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DECLARATION OF CONDOMINIUM
OF
ARLINGTON PLACE CONDOMINIUMS

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DECLARATION OF CONDOMINIUM
OF
ARLINGTON PLACE CONDOMINIUM

THIS DECLARATION, containing covenants, condition and restrictions relating to ARLINGTON PLACE CONDOMINIUM a condominium project, is made on the date set forth at the end hereof by HILL-MANGUM INVESTMENT, a Utah Partnership consisting of Russell W. Mangum and Brent C. Hill (hereinafter called "Declarant", for itself, its successors, grantees and assigns, pursuant to the Condominium Ownership Act of the State of Utah.

RECIPALS

Declarant is the owner of the following described real property located in Salt Lake City, County of Salt Lake, State of Utah, to-wit:

(See Exhibit "B")

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

Being a condominium apartment project located at 115 South 1100 East, Salt Lake City, Utah and commonly known as ARLINGTON PLACE CONDOMINIUM.

Delcarant is the owner of certain building and improvements thereon in accordance with the plans and drawings set forth in the Record of Survey Map filed concurrently herewith, consisting of 5 sheets, prepared and certified by Scott F. McNeil, Utah Registerd Land Surveyor.

Declarant desires by filing this Declaration and the Record of Survey Map to submit the above-described real property and the said building and other improvements thereon to the provisions of the Utah Condominium Ownership Act as Condominium Project known as ARLINGTON PLACE CONDOMINIUM.

Declarant dsires and intends to sell fee title to the individual Units contained in said Condominium Project, together with undivided ownership interests in the Common Areas and Facilities appurtenant hereto, to various purchases, subject to the covenants, limitations, and restrictions contained herein.

DECLARATION

NOW, THEREFORE, for such purposes, Declarant hereby makes the following Declaration containing covenants, conditions restrictions relating to this Condominium Project which, purasant to the provisions of the Condominium Ownership Act of the State of Utah, shall be enforceable equitable servitudes, where reasonable, and shall run with the land:

1. Name of the Condominium Project. the name by which the Condominium Porject shall be known is ARLINGTON PLACE CONDOMINIUM.

2. Definitions. The terms used herein and in the By-Laws of the Association of Owners, shall have the meaning stated in the Utah Condominium Ownership Act and as given in this Section 2 unless the context otherwise requires.

(a) The words "The Act" shall mean and refer to the Utah Condominium Ownership Act, Utah Code Annotated 1953, Section 57-8-1, et. seq., as the same may be amended from time to time.

(b) The words "Association or Unit Owners" or "Association" shall mean and refer to ARLINGTON PLACE CONDOMINIUM OWNERS ASSOCIATION, an incorporated association and a legal entity, of which all of the Unit Owners are members. The Association shall be governed in accordance with the Declaration and the By-Laws, which are attached hereto as Exhibit "A".

(c) The word "Board" shall mean the Board of Directors of the Association.

(d) The words "Common Areas and Facilities" shall mean and refer to:

(1) the above described land;

(2) that portion of the property not specifically included in the respective units as herein defined;

(3) all foundations, columns, girders, beams, supports, mainwalls, roofs, stairways, exterior walkways, driveways, streets, yards, fences, the basement, the service, visitor parking areas's through inclusively and entrances and exits, and in general all other apparatus, installations and other parts of the property necessary or convenient to the existence, maintenance and safety of the Common Areas and Facilities or normally in common use;

(4) those areas specifically set forth and designated in the Map as "Common Ownership"; and

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

(e) The words "Common Expenses" shall mean and refer to all expenses of administration, maintenance, repair or replacement of the Common Areas and Facilities, except as expressly limited; to all items, things and sums described in the Act which are lawfully assessed against the Unit Owners in accordance with the provisions of the Act, this Declaration, the By-Laws, such rules and regulations pertaining to the Condominium Project as the Association of Unit Owners may from time to time adopt, and such other determinations and agreements lawfully made and/or entered into by the Association.

(f) The word "Condominium" shall mean and refer to the ownership of a single Unit in this Condominium project together with an undivided interest in the Common Areas and Facilities of the property.

(g) The words "Condominium Project" or sometimes the "Project" shall mean and refer to the entire property as defined below, together with all rights, obligations and organizations established by this Declaration.

(h) The word "Declarant" shall mean Hill-Mangaum Investment, a Utah partnership, which has made

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and executed this Declaration, and/or its successor which, by either operation of law or through a voluntary conveyance, transfer or assignment, comes to stand in the same relation to the Project as did its predecessor.

(i) The word "Declaration" shall mean this instrument by which Arlington Place is established as a Condominium Project.

(j) The term "Manager" shall mean and refer to the person, persons or corporation selected by the Board and to manage the affairs of the Condominium Project.

(k) The word "Map" shall mean and refer to the Record of Survey Map of Arlington Place Condominium recorded concurrently herewith by Delcarant.

(l) The word "Mortgage" shall mean and include both a mortgage on any Unit and a deed of trust on any Unit.

(m) The word "Mortgagee" shall mean and include both the mortgagee under a first mortgage on any Unit and the beneficiary under a first deed of trust on any Unit.

(n) The word "Property" shall mean and include the land, the building, all improvements and structures, thereon, all easements, right and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

(o) The word "Unit" shall mean and refer to one of the Condominium Units designated as a Unit on the Map including the balcony which is contiguous to said unit and the parking spaces which are designated as being a part of said unit.

(p) The words "Unit Number" shall mean and refer to the number, letter or combination thereof designating the Unit in the Declaration and in the Map. Mechanical equipment and appurtenances located within any one Unit or located without said Unit but designated and assigned to serve on that Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, fixtures and the like, shall be considered a part of the Unit, as shall all decorated interiors, all surfaces of interior structural walls, floors and ceilings, windows and window frames, doors and door frames, and the 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 member of any other property of any kind, including fixtures and appliances within any Unit which are removable without jeopardizing the soundness, safety or usefulness of the remainder of the building within which the Unit is situated shall be considered part of the Unit.

(q) The words "Unit Owner" or "Owner" shall mean the person or persons owning a Unit of Arlington Place in fee simple and undivided interest in the fee simple estate of the Common Areas and Facilities as shown in the records of the County Recorder of Salt Lake County, Utah. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term Unit Owner or Owner shall not mean or include a mortgagee or a

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beneficiary or trustee under a deed of trust unless and until such a party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

(r) Those definitions contained in the Act, to the extent they are applicable to and not inconsistent herewith, shall be and are hereby incorporated herein by reference and shall have the same effect as if expressly set forth herein and made a part hereof.

3. Submission to Condominium Ownership. Declarant hereby submits the above-described Property, tract of land, buildings constructed together with all appurtenances hereto, to the provisions of the Act as a Condominium Project and this Declaration is submitted in accordance with the terms and the provisions of the Act and shall be construed in accordance therewith. It is the intention of Declarant that the provisions of the Act shall apply to the Property.

4. Covenants to Run with the Land. This Declaration containing covenants, conditions and restrictions relating to the Project shall be enforceable, equitable servitudes which shall run with the land and this Declaration and its servitudes shall be binding upon Declarant, its successors and assigns and upon all Unit Owners or subsequent Unit Owners, their grantees, mortgagees, successors, heirs, executors, administrators, devisees and assigns.

5. Description of Property.

(a) Description of Land. The land is that tract or parcel in Salt Lake County, Utah, more particularly described on the first page of this Declaration.

(b) Description of Improvements. The significant improvements contained in this project consist of an eight story Class "A" concrete brick and steel building. The first two levels of the building contain parking stalls and storage areas for the units. Level three of the building contains 14 units numbered 301-314. Level four contains ten units numbered 401-410, plus recreational common areas. The fifth level through the seventh level each contain fourteen condominium units designated 501-514; 601-614 and 701-714. The eighth level contains eight condominium units designated as penthouses. These improvements are more particularly described on the Record of Survey Map and diagrammatized floor plans.

(c) Description and Legal Status of Units. The Survey Map shows the Unit Number of each Unit, its location and the Common areas and Facilities to which it has immediate access. All Units shall be capable of being independently owned, encumbered and conveyed.

(1) The boundary lines of each Unit are the undecorated and/or unfinished interior surfaces of its perimeter walls, bearing walls, lowermost floor, uppermost ceiling, all window panes, interior surfaces of doors, window frames, door frames, and trim. Each Unit shall include both the portions of the building that are not Common Areas and Facilities within such boundary lines and the space so encompassed. Without limitation, a Unit shall include any finishing material

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applied or affixed to the interior surfaces of the interior walls, floors and ceilings, nonsupporting interior walls and all utility pipes, lines, systems, fixtures or appliances found within the boundary lines of the Unit and servicing only that Unit.

(2) The Units of the project consist of kitchen, living room, bedroom(s), bathroom(s), dining room, family room, balcony, and at least one parking all as described on Schedule "A".

(d) Common Areas and Facilities. Except as otherwise provided in the Declaration, the Common Areas and Facilities shall consist of the areas and facilities described in the definitions and constitute in general all of the parts of the Property except th Units, balconies, and assigned parking spaces. Without limiting the generality of the foregoing, the Common Areas and Fascilities shall include the following, whether located within the bounds of Unit or not:

(1) all structural parts of the buildings, including without limitation, foundation columns, joists, beams, supports, supporting walls, floors, ceilings and roofs;

(2) driveways, parking areas, lawns, shrubs, and gardens;

(3) any utility pipe or line or system servicing more than a single Unit, and all ducts, wires, conduits, and other accessories used therewith;

(4) all other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common Areas and Facilities in the Map;

(5) all repairs and replacements of any of the foregoing.

6. Alterations. The Declarant reserves the right to change the interior design and interior arrangement of any Unit and to alter the boundaries between Units, so long as the Declarant owns the Unit so altered. Any such change shall be reflected by an amendment of this Declaration and of the Map, which may be executed by the Declarant alone, notwithstanding the procedures for amendment described in Section 26 of this Declaration.

7. Statement of Purpose and Restriction on Use.

(a) Purpose. The purpose of the Condominium Project is to provide residential housing and parking space for Unit Owners and to tenants and guests, all in accordance with the provisions of the Act.

(b) Restrictions on Use. The Units and Common Areas and Facilities shall be used and occupied as hereinafter set forth:

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(1) Nothing shall be done or kept in any Unit or in the Common Areas and Facilities which will increase the rate of insurance on the buildings or contents thereof beyond that customarily applicable for residential use, or will result in the cancellation of insurance on the buildings, or the contents thereof, without the prior written consent of the Association. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Areas and Facilities which is in violation of any law, ordinance or regulation or any governmental authority.

(2) No Unit Owner shall cause or permit anything (including, without limitation, a sign, awning, canopy, shutter, radio or television antenna) to hang, be displayed or otherwise affixed to or placed on the exterior walls or roof or any part thereof, or on the outside of windows or doors, without the prior written consent of the Association.

(3) Neither Declarant, Unit Owner or other(s) shall cause any sign or similar device on the building or separate facility to be used to assist in Declarant's sales efforts unless the same complies with applicable zoning ordinances.

(4) No noxious or offensive activity shall be carried on in any Unit or in the Common Areas and Facilities, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants.

(5) No flammable liquids shall be stored in the Units parking space nor shall such parking space be used for storage and/or repair of any motor vehicle but shall be for the parking of operable motor vehicles.

(6) Nothing shall be done in any Unit or in, on, or to the Common Areas and Facilities which will impair the structural integrity of the buildings or any part thereof or which would structurally change the buildings or any part thereof except as is otherwise provided herein.

(7) The Common Areas and Facilities shall be kept free and clear of all rubbish, debris and other unsightly materials. Each unit owner is responsible to maintain his own parking space and keep it free from debris.

8. Person to Receive Service of the Process. The person to receive service of process in the cases provided herein or in the Act is Michael Lawrence, 133 First Avenue,

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Salt Lake City, Utah 84103. The said person may be changed by the recordation by the Association of an appropriate instrument.

9. Ownership and Use.

(a) Ownership of a Unit. Except with respect to any of the Common Areas and Facilities located within the bounds of a Unit, each Unit Owner shall be entitled to the exclusive ownership and possession of his Unit and to the Ownership of undivided interest in the Common Areas and Facilities as is shown on Schedule "A" attached hereto.

(b) Nature of and Restrictions on Ownership and Use. The use of each Unit herein shall be limited to a single family dwelling and each Unit Owner shall have and enjoy the rights and privileges of fee simple ownership of his Unit. There shall be no requirements concerning who may own Units, it being intended that they may and shall be owned as any other property rights by persons, corporations, partnerships, or trusts and in the form of common tenancy. The Unit Owners may lease or rent their Units with their appurtenant rights subject to terms and conditions chosen solely by the Unit Owner and his lessee, except that all Unit Owners, their tenants and other occupants or users of the Project shall be subject to the Act, this Declaration, the By-Laws and all rules and regulations of the Association of Unit Owners.

(c) Prohibition Against Subdivision of Unit. No Unit Owner, except Declarant pursuant to Paragraph 6, by deed, plat or otherwise, shall subdivide or in any manner cause the ownership of his Unit to be separated into physical tracts or parcels smaller than the whole Unit as shown on the Map.

(d) No Unit's ownership shall be divided in any manner to provide for any timesharing or use of the Unit as anything other than a residence and renting, leasing or other use shall not be for time periods of less than 30 days minimums.

(e) Ownership of Common Areas and Facilities. The Common Areas and Facilities contained in the Project are described and identified in Section 5(d) of this Declaration. Said Common Areas and Facilities shall be owned by the Unit Owners as tenants in common. No percentage of undivided ownership interest in the Common Areas and Facilities shall be separated from the Unit to which it appertains; and even though not specifically mentioned in the instrument of transfer, such a percentage of undivided ownership interest shall automatically accompany the transfer of the Unit to which it relates. The Common Areas and Facilities shall be used only in a manner which is consistent with their community nature and with the use restrictions applicable to the Units contained in the Project. At the time of acceptance of these condominium Declarations, Declarant will transfer to the Homeowners Association ownership of the remaining parking spaces after all presold units have been assigned their particular spaces. The Homeowners Association shall transfer in fee simple one parking space to each unit sold thereafter. Other parking spaces shall be sold in fee simple, to become a part of a Unit to Unit Owners at a cost of \$5,000.00 per space. The proceeds from said sale shall be paid to Declarant if said sale shall occur within 5 years from the date of acceptance of these Decalarations. Any proceeds from the sale of these spaces made after 5 years shall be

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the property of the Homeowners Association. Each unit owner shall have the unrestricted right to buy any parking spaces from the Homeowners Association during this first 5 year period. Sale of said spaces after said 5 year period may be restricted as the Homeowners Association should decide.

(f) Use of Common Areas and Facilities. Each Unit Owner may use the Common Areas and Facilities in accordance with the purpose for which they are intended, but subject to this Declaration and the By-Laws. This right of use shall be appurtenant to and run with each Unit.

(g) Computation of Undivided Interest. The percentage of undivided ownership interest in the Common Areas and Facilities which is appurtenant to each unit is shown on Schedule "A" attached hereto, and the total of all undivided interests equal 100%. A Unit Owner's percentage of ownership interest in the Common Areas and Facilities shall be for all purposes, including voting and for assessment of common expenses.

10. Voting-Multiple Ownership. The vote attributable to and exercisable in connection with a Unit shall be the percentage of undivided ownership interest in the Common Areas and Facilities which is appurtenant to such Unit. In the event there is more than one Owner of a particular Unit, the vote relating to such Unit shall be exercised as such Owners may determine among themselves. A vote cast at any meeting by any of such Owners shall be conclusively presumed to be the vote attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

11. Management.

(a) Authority of Board of Directors. The business, property and affairs of the Project shall be managed, operated and maintained by the Board, which shall consist of not less than five Unit Owners as agent for the Unit Owners. The Board shall have, and is hereby granted, the following authority and powers:

(1) the authority, without the vote or consent of the Unit Owners or of any other person(s), to grant or create, on such terms as it deems advisable, utility and similar easements, over, under, across, and through the Common Areas and Facilities; and work performed pursuant to such easements must be done in a workmanlike manner and any damage to the interior structure or decor of a Unit must be repaired;

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

(3) the authority to enter into contracts of no longer than one year duration total which concerning the Project so long as any vote or consent of the Unit Owners necessitated by the subject matter of the agreement has been obtained;

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

(5) the power and authority to purchase, otherwise acquire, and accept title to, any interest in real property, so long as such action has been authorized by any votes or consent; which is necessary under the circumstances;

(6) the power and authority to add any interest in real property so long as such action has been authorized by the necessary vote or consent;

(7) the authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Manager in carrying out any of its functions or to insure that the project is maintained and used in a manner consistent with the interests of the Unit Owners; and

(8) the power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Manager to perform its functions as agent for the Unit Owners.

Any instrument executed by the Board that recites facts which if true would establish the Board'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.

(b) Manager. The Board shall employ for the Association a manager, at a compensation established by the Board to perform such duties and services as the board shall authorize including, but not limited to, the duties listed in Section 11(a). The duties conferred upon the Manager by the Board may at any time be restricted, modified or amplified by the majority of the Unit Owners, at a duly constituted meeting.

(c) Designation of Board. The directors being elected shall be the Unit Owner receiving the highest number of votes in that election. Until the first annual or organizational meeting of the Association as outlined in the accompanying By-Laws, the Board shall consist of the Declarant. Declarant must transfer control of the Homeowners Association no later than two (2) months after 51% of the units in the project have been conveyed to other unit owners or three (3) years after the first unit is conveyed, whichever event should first occur.

12. Easements.

(a) Each Unit shall be subject to such easements as may be necessary for the installation, maintenance, repair or replacement of any Common Areas and Facilities located within the boundaries of such Unit.

(b) In the event that, by reason of the construction, reconstruction, repair, settlement, movement of shifting of any part of the building, any part of the

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Common Areas and Facilities, or any Unit, encroaches or shall hereafter encroach upon any part of any other Unit or any part of the Common Areas and Facilities, valid easements for such encroachment and the maintenance of such encroachment are hereby established and shall exist for the benefit of such Unit and the Common Areas and Facilities, as the case may be, so long as all or any part of the building contained any such Unit shall remain standing; provided, however, that in no event shall a valid easement or any encroachment be created in favor of any Unit Owner or in favor of the Unit Owner as owners of the Common Areas and Facilities if such encroachment occurred due to the willful conduct of such Unit Owners or Owners.

13. Change in Ownership. The Manager shall maintain up-to-date records showing the name of each person who is an Owner, the address of such person, and the Unit which is owned by him. In the event of any transfer of a fee or undivided fee interest in a Unit either the transferor or transferee shall furnish the Manager with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of record in the office of the County Recorder of Salt Lake County, Utah. The Manager may for all purposes act and rely on current ownership information respecting any unit or units which is obtained from the office of the County Recorder of Salt Lake County, Utah. The address of an Owner shall be deemed to the address of the Unit owned by such person unless the Manager is otherwise advised. An owner (other than a mortgagee in possession pursuant to the foreclosure or deed in lieu of foreclosure) who fails to so furnish the above information shall continue to be liable for monthly assessments of common expenses even after transferring ownership of the Unit.

14. Assessments. Every Unit Owner shall pay his proportionate share of the common expenses. Payment thereof shall be in such amounts and at such times as the Manager determines in accordance with the Act, the Declaration or the By-Laws. There shall be a lien for nonpayment of common expenses as provided by the Act.

No assessment for a single improvement in the nature of a capital expenditure which exceeds the sum of \$100.00 shall be made without the same having been first voted on and approved by a majority of the Unit Owners.

15. Destruction or Damage. In the event of a destruction or damage by fire or other disaster of part of all of the improvements in the Condominium Project, the procedures of this section shall apply.

(a) If proceeds of the insurance maintained by the Manager 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, and if proceeds of the insurance maintained by the Manager are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and the Units shall be assessed for any deficiency.

(c) If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Manager are not alone sufficient to accomplish restoration, and if the Unit Owners

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within 100 days after the destruction or damage by a vote of a majority of the entire undivided ownership interest in the Project elect to repair or reconstruct the affected improvements, restorations shall be accomplished in the manner directed under subsection (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 Manager 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 a majority of the entire undivided ownership interest in the Project, elect to repair or reconstruct the affected improvements, the Manager 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) as amended from time to time, shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units. The manager shall also send a copy of such notice to each mortgagor having a recorded interest in the project.

(e) Any reconstruction or repair which is required to be carried out by this section shall be accomplished at the instance and direction of the Manager. Any determination which is required to be made by this Section regarding the extent of damage to or destruction of Project improvements shall be made as follows: the Manager shall select three MAI appraisers; each appraiser shall independently arrive at a figure representing the percentage of project improvements which have been destroyed or substantially damaged; the percentage which governs the application of the provisions of this section shall be the average of the two closest appraisal figures.

16. Taxes. It is understood that under the Act each Unit together with its percentage of undivided interest in the Common Areas and Facilities in the Project, is deemed a parcel and subject to separate assessment and taxation by each assessing unit and special district for all types of taxes authorized by law. Each Unit Owner will, accordingly, pay and discharge any and all taxes which may be assessed against his Unit. All taxes, assessments and charges which may become liens prior to any First Mortgage, shall relate only to the individual Unit against which they are assessed and not to the project as a whole.

17. Insurance.

(a) Hazard Insurance. The Manager or Association of Unit Owners shall at all times maintain in force hazard insurance meeting the following requirements:

(1) a multi-peril type policy covering the entire Condominium Project (both Units and Common Areas and Facilities) shall be maintained. Such policy shall provide coverage against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location, and use. As a minimum, such policy shall provide coverage on a replacement cost basis in an amount not less

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than that necessary to comply with any co-insurance percentage specified in the policy, but not less than One Hundred Percent (100%) of the full insurable value (based upon replacement cost). Such policy shall include an "Agreed Amount Endorsement" or its equivalent, a "Demolition Endorsement" or its equivalent, and, if necessary or appropriate, an "Increased Costs of Construction Endorsement" or its sequivalent, and a "Contingent Liability from Operation of Building Laws Endorsement" or its equivalent.

(2) If a steam boiler is or comes to be contained in the Project, there shall be maintained boiler explosion insurance and a broad form policy of repair and replacement boiler and machinery insurance, evidenced by the standard form of boiler and machinery insurance policy. Said insurance shall, as a minimum, provide coverage in the amount of Fifty Thousand Dollars (\$50,000.00) per accident per location.

(3) If the Project is or comes to be situated in a locale indentified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, a "blanket" policy of flood insurance on the Condominium Project shall be obtained and maintained. The minimum amount of coverage afforded by such policy shall be the lesser of the maximum amount of insurance available under said Act or the aggregate of the unpaid principal balances of the mortgages affecting the individual Units. Such policy shall be in the form of the standard policy issued by members of the National Flood Insurers Association or in the form of a policy which meets the criteria established by the Flood Insurance Administration.

(4) The named insured under each policy required to be maintained by the foregoing items (1), (2) and (3), shall be in form and substance essentially as follows: Arlington Place Condominium Owners Association, a Utah non-profit corporation, or its authorized representative, for the use and benefit of the individual Owners.

(5) Each such policy shall include the standard mortgage clause (without contribution) which either shall be endorsed to provide that any proceeds shall be paid to the Association of Unit Owners for the use and benefit of Mortgagees as their interests may appear or shall be otherwise endorsed to fully protect the interests of Mortgagees. In addition, the mortgagee clause shall provide that the insurance carrier shall notify each Mortgagee at least thirty (30) days in advance of the effective date of any reduction or cancellation of the policy.

(6) Each such policy shall provide that notwithstanding any provision thereof which

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gives the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable if it is in conflict with any requirement of law or without the prior written approval of the Association.

(b) Fidelity Insurance. The Association may require that there be maintained in force fidelity coverage against dishonest acts on the parts of managers (and employees of managers), trustees, employees, directors, officers, or volunteers responsible for handling funds belonging to or administered by the Manager, Board or Association of Unit Owners. The fidelity bond or insurance shall name the Association as the obligee or insured and shall be written in an amount sufficient to afford the protection reasonably necessary, but in no event less than one hundred and fifty percent (150%) of the Project's estimated annual operating expenses, including reserves. Such fidelity bond or insurance shall contain waivers of any defense based upon the exclusion of persons who served without compensation from any definition of "employee" or similar expression.

(c) Liability Insurance. The Manager of the Association of Unit Owners shall at all times maintain in force a comprehensive policy of public liability insurance covering all of the Common Areas and Facilities. Such insurance shall include a "Severability of Interest Endorsement" or its equivalent which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of other Owners, the Manager, or the Association of Unit Owners. The coverage afforded by such public liability insurance shall include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location and use. The limits of liability under such insurance shall not be less than \$1,000,000.00 for all claims for personal injury, death, and/or property damage arising out of a single occurrence.

(d) General Requirements Concerning Insurance. Each insurance policy or fidelity bond maintained pursuant to the foregoing Sections 17(a) and 17(c) shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a financial rating by Best's Insurance Reports equivalent to BBB+ or better. No such policy or fidelity bond shall be maintained where: (1) under the terms of the carrier's charter, by-laws, bond or policy, contributions may be required from, or assessments may be made against, a Unit Owner, a Mortgagee, the Manager, the Board, the Association of Unit Owners, a Unit, the Common Areas or the Project; (2) by the terms of the carrier's charter, by-laws, bond or policy, loss payments are contingent upon action by the carrier's board of directors, policy holders, or members; (3) the bond or policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled from collecting insurance proceeds; of (4) the bond or policy provides that the insurance thereunder shall be brought into contribution with insurance purchased by the individual Unit Owners or their mortgagees. Each fidelity bond or policy shall provide that: (a) coverage shall not be prejudiced by any act or neglect of the Unit Owners when such act or neglect is not within the control of the Association of Unit Owners, the Board or the Manager; (b)

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coverage shall not be prejudiced by any failure by the Association, Board, or Manager to comply with any warranty or condition with regard to any portion of the Project over which the Association and Manager have no control; (c) coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice to any and all insureds named therein, including an mortgagee named as an insured; and (d) the insurer waives any right to subrogation it might have as to any and all claims against the Association, the Board, the Manager, and Unit Owner, and/or their respective agents, employees or tenants and any defense it might have based upon co-insurance or upon invalidity arising from acts of the insured. If due to changed circumstances, excessive costs, or any other reason, any of the insurance coverage required to be obtained and maintained under section 17(a) through 17(c) hereof cannot reasonably be secured, with respect to such coverage the Association, the Board or the Manager shall obtain and maintain such substitute, difference or other coverage as may be reasonable and prudent under the circumstances as they then exist.

(e) The following additional provisions shall apply with respect to insurance:

(1) In addition to the insurance described above, the Manager shall secure and at all times maintain insurance against such risks as are or hereafter may be customarily insured against in connection with condominium projects similar to the Project in construction, location and use.

(2) Any Unit Owner may obtain additional insurance at his own expense, so long as such additional insurance does not have the effect of decreasing the amount which may be realized under any policy maintained by the Manager. Any Unit Owner who individually obtains insurance covering on any portion of the Project shall supply the Manager with a copy of his policy within thirty (30) days after he acquires such insurance.

18. Payment of Expenses.

(a) Each Unit Owner shall pay the Manager his allocated portion of the cash requirement deemed necessary by the Board to manage and operate the Condominium Project, upon the terms, at the time, and in the manner herein provided without any deduction on account of any set-off or claim which the Owner may have against the Manager or Association. Each installment shall be due on or before the first day of each month. If the Unit Owner shall fail to pay any installment within ten (10) days of the time when the same becomes due, the Owner shall pay interest thereon at the rate of eighteen percent (18%) per annum from the date when such installment shall become due to the date of the payment thereof, together with all costs and expenses, including attorney's fees, incurred in any proceedings brought to collect such unpaid common expenses.

(b) The cash requirements above referred to for each year, or portions of the year, are hereby defined and shall be deemed to be such aggregate sum as the Manager from time to time shall determine, in its judgment, is to be paid by all the Owners of the Condominium Project then in

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existence to enable the Manager to pay all estimated expenses and outlays of the Manager to the close of such year, growing out of or in connection with the maintenance and operation of such land, buildings, and improvements; which sum may include, among other things, the cost of management, special assessments, fire, casualty, flood, fidelity, public liability and other insurance or bond premiums, common lighting, landscaping, and the care of the grounds, repairs, and renovations to Common Areas and Facilities, and other services which are not separately billed or metered to the individual Units by the utility or party furnishing such service, legal and accounting fees, management fees, expenses and liabilities incurred by the Manager under or by reason of the Declaration, the payment of any deficit remaining from the previous period, the creation of a reasonable contingency or other necessary reserve or surplus fund, as well as all other costs and expenses relating to the Condominium Project. The Manager may, from time to time, up to the close of the year for which such cash requirements have been so filed or determined increase or diminish the amount previously fixed or determined for such year, provided any such increase does not constitute a change of a greater increase than 10% over the previous year. It may include in the case requirements for any year, any liabilities or items of expense which accrued or become payable in the previous year, but were not included therein; and also any sums which the Manager may deem necessary or prudent to provide a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

(c) The portion payable with respect to each Unit in and for each year or for a portion of a year shall be a sum equal to the percent of the undivided interest of that unit in the condominium project, of the aggregate amount of such cash requirements for such year, or portion of year, determined as aforesaid. Such assessments, together with any additional sums accruing under this Declaration, shall be payable monthly in advance, or in such payments and installements as shall be provided by the Manager.

(d) The Manager shall have discretionary powers to prescribe the manner of maintaining and operating the Condominium Project and to determine the cash requirements of the Manager to be paid as aforesaid by the Owners under this Declaration. Every such reasonable determination by the Manager within the bounds of the Act and this Declaration shall be final and conclusive as to the Owners and any expenditures made by the Manager within the bounds of the Act and this Declaration shall as against the Owner be deemed necessary and properly made for such purpose.

(e) If any Owner shall at any time let or sublet his Unit and shall default for a period of one month in the payment of any assessments, the Manager may, at its option, so long as such default shall continue, demand and receive from any tenant or subtenant of the Owner occupying the Unit the rent due or becoming due and payment of such rent to the Manager shall be sufficient payment and discharge of such tenant or subtenant and the Owner to the extent of the amount so paid.

(f) Each monthly assessment and each special assessment shall be separate, distinct and personal obligations of the Owner(s) of the Unit against which the same is assessed at the time the assessment is made and shall be collectible as such. Suit to recover a money judgment for

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unpaid common expenses may be maintained without foreclosing or waiving the following lien securing the same: the amount of any assessment, whether regular or special, assessed to a Unit plus interest at eighteen percent (18%) per annum and costs, including reasonable attorney's fees, shall become a lien upon such Unit upon recordation of a notice of assessment as provided by the Act. The Manager shall cause a copy of any such recorded notice to be sent to any mortgagor of record for such unit. The said lien for non-payment of common expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

(1) tax and special assessment liens on the Unit in favor of any assessment unit, and special district; and

(2) encumbrances on the interest of the Unit Owner recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

(g) In any conveyance, except to a Mortgagee as hereinafter set forth, the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his share of the common expenses up to the time of grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee. However, any such grantee shall be entitled to a statement from the Manager or Management Committee setting forth the amounts of the unpaid assessments against the grantor, and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessment against the grantor in excess of the amount set forth.

(h) A certificate executed and acknowledged by the Manager stating the unpaid common expenses then outstanding with respect to a Unit shall be conclusive upon the Manager and the Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner or encumbrancee or prospective Owner or encumbrancee of a Condominium Unit upon request at a reasonable fee not to exceed Ten Dollars (\$10.00). Unless the request for a certificate of indebtedness shall be complied within ten (10) days, all unpaid common expenses which became due prior to the date of making of such request shall be subordinate to the lien or interest held by or obtained by the person making the request. Any encumbrancee holding a lien on a Condominium Unit may pay any unpaid common expenses payable with respect to such Condominium Unit and upon such payment such encumbrancee shall have a lien on such Unit for the amounts paid of the same rank as the lien of his encumbrance.

(i) Upon payment or other satisfaction of delinquent assessments concerning which a notice of assessment has been recorded, the Manager shall cause to be recorded in the same manner as the notice of assessment a further notice stating the satisfaction and release of the lien thereof. Such lien for nonpayments of assessment may be enforced by sale by the Manager, or by a bank, or trust company, or title insurance company authorized by the Manager, such sale to be conducted in accordance with the provisions of the law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any manner permitted by law. In any foreclosure or sale, the Unit Owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees.

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(j) In the event of foreclosure, the Unit Owner shall be required to pay a reasonable rental for the Condominium Unit and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The Manager shall have the power to bid in the condominium unit at foreclosure or other sale and to hold, lease, mortgage and convey the Condominium Unit.

19. Mortgage Protection.

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

(b) The lien or claim against a Condominium Unit for unpaid assessments or charges levied by the Manager or by the Association of Unit Owners pursuant to this Declaration or the Act shall be subordinate to the Mortgage affecting such Condominium Unit, and the Mortgagee thereunder which comes into possession of the Condominium Unit shall take the same free of such lien or claim for unpaid assessments or charges, but only to the extent of assessments or charges which accrue prior to foreclosure of the Mortgage, exercise of a power of sale available thereunder, or deed or assignment in lieu of foreclosure (except for claims for a pro rata share of such prior assessments or charges resulting from a pro rata reallocation thereof to all Condominium Units including the Condominium Unit in which the Mortgagee is interested). No assessment, charge lien or claim which is described in the preceding sentence as being subordinate to a Mortgage or as not to burden a Mortgagee which comes into possession shall be collected or enforced by either the Manager or the Association from or against a Mortgagee, a successor in title to a Mortgagee or the Condominium Unit affected or previously affected by the Mortgage concerned (to the extent any such collection or enforcement would prejudice the interests of the Mortgagee or successor in title to the Mortgagee interested in such Unit).

(c) Unless all of the Mortgages of the individual Condominium Units have given their prior written approval, neither the Manager nor the Association of Unit Owners shall be entitled, by act, omission, or otherwise:

(1) to abandon or terminate the Condominium Project or to abandon or terminate the arrangement which is established by this Declaration and the Record of Survey Map (except as provided in Section 15 hereof in the event of certain destruction or damage, and as provided in Article 20, in the event of a taking by condemnation or eminent domain);

(2) to partition or subdivide any Unit;

(3) to abandon, partition, subdivide, encumber, sell, or transfer all or any part of the Common Areas and Facilities (except for the granting of easements for utilities and similar purposes consistent with the intended use of the Common Areas, except as provided in Section 15

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hereof in the event of certain destruction or damage and except as provided in Section 6 hereof relating to the expansion of the Condominium Project;

(4) to use hazard insurance proceeds resulting from damage to any part of the Condominium Project (whether to Units or to the Common Areas) for purposes other than the repair, replacement, or reconstruction of such improvements, except as provided in Section 125 hereof in the event of certain destruction or damage;

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

(6) to alter the provisions of Section 11 hereof in such a way as to diminish the protections afforded to the Owners regarding the duration or terminability of agreements for managerial services; or

(7) to alter the provisions of Section 17 hereof in such a way as to diminish the insurance protection required to be afforded to the parties designed to be protected thereby, or to fail to maintain the insurance coverage described therein.

(d) Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Manager, of the Association of Unit Owners, or of the Condominium Project. Any Mortgagee shall have the right to designate a representative to attend all meetings of the Association of Unit Owners. From and after the time a Mortgagee makes written request to the Manager therefore, the Manager or the Association shall furnish to such Mortgagee: (i) copies of such annual operating reports and other reports, or writing summarizing or reflecting the financial position or history of the Condominium Project as may be prepared for distribution to or use by the Manager, the Association, or the Unit Owners, and (ii) written notice of all meetings of the Association of Unit Owners.

(e) The Manager and the Association shall establish an adequate reserve to cover the cost of reasonably predicable and necessary major repairs and replacements of the Common Areas and Facilities and such reserve to be funded by regular monthly or other periodic assessments on an installment basis against the Units rather than by special assessments.

(f) The Manager or Management Committee shall notify each First Mortgagee in writing in the event that there occurs any substantial damage or loss to, or any taking or anticipated condemnation of (a) the Common Areas and Facilities or any part thereof, or (b) the Unit covered by the Mortgage of said First Mortgagee. Said notice shall be given within ten (10) days after the Management Committee or the Manager learns of such damage, loss, taking or anticipated condemnation.

(g) In the event another provision or clause of this Declaration deals with the same subject matter as is

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dealt with in any provision or clause of this Section, the provision or clause which results in the greatest protection and security for a Mortgagee shall control the rights, obligations, or limits of authority as the case may be, applicable to the Manager and Association of Unit Owners with respect to the subject concerned.

(h) No amendment to this Section which has the effect of diminishing the rights, protection or security afforded to Mortgagees shall be accomplished or effective unless all of the Mortgagees of the individual Units have given their prior written approval to such amendment. Any amendment to this Section shall be accomplished by an instrument executed by the Manager and filed for record in the office of the Salt Lake County Recorder. In any such instrument, the Manager shall certify that any prior written approval of Mortgagees required by this Section as a condition to amendment has been obtained.

(i) Nothing contained in this Declaration shall give a Unit Owner or any other party, priority over any rights of a First Mortgagee pursuant to its Mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to or taking of the Condominium Unit and/or Common Areas and Facilities.

20. Eminent Domain. In the event that eminent domain proceedings are commenced against the Project or any portion thereof, the provisions of Section 57-8-32.5, Utah Code Annotated (1953), as amended from time to time, shall apply. The Manager shall give written notice of such proceedings to all Mortgagees of record. No first lien priority of any Mortgagee shall be diminished or otherwise distributed by virtue of such proceedings.

21. Maintenance.

(a) Each Owner of a Unit at his own expense shall keep the interior of such Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating and painting which may at any time be necessary to maintain the good appearance of such Unit. Except to the extent that the Manager is protected by insurance against such injury, the Unit Owner shall repair all injury or damages to the Unit or building caused by the act, negligence or carelessness of the Unit Owner or any tenant or subtenant, or any member of the Unit Owner's family or of the family of any tenant or subtenant and all such repairs, redecorating and painting shall be of a quality and kind equal to the original work. In addition to decorating and keeping the interior of the Unit in good repair, the Unit Owner shall be responsible for the maintenance or replacement of any plumbing fixtures, refrigerators, air conditioning and heating equipment, dishwashers, disposals, ranges, etc., that may be in or connected with the Unit, and for the maintenance hereof. Without the written permission of the Manager first had and obtained, a Unit Owner shall not make or permit to be made any structural alteration, in or to the apartment Unit, or in or to the exterior or the building, and shall not paint, or decorate, any portion of the exterior of the Unit or of the building in which the Unit is located.

(b) Except as hereinafter provided, the Manager shall provide for such maintenance and operation of the Common Areas and Facilities as may be reasonably necessary to keep them clean, functional, attractive and

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generally in good condition and repair. The Manager shall have no obligation regarding maintenance or care of the Units.

22. Right of Entry. The Manager and its duly authorized agents shall have the right to enter any and all of the units in case of an emergency originating in or threatening such Unit or any other part of the Project, whether or not the Unit Owner or occupant thereof is present at the time. The Manager, and its duly authorized agents shall also have the right to enter into any and all of said Units at all reasonable times as required for the purpose of making necessary repairs upon the Common Areas and Facilities of the Project or for the purpose of performing emergency installations, alterations or repairs to the mechanical or electrical devices or installations located therein or thereon; provided, however, such emergency installations, alterations or repairs are necessary to prevent damage or threatened damage to other Units in the Project; and provided further, that the Unit Owner affected by such entry shall first be notified thereof if available and if time permits.

23. Administrative Rules and Regulations. The Manager shall have the power to adopt and establish by resolution such building management and operational rules as it may deem necessary for the maintenance, operation, management and control of the Project. The Manager may, from time to time by resolution, 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 provision shall be taken to be a part of such rules. Unit owners, invitees, and guests, shall at all times obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision, it being understood that such rules shall apply and be binding upon all Unit Owners, tenants, subtenants, invitees or other occupants of the Units. The Association of Unit Owners by majority vote, may adopt, amend, alter or rescind any rules and any action so taken shall have priority over contrary or conflicting actions of the Manager.

24. Obligation to Comply with Declaration, By-Laws, Rules and Regulations. Each Unit Owner, tenant, subtenant, invitee or other occupant of a Unit shall comply with the provisions of the Act, this Declaration, the By-Laws, and the rules and regulations, all agreements and determinations lawfully made and/or entered into by the Manager or the Unit Owners, when acting in accordance with their authority, and any failure to comply with any of the provisions thereof shall be grounds for an action by the Manager or other aggrieved party for injunctive relief or to recover any loss or damage resulting therefrom.

25. Indemnification of Manager. The Manager, in its capacity as Manager, shall be indemnified and held harmless by the Association of Unit Owners against all costs, expenses and liabilities whatsoever, including, without limitation, attorney's fees reasonably incurred by it in connection with any proceeding to which it may become involved by reason of its being or having been Manager; provided, however, the foregoing indemnification shall not apply if the loss, expense or liability involved resulted from the willful misconduct, gross negligence or other intentional act of the Manager.

26. Amendment. In addition to the amendment provisions contained in Section 6 above, but subject to the

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terms of Section 19, this Declaration and/or the Map may be amended upon the affirmative vote or approval and consent of two-thirds (2/3) of the Unit Owners. Any amendment so authorized shall be accomplished by recordation of an instrument executed by the Manager. In said instrument the Manager shall certify that the vote or consent required by this Section has occurred. Notwithstanding any other provision contained herein, until occurrence of the "Event" referred to in Section 11(c) hereof, no amendment to the map or to any provision of this Declaration which has or may have the effect of diminishing or impairing any right, power, authority, privilege, protection or control accorded to Declarant (in its capacity as Declarant) herein shall be accomplished or effective unless the instrument through which such amendment is purported to be accomplished is consented to in writing by Declarant. Notwithstanding anything in this Declaration to the contrary, no amendment to this Declaration which has the effect of diminishing the rights, protection or security afforded to Mortgagees shall be accomplished or effected unless all of the Mortgagees of the individual units have given their prior written approval to such amendment.

27. Consent in Lieu of Vote. In any case in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for authorization or approval of a transaction, 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 stated percentage of undivided ownership interest. The following additional provisions shall govern any application of this Section:

(a) all necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Owner;

(b) any change in ownership of a Unit which occurs after consent has been obtained from the Owner having an interest therein shall not be considered or taken into account for any purpose; and

(c) unless the consent of all Owners having an interest in the same Unit are secured, the consent of none of such Owners shall be effective.

28. Declarant's Sales Program. Notwithstanding any other provision in this Declaration, until Declarant ceases to be a Unit Owner after the date on which this Declaration is filed for record in the office of the County Recorder of Salt Lake County, Utah, Declarant shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish or facilitate the sale of all Units owned by Declarant:

(a) Declarant shall have the right to use as a model or as a sales office one or more of the Units owned by it for the purpose of aiding Declarant's sales effort. Said sales office shall revert back to residential use after all other Units have been sold by Declarant.

(b) Declarant shall have the right to maintain a reasonable number of promotional, advertising, and/or directional signs, banners or similar devices at any place or places on the property, but any such device shall be of a size and in a location as the same complies with applicable zoning ordinances.

(c) Declarant shall have the right to use the Common Areas and Facilities of the Project to facilitate Unit sales, provided said use is reasonable as to time and manner.

Declarant shall have the right from time to time to locate or relocate any of its sales office, model Unit and/or signs, banners or similar devices, but in connection with each such location or relocation, shall observe the limitations imposed by the preceding portion of this Section. Within a reasonable time after Declarant ceases its sales activities, Declarant shall have the right to remove from the Project any signs, banners or similar devices and any separate structure or facility which was placed on the Property for the purpose of aiding Declarant's sales effort.

29. Limitation on Improvements by Association. Until the occurrence described in Section 28, neither the Association nor the Manager shall, without the written consent of Declarant, make any improvements to or alterations in any of the Common Areas and Facilities, other than such repairs, replacements or similar matters as may be necessary to properly maintain the Common Areas as originally created or constructed by Declarant.

30. Completion Obligation. Declarant hereby covenants in favor of each Owner that in no later than one (1) year:

(a) the Unit which such Owner has contracted to purchase shall be fully constructed and ready for use or occupancy (as the case may be); and

(b) there shall be substantially completed and usable as part of the Common Areas all planned, landscaping, sidewalks, parking facilities, outdoor lighting and utility lines and conduits necessary to enable full use and enjoyment of the Unit concerned.

31. Severability. The invalidity of any one or more phrases, sentences, subparagraphs, paragraphs, subsections or sections hereof shall not affect the remaining portions of this instrument or any portion or portions of this instrument should be invalid or should operate to render this instrument invalid, this instrument shall be construed as if such invalid phrase or phrases, sentence or sentences, subparagraph or subparagraphs, paragraph or paragraphs, subsection or subsections or section or sections had not been inserted.

32. Declarant's Rights Assignable. All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment. Any Mortgage covering all Condominium Units in the Project title to which is vested in the Declarant shall, at any given point in time and whether or not such Mortgage does so by its terms, automatically cover, encumber, and include all of the then exercised or the unused rights, powers, privileges, protections and controls which are accorded to Declarant (in its capacity as Declarant) herein.

33. Lease of Units. 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

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purposes. No unit Owner may lease less than the entire Unit except a parking space may be leased to another Unit Owner. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respect to the provisions of this Declaration and the By-Laws attached hereto and that any failure by the leasee to comply with the terms of such documents shall be default under the lease. All leases shall be required to be in writing. Other than the foregoing, there shall be no restriction on the right of any Unit Owner to lease his Unit. The Unit Owner shall notify the Manager of the names and of the leasee of the Unit.

34. 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 in the official records of Salt Lake County, Utah, and in substantially the following terms:

Unit _____ as shown in the record of Survey Map for Arlington Place Condominiums, a Condominium Project 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, appearing in such records in Book _____, Page _____ of records.

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

Such description will be construed to describe the Unit balcony and assigned parking space(s), 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.

35. Gender. The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

36. Waivers. No provision contained in the Declaration shall be deemed to have been waived by reason of any failure to enforce it, irrespective of the number of violations which may occur.

37. Topical Headings. The topical headings contained in this Declaration are for convenience only and do not define, limit or construe the contents of the Declaration.

38. Effective Date. This Declaration shall take effect upon recording.

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APPROVAL BY CITY

SALT LAKE CITY, a body corporate and politic, and the City in which
Arlington Place Condominiums a Utah condominium project, is located, by and
through its duly elected Mayor, does hereby give final approval to the said
Project, to the foregoing Declaration, to the Record of Survey Map recorded
concurrently herewith, and to the attributes of the said Project which are
mentioned in Section 57-8-35(3) of the Utah Condominium Ownership Act, as
amended and expanded by the laws of Utah, 1975, Chapter 173, Section 18.

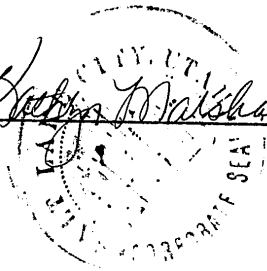
DATED: August 9, 1983

SALT LAKE CITY

By *J. D. Wilson*
Mayor

ATTEST:

Debra P. Marshall Recorder



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ARLINGTON PLACE CONDOMINIUM

SCHEDULE "A"

UNIT #	BEDROOM/BATH	EST. MONTHLY MAINTENANCE	UNDIVIDED INT. IN COMMON AREAS AND FACILITIES
301	1 bd - 1 ba	\$ 55.00	695/ 90390
302	2 bd - 2 ba	75.00	1700/ "
303	2 bd - 2 ba	75.00	1295/ "
304	1 bd - 1 ba	55.00	915/ "
305	2 bd - 2 ba	75.00	1825/ "
306	1 bd - 2 ba	55.00	1295/ "
307	1 bd - 2 ba	55.00	1295/ "
308	1 bd - 2 ba	55.00	1295/ "
309	1 bd - 2 ba	55.00	1295/ "
310	2 bd - 2 ba	75.00	1295/ "
311	1 bd - 1 ba	55.00	1825/ "
312	2 bd - 2 ba	75.00	915/ "
313	2 bd - 2 ba	75.00	1295/ "
314	1 bd - 1 ba	55.00	1700/ "
401	2 bd - 2 ba	75.00	695/ "
402	2 bd - 2 ba	75.00	1315/ "
403	1 bd - 1 ba	55.00	1465/ "
404	2 bd - 2 ba	75.00	760/ "
405	1 bd - 2 ba	55.00	1375/ "
406	1 bd - 2 ba	55.00	1080/ "
407	2 bd - 2 ba	75.00	1080/ "
408	1 bd - 1 ba	55.00	1375/ "
409	2 bd - 2 ba	75.00	760/ "
410	2 bd - 2 ba	75.00	1465/ "
501	1 bd - 1 ba	55.00	1315/ "
502	2 bd - 2 ba	75.00	695/ "
503	2 bd - 2 ba	75.00	1315/ "
504	1 bd - 1 ba	55.00	1465/ "
505	2 bd - 2 ba	75.00	760/ "
506	1 bd - 2 ba	55.00	1375/ "
507	1 bd - 2 ba	55.00	1080/ "
508	1 bd - 2 ba	55.00	1000/ "
509	1 bd - 2 ba	55.00	1000/ "
510	2 bd - 2 ba	75.00	1080/ "
511	1 bd - 1 ba	55.00	1375/ "
512	2 bd - 2 ba	75.00	760/ "
513	2 bd - 2 ba	75.00	1465/ "
514	1 bd - 1 ba	55.00	1315/ "
601	1 bd - 1 ba	55.00	695/ "
602	2 bd - 2 ba	75.00	695/ "
603	2 bd - 2 ba	75.00	1315/ "
604	1 bd - 1 ba	55.00	1465/ "
605	2 bd - 2 ba	75.00	760/ "
606	1 bd - 2 ba	55.00	1375/ "
607	1 bd - 2 ba	55.00	1080/ "
608	1 bd - 2 ba	55.00	1000/ "
609	1 bd - 2 ba	55.00	1000/ "
610	2 bd - 2 ba	75.00	1080/ "
611	1 bd - 1 ba	55.00	1375/ "
612	2 bd - 2 ba	75.00	760/ "
613	2 bd - 2 ba	75.00	1465/ "
614	1 bd - 1 ba	55.00	1315/ "
			695/ "

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<u>UNIT #</u>	<u>BEDROOM/BATH</u>	<u>EST. MONTHLY MAINTENANCE</u>	<u>UNDIVIDED INT. IN COMMON AREAS AND FACILITIES</u>
701	1 bd - 1 ba	\$ 55.00	695/90390
702	2 bd - 2 ba	75.00	1315/ "
703	2 bd - 2 ba	75.00	1465/ "
704	1 bd - 1 ba	55.00	760/ "
705	2 bd - 2 ba	75.00	1375/ "
706	1 bd - 1 ba	55.00	1080/ "
707	1 bd - 1 ba	55.00	1000/ "
708	1 bd - 1 ba	55.00	1000/ "
709	1 bd - 1 ba	55.00	1080/ "
710	2 bd - 2 ba	75.00	1375/ "
711	1 bd - 1 ba	55.00	760/ "
712	2 bd - 2 ba	75.00	1465/ "
713	2 bd - 2 ba	75.00	1315/ "
714	1 bd - 1 ba	55.00	695/ "
801	2 bd - 2 ba	95.00	2300 / "
802	1 bd - 2 ba	95.00	1400/ "
803	2 bd - 2 ba	95.00	1915/ "
804	2 bd - 2 ba	95.00	1495/ "
805	2 bd - 2 ba	95.00	1495/ "
806	2 bd - 2 ba	95.00	1915/ "
807	1 bd - 2 ba	95.00	1400/ "
808	2 bd - 2 ba	95.00	2300/ "

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Arlington Place Condominiums

Schedule "A" Continued

MINIMUM OF ONE PARKING STALL TO BE DEEDED WITH EACH CONDOMINIUM

LEVEL I

Parking Stall Number

Unit Owner as Deeded

P-1	_____
P-2	_____
P-3	_____
P-3	_____
P-4	_____
P-5	_____
P-6	_____
P-7	_____
P-8	_____
P-9	_____
P-10	_____
P-11	_____
P-12	_____
P-13	_____
P-14	_____
P-15	_____
P-16	_____
P-17	_____
P-18	_____
P-19	_____
P-20	_____
P-21	_____
P-22	_____
P-23	_____
P-24	_____
P-25	_____
P-26	_____
P-27	_____
P-28	_____

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Arlington Place
Parking Stall Schedule Cont'd
Level I

<u>Parking Stall Number</u>	<u>Unit Owner as Deeded</u>
P-29	_____
P-30	_____
P-31	_____
P-32	_____
P-33	_____
P-34	_____
P-35	_____
P-36	_____
P-37	_____
P-38	_____
P-39	_____
P-40	_____
P-41	_____
P-42	_____
P-43	_____
P-44	_____
P-45	_____
P-46	_____
P-47	_____
P-48	_____
P-49	_____
P-50	_____
P-51	_____
P-52	_____
P-53	_____
P-54	_____
P-55	_____
P-56	_____
P-57	_____
P-58	_____
P-59	_____
P-60	_____

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Arlington Place
Parking Stall Schedule Cont'd
Level I
Level II

Parking Stall Number Unit Owner as Deeded

P-61 _____
P-62 _____
P-63 _____
P-64 _____
P-65 _____
P-66 _____

Level II

P-1 _____
P-2 _____
P-3 _____
P-4 _____
P-5 _____
P-6 _____
P-7 _____
P-8 _____
P-9 _____
P-10 _____
P-11 _____
P-12 _____
P-13 _____
P-14 _____
P-15 _____
P-16 _____
P-17 _____
P-18 _____
P-19 _____
P-20 _____
P-21 _____
P-22 _____
P-23 _____
P-24 _____
P-25 _____

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EXHIBIT "B"

The West one-half of Lots 4 and 5, Block 30, Plat "F", Salt Lake City Survey. More particularly described as follows:

Beginning at a point South 0° 01'00" West 67.87 feet North 89° 58'22" East 68.67 feet from the monument located at the intersection of First South and Eleventh East Streets, and running thence North 89° 58'22" East 165.00 feet; thence South 0° 00'50" West 247.50 feet; thence South 89° 58'22" West 165.00 feet; thence North 0° 00'50" East 247.50 feet to the point of Beginning.

Dated _____

SCOTT McNEIL _____

Certificate No. 4099

BY-LAWS
OF THE ASSOCIATION OF OWNERS
OF THE
ARLINGTON PLACE CONDOMINIUMS

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BYLAWS OF
THE ASSOCIATION OF OWNERS OF
ARLINGTON PLACE CONDOMINIUM

ARTICLE I

Condominium Ownership. Applicability of Bylaws

1. Condominium Ownership. The property is located at 115 So. 1100 East, Salt Lake City, State of Utah, has been submitted to the provisions of the Utah Condominium Ownership Act, Utah Code Annotated, Section 57-8-1, et. seq., by a Declaration of Condominium recorded simultaneously herewith to be known as Arlington Place Condominium.

2. Applicability of Bylaws. The provisions of these Bylaws are applicable to the Project and to the use and occupancy thereof. All present and future owners, mortgagees, lessees, and occupants of Project Units or other interests in the property and their employees, and any other persons who may use the facilities of the Project in any manner are subject to these Bylaws, the Declaration, and the House Rules.

The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit or other interest in the Project or the use of any of the facilities of the Project shall constitute an agreement that these Bylaws, the House Rules and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

3. Office. The office of the Project and of the Board of Directors (hereinafter call the "Association") shall be located at the address of the Project, 115 So. 1100 East, Salt Lake City, Utah. All meetings of the Association and of the Board shall be held at said address unless some other location is designated.

ARTICLE II

Board of Directors

1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of five (5) persons, all of whom shall be Unit Owners in the Project.

2. Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Project, and may do all such acts or things except as by law or by the Declaration or by these Bylaws may not be delegated to the Board by the Unit Owners. Such powers and duties of the Board shall include, but shall not be limited to, the following:

(a) Operation, care, upkeep and maintenance of the property of the Project;

(b) Collection of monthly assessments for common expenses from the Unit Owners;

(c) Employment and dismissal of the personnel necessary for the maintenance, repair, replacement and operation of the Project;

(d) Keeping of detailed accurate records of the receipts and expenditures affecting the Project. Such records and vouchers authorizing payment shall be available for examination at reasonable times by the Unit Owners;

(e) Obtaining of insurance for the Project, pursuant to the provisions of the Declaration;

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(f) Making of repairs, additions and improvements to or alterations of the Project and repairs to and restoration of the Project in accordance with the other provisions of these Bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

(g) Determination of common expenses and fixing of common charges.

3. Manager. The Board may employ for the Association a Manager, at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 2 of this Article. The duties conferred upon the Manager by the Board may at any time be revoked, modified or amplified by the Unit Owners of interests in the Project to which are appurtenant, in the aggregate, a majority vote of the total undivided interests in the Common Areas and Facilities, at a duly constituted meeting. The Board may employ any other employee or agent to perform such duties at such salaries as the Board may establish.

4. Election and Term of Office. Election of Directors shall be by secret ballot at each annual meeting unless waived, or at any special meeting called for that purpose. The Directors except as otherwise provided in these Bylaws shall hold office for a period of two (2) years and until their respective successors shall have been elected and qualified, except that at the first election of Directors two directors shall be elected for one (1) year and three (3) Directors for two (2) years.

5. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association. Death, incapacity, sale of his unit, or resignation of any Director or his continuous absence from the State of Utah for more than six months shall cause his office to become vacant.

6. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the Unit Owners and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

7. Compensation. No compensation shall be paid to Directors for their services as Directors.

8. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within one week of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided that a majority of the whole Board must be present.

9. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings of the Board shall be given to each Director, personally or by mail addressed to his residence, or by telephone, at least three (3) days prior to the day named for such meeting.

10. Special Meetings. Special meetings of the Board may be called by the President on one day's notice to each Director, given personally or by mail, addressed to his residence, or by telephone, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least three Directors.

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11. Waiver of Notice. Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board, unless he objects to the calling of the same, shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

12. Board of Directors' Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

13. Bonds of Officers and Employees. The Board shall require that all officers and employees handling or responsible for Association funds shall furnish adequate bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE III

Association of Owners

1. Annual Meeting. The annual meeting of the Association shall be held on the second Monday in March of each year.

2. Special Meetings. Special meetings may be held at any time upon the call of the President or upon the call of Unit Owners to which are appurtenant, in the aggregate, ten percent (10%) of the Common Areas and Facilities. Upon receipt of such call, the Secretary shall send out notices of the meeting to all members of the Association.

3. Notices of Meetings. A written or printed notice of every meeting of the Association stating whether it is an annual or special meeting, the authority for the call of the meeting, the place, day and hour thereof, and the purpose therefor shall be given by the Secretary or the person or persons calling the meeting at least five (5) days before the date set for such meeting. Such notice shall be given to each member in any of the following ways: (a) by leaving the same with him personally, or (b) by leaving the same at the residence or usual place of business of such member, or (c) by mailing it, postage prepaid, addressed to such member at his address as it appears on the records of the Association. If notice is given pursuant to the provisions of this section, the failure of any member to receive actual notice of the meeting shall in no way invalidate the meeting or any proceedings thereat.

4. Waiver of Notice. The presence of all members, in person or by proxy, at any meeting shall render the same a valid meeting, unless any member shall, at the opening of such meeting, object to the holding of the same for noncompliance with the provisions of Section 3 of this Article III. Any meeting so held without objection shall, notwithstanding the fact that no notice of meeting was given, or that the notice given was improper, be valid for all purposes, and at such meeting any general business may be transacted and any action may be taken.

5. Quorum. At any meeting of the Association, the Unit Owners in said Project to which are appurtenant, in the aggregate, a majority of the total interest in the Common Areas and Facilities, present in person or by proxy, shall constitute a quorum, and the concurring vote of said majority shall be valid and binding upon the

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Association, except as otherwise provided by law or these Bylaws. "Majority" as used herein, means more than fifty percent (50%).

6. Voting. Voting shall be on a percentage basis, and the percentage of the total vote to which the Unit Owner is entitled shall be the percentage assigned to each Unit in accordance with the Declaration. Any specified percentage of the Unit Owners means the owners of interests to which are appurtenant such percentage of the Common Areas and Facilities as are established in accordance with the Declaration. Any person, firm, corporation, trust or other legal entity or a combination thereof, owning any Unit in said Project duly recorded in his or its name, the ownership whereof shall be determined by the records of the office of the Salt Lake County Recorder, State of Utah, shall be a member of the Association, and either in person or by proxy entitled to vote the percentage of vote assigned to each Unit so owned at all meetings of the Association. Any provision to the contrary notwithstanding co-owners or joint owners shall be deemed one owner entitled to the percentage vote allocated to their Unit.

7. Voting - Proxies and Pledges. The authority given by a member to another person to represent such member at meetings of the Association shall be in writing, signed by such member or if a Unit is jointly owned then by all joint owners, or if such member is a corporation, by the proper officers thereof, and shall be filed with the Secretary, and unless limited by its terms, such authority shall be deemed good until revoked in writing. An executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the Association with respect to any Unit owned or held by him in such capacity, whether or not the same shall have been transferred to his name by a duly recorded conveyance. In case such Unit shall not have been so transferred to his name, he shall satisfy the Secretary that he is the executor, administrator, guardian or trustee holding such Unit in such capacity. Whenever any such Unit is owned by two or more persons, natural or legal, jointly, according to the records of said Office of Salt Lake County Recorder, the vote therefor may be exercised by any one of the owners present in the absence of protest by the other or others.

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

ARTICLE IV

Officers

1. Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors. The Directors may appoint an assistant treasurer, an assistant secretary, and such other officers as they in their judgment deem necessary.

2. Election of Officers. The officers of the Association shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

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4. President. The President shall be the chief executive officer of the Association and a member of the Board. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of an Association, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

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

6. Treasurer. The Treasurer shall supervise the Manager's custody of all funds of the Association, maintenance of accounts and records thereof, and preparation of final reports thereof.

7. Secretary. The Secretary shall attend and keep the minutes of all meetings of the Board and of the Association, shall give all notices as provided by these Bylaws, and shall have such other powers and duties as may be incidental to the office of the Secretary, given him by these Bylaws or assigned to him from time to time by the Directors. If the Secretary is not present at any meeting, the presiding officer shall appoint a secretary pro tempore who shall keep the minutes of such meeting and record them in the books provided for that purpose.

8. Auditor. The Association shall at the first meeting appoint some person, firm or corporation engaged in the business of auditing to act as auditor of the Association and to perform or provide an annual audited statement of the association's activities.

ARTICLE V

Obligations of the Owners

1. Determination of Common Expenses and Fixing of Common Charges. The Board shall from time to time, and at least annually, prepare a budget for the Project, determine the amount of the common charges payable by the Unit Owners to meet the common expenses of the Project, and allocate and assess such common charges among the Unit Owners according to their respective interests in the Common Areas and Facilities. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board pursuant to the Declaration. The Board shall advise all Unit Owners, promptly, in writing, of the amount of common charges payable by each of them, respectively as determined by the Board. Such charge shall be due and payable monthly in advance on the first day of every month, shall bear interest at the rate of eighteen percent (18%) per annum ten (10) days after due date until paid, and with such interest shall be a lien on the entire condominium interest of the delinquent Unit Owner, assessed prior in right to all other charges whatsoever except that such lien shall be: (1) subordinate to assessments, liens and charges in favor of the State of Utah for taxes past due and unpaid on such Unit and (2) subordinate to the lien of any mortgage instrument duly recorded. Said expenses and assessments shall be reviewed periodically by the Board to determine if any adjustment of the charges are necessary.

2. Maintenance and Repair. (a) All maintenance of or repairs to any Unit, structural or nonstructural, ordinary or extraordinary, (other than maintenance of and repairs to any Common Areas contained therein, and not necessitated by the negligence, misuse or neglect

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of the owner of such Unit) shall be made by the Unit Owner of such Unit. Each Unit Owner shall be responsible for all damages to any and all other Units and/or to the Common Areas, that his failure so to do may engender. (b) All maintenance, repairs and replacements to the Common Areas, whether located inside or outside of the Unit, (unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner), shall be made by the Board and be charged to all the Unit Owners as a common expense.

3. Representation. The Manager, subject to the direction of the Board, shall represent the Association or any two or more owners similarly situated as a class in any action, suit, hearing or other proceeding concerning the Association, the Common Areas or more than one Unit and on its or their behalf may institute, defend, intervene in, prosecute and settle any such actions, suits and proceedings, without prejudice to the rights of any Unit Owners individually to appear, sue or be sued. Service of process on two or more Unit Owners in any such action, suit or proceeding may be made on the Manager.

4. Foreclosure of Lien. In any suit to foreclose a lien against any Unit Owner, the Association may be represented through its Manager or Board in like manner as any mortgagee of real property. The Manager or Board acting on behalf of the Unit Owners, shall have the power to bid for and acquire any such Unit at the foreclosure sale. The delinquent Unit Owner shall be required to pay the Association a reasonable rent for such Unit until sale or foreclosure, together with all costs and reasonable attorney's fees. Suit to recover a money judgment for unpaid common expenses shall be maintainable with all costs and reasonable attorney's fees without foreclosing or waiving the lien securing the same.

5. House Rules. Two-thirds of the Board may, from time to time, adopt, amend, modify, and/or revoke in full or in part, such reasonable rules and regulations, to be called House Rules, governing the conduct of persons using said Project as it may deem necessary. Copies of such House Rules, upon adoption, amendment, modification, and/or revocation hereof shall be delivered to each Unit in the Project and shall be binding upon all members of the Association, occupants of the Unit and other users of the premises.

6. Title. Every Unit Owner shall promptly cause to be duly recorded in the Office of the Salt Lake County Recorder, State of Utah, the deed, lease, assignment or other conveyance to him of his Unit or other evidence of his title thereto. Such evidence of title must also be filed with the Manager who shall maintain such information in the record of ownership of the Association.

7. Mortgages. Any mortgagee of a Unit may file a copy of his mortgage or send a certified copy of a letter indicating the recording data thereof and giving the names of the parties, Unit and other pertinent data, with the Manager who shall maintain such information in the records of ownership of the Association. After such filing, the Board, through its Manager, shall notify the mortgagee of any Unit Owner who is in default in his common expense contribution. The mortgagee, at its option, may pay the delinquent expenses.

ARTICLE VI

Execution of Instruments

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

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ARTICLE VII

Liability of Officers

1. Exculpation. No Director or Officer of the Association or Board shall be liable for acts or defaults of any other Director, Officer or other member or for any loss sustained by the Association except for willful misconduct or willful negligence.

2. Indemnification. Every Director, Officer, and Member of the Association shall be indemnified by the Association against all reasonable costs, expenses, and liabilities (including counsel fees actually and necessarily incurred by or imposed upon him in connection with any claim, action, suit, proceeding, investigation, or inquiry of whatever nature in which he may be involved as a party or otherwise by reason of his having been a Director, Officer, or Member of the Association or Board, whether or not he continues to be such Director, Officer, or Member at the time such costs, expenses, or liabilities are incurred or imposed except in relation to matters as to which he shall be finally adjudged, in such action, suit, proceeding, investigation, or inquiry, to be liable for willful misconduct, or willful negligence toward the Association in the performance of his duties, or in the absence of such final adjudication, any determination of such liability by the opinion of legal counsel selected by the Association. The foregoing right of indemnification shall be in addition to and not in limitation of all other rights to which such person may be entitled as a matter of law and shall inure to the benefit of the legal representatives of such person.

ARTICLE VIII

Bylaws

1. Amendment. These Bylaws may be amended, modified, or revoked in any respect from time to time by the Unit Owners of interests in the Project to which are appurtenant, in the aggregate, seventy-five (75%) of the Common Areas and Facilities at a meeting duly called for such purpose. No material amendment to the Bylaws or Declarations may be made without majority approval from all mortgagees of record. No amendment to the Bylaws shall be effective until set forth in an amendment to the Declaration duly recorded in the Office of the Salt Lake County Recorder, State of Utah.

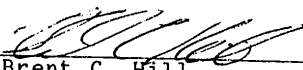
2. Conflict. In the event of any conflict between these Bylaws and the provisions of Utah Code Annotated 57-8-1, et. seq. as amended, the latter shall govern and apply.

Adoption of Bylaws

The undersigned Declarant of said Project hereby adopts the foregoing as the Bylaws of its Association of Owners, this 25th day of MAY, 1983.

DECLARANT:

HILL-MANGUM, a Utah Partnership

By 
Brent C. Hill

By 
Russell W. Mangum

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