$  West along the North Section line 825.00 feet and South  $0^{\circ}14'40''$  West parallel with the North-South quarter Section line 224.00 feet and North  $89^{\circ}57'24''$  West 71.00 feet from the North quarter corner of Section 27, Township 2 South, Range 1 East, Salt Lake Base and Meridian; and running thence South  $0^{\circ}14'40''$  West 105.844 feet to a point on the North line of Lot 51, TOWNCREST TERRACE, a subdivision; thence due West along the North line of said Lot 51 and Lot 53 of said subdivision 67.106 feet to a subdivision boundary corner in said Lot 53; thence due North along the East line of said Lot 53, 22.162 feet; thence North  $0^{\circ}14'40''$  East 83.733 feet; thence South  $89^{\circ}57'24''$  East 67.20 feet to the point of Beginning.

TOGETHER WITH and subject to the following described right of way:  
BEGINNING at a point that is North  $89^{\circ}57'24''$  West along the North Section line 898.20 feet and South  $0^{\circ}14'40''$  West parallel with the North-South quarter Section line 7.00 feet from the North quarter corner of Section 27, Township 2 South, Range 1 East, Salt Lake Base and Meridian; thence South  $0^{\circ}14'40''$  West 158.00 feet; thence North  $89^{\circ}57'24''$  West 14.00 feet; thence South  $0^{\circ}14'40''$  West 42.881 feet; thence South  $45^{\circ}$  East 22.814 feet; thence South  $0^{\circ}14'40''$  West 28.083 feet; thence North  $45^{\circ}$  West 39.746 feet; thence North  $89^{\circ}57'24''$  West 38.976 feet; thence North  $0^{\circ}14'40''$  East 217.00 feet; thence South  $89^{\circ}57'24''$  East 65.00 feet to the point of Beginning.