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AMENDMENT TO CONDOMINIUM DECLARATION
OF CAPITOL HEIGHTS CONDOMINIUMS

THIS AMENDMENT TO CONDOMINIUM DECLARATION, executed this 19TH day of DECEMBER, 1983, by the undersigned Owners representing an aggregate ownership interest of 75% or more of the Condominium Units in the Capitol Heights Condominiums as reflected on the real estate records of Salt Lake County, Utah.

W I T N E S S E T H:

WHEREAS, a certain Declaration of Condominium of Capitol Heights Condominiums was executed on 29 September 1982 and recorded in the office of the County Recorder of Salt Lake County, State of Utah, as Entry No. 3850509, in Book 5494, Pages 2858 to 2906 (hereinafter designated the "Declaration"); and

WHEREAS, it is the desire of the parties hereto to amend the Declaration as hereinafter provided;

NOW, THEREFORE, for good and valuable consideration, receipt and sufficiency whereof are hereby acknowledged, the parties hereto hereby agree as follows:

1. Section 10.01(a) of the Declaration is hereby amended so as to delete said Section 10.01(a) as it presently appears and to substitute therefor the following:

(a) Hazard Insurance. The Association shall obtain, maintain and pay for as a Common Expense a "Master" or "blanket" multi-peril policy of property insurance covering the entire Project, including, without limitation, fixtures and Building service equipment to the extent that they are part of the Common Areas and Facilities, Limited Common Areas, common personal property and supplies belonging to the Association, and any fixtures, equipment or other property owned by the Association and any such property that is within the Units which are encumbered by a Mortgage purchased by FNMA or FHLMC. Such master policy of hazard insurance shall provide, as a minimum, protection against the following:

(i) Loss or damage by fire and other perils normally covered by the standard extended coverage endorsement; and

(ii) All other perils customarily covered with respect to projects similar to the Project in construction, location, and use, and any other perils for which coverage is

2002 Laurelhurst Dr. Sic 84108
KATHIE L. DIXON
RECORDER
SALT LAKE COUNTY,
UTAH

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Wayne Harper

BOOK 5515 PAGE 2412

commonly required by private institution mortgage investors for such projects, including all perils normally covered by the standard "all risk" endorsement, where such is available.

The policy shall be in an amount equal to 100% of the insurable value of the Project (based upon current replacement cost) and all property covered by the policy. In addition, such master policy of hazard insurance shall include the following endorsements, if available: an Agreed Amount and Inflation Guard Endorsement; and, if the Project should hereafter become subject to a construction code provision which would require the Association to incur a significant expense in order to effect code required changes in the undamaged portions of the Project in the event of the partial destruction of the Project by an insured peril, Construction Code Endorsements (e.g., a Demolition Cost Endorsement, a Contingent Liability from Operation of Building Laws Endorsement and an Increased Cost of Construction Endorsement).

2. Section 10.01(d)(ii) of the Declaration is hereby amended so as to delete said Section 10.01(d)(ii) as it presently appears and to substitute therefor the following:

(ii) All shall be based on the best business judgment of the Association and shall not be written in an amount less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the Manager at any time during the term of each fidelity bond; provided that, in no event may the aggregate amount of such bonds be less than one and one-half times the Association's estimated annual operating expenses and reserves;

3. Section 10.02 of the Declaration is hereby amended by the addition thereto of the following:

(k) In the event that one or more Mortgages is purchased in whole by FHLMC, the mortgagee clause of each insurance policy shall be properly endorsed, all necessary notices of transfer shall have been given, and any other action required to be taken shall have been taken in order to fully protect, under the terms of the policy and applicable law, FHLMC's interest as First Mortgagee.

4. The portion of Section 14.02 which immediately precedes Section 14.02(a) of the Declaration is hereby amended so as to delete said portion of Section 14.02 as it presently appears and to substitute therefor the following:

14.02 Matters Requiring Prior Mortgage Insurer and Eligible First Mortgagee Approval. The prior written consent

of at least Sixty-Seven Percent (67%) of the Owners (other than Declarant) (unless pursuant to a specific provision of this Declaration the consent of a greater percentage of the Owners is required, in which case such specific provision shall control). Mortgage Insurers to the extent they have guaranteed the Mortgage of any Condominium in the Project, and Eligible First Mortgagees holding First Mortgages on Condominiums having at least Sixty-Seven Percent (67%) of the votes of the Condominiums subject to First Mortgages held by Eligible First Mortgagees shall be required to:

5. Section 14.02(h) of the Declaration is hereby amended so as to delete said Section 14.02(h) as it presently appears and to substitute therefor the following:

(h) Use hazard insurance proceeds for losses to any portion of the Project (whether to Units or to Common Areas) for other than the repair, replacement or reconstruction of the Project.

6. Section 14.07 of the Declaration is hereby amended so as to delete said Section 14.07 as it presently appears and to substitute therefor the following:

14.07 Priority of First Mortgagee in Event of Damage. In the event of substantial damage to or destruction of any Condominium or any part of the Common Area, no provision of the Declaration or any amendment thereto shall entitle the Owner of a Condominium or other party to priority over any First Mortgagee of the Condominium pursuant to its mortgage in the case of a distribution to such Owner of any insurance proceeds for losses to the Condominium Units and/or Common Areas.

7. Section 14.08 of the Declaration is hereby amended so as to delete said Section 14.08 as it presently appears and to substitute therefor the following:

14.08 Priority of First Mortgagee in Event of Condemnation. If any Condominium or portion thereof or the Common Areas or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, no provision of the Declaration, or any amendment thereto, shall entitle the Owner of a Condominium, or any other party, to priority over any First Mortgagee of the Condominium pursuant to its Mortgage in the case of a distribution to such Owner of the proceeds of any award or settlement relating to a taking of Condominiums and/or Common Areas.

8. This Amendment to Condominium Declaration may be executed in one or more counterparts, each of which, when executed and delivered, shall be an original and all of which shall together constitute one and the same instrument.

9. Except as herein modified, all other terms of the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned Owners have set their hands on the day and year first above written.

William Smith

Marion J. Smith
OWNER OR OWNERS

State of Utah)
COUNTY OF Salt Lake) ss.

On the 19th day of December 1983 personally appeared before me: William Smith and Marion J. Smith signers of the foregoing Amendment to Condominium Declaration who duly acknowledged to me that they executed the same.

Alvin Winters
NOTARY PUBLIC
Residing at: Nogah, UT.

My Commission Expires:

2-3-84

BOOK 5515 PAGE 2415