

BYLAWS OF
GARNER CHALET CONDOMINIUM HOMEOWNERS ASSOCIATION
a Utah Condominium Association

ARTICLE I
OFFICES

The initial offices of the Association in the State of Utah shall be located at 131 South 1000 East Salt Lake City, Utah 84102

ARTICLE II
DEFINITIONS

SECTION 1. "Association" shall mean and refer to Garner Chalet Condominium Homeowners Association, its successor and assigns.

SECTION 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

SECTION 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

SECTION 4. "Unit" shall mean and refer to each Unit shown upon any recorded subdivision map of the Property with the exception of the Common Area.

SECTION 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Unit which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Salt Lake County Recorder, State of Utah.

SECTION 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

SECTION 8. "Board of Directors" shall mean and refer to those persons elected to serve pursuant to Article III of these Bylaws.

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ARTICLE III
MEETINGS

SECTION 1. Annual Meeting. The annual meeting of the Unit Owners shall be held at 7:00 p.m. on the first Tuesday in the month of June of each year beginning with the year 1997, for the purpose of electing Board of Directors and for the transaction of such other business as may come before the meeting. In the event that such annual meeting is omitted by oversight or otherwise during the month provided for, the Board of Directors shall cause a meeting in lieu thereof to be held as soon thereafter as may be convenient, and any business transacted or elections held at such meeting shall be as valid as if transacted or held during the month in which the annual meeting was to be called. If the election of Directors shall not be held during the month designated herein for the holding of the annual meeting of Unit Owners or at any adjournment of any meeting so called, such subsequent meetings shall be called in the same manner as is provided for the calling of the annual meeting of the Unit Owners. Such meeting may also be called without the required advance notice if all of the Unit Owners consent to the meeting and a quorum are present at such a meeting. Written waiver of notice of such meeting shall be attached to the minutes of the annual Unit Owners' meeting so called, in the Association minute book.

SECTION 2. Special Meetings. Except as otherwise provided by law, special meetings of the Unit Owners of this Association shall be held whenever called by the President or by a majority of the Board of Directors, or whenever at least twenty-five percent (25 %) of the Unit Owners shall make written application therefor to the Secretary or Secretary-Treasurer stating the time, the place and the purpose of the meeting called.

SECTION 3. Place of Meeting The Board of Directors may designate any place, within the State of Utah, unless otherwise prescribed by statute, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. A waiver of notice signed by all Unit Owners entitled to vote at a meeting may designate any place within the State of Utah, unless otherwise prescribed by statute, as the place for the holding of such meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the Association in the State of Utah.

SECTION 4. Notice of Unit Owners' Meeting Notice of all Unit Owners' meetings stating the time and the place and the objects for which such meeting(s) are called shall be given by the President or by a Vice-President or by the Secretary or Secretary-Treasurer or an Assistant Secretary-Treasurer or by the number of Unit Owners entitled to call a special meeting of the Unit Owners, not less than fifteen (15) days nor more than thirty (30) days prior to the date of the meeting. The notices shall be sent by first class mail, postage prepaid, to each Unit Owner of record at his address as it appears in the records of the Association unless he shall have filed with the Secretary or Secretary-Treasurer of the Association a written request that notice intended for him be mailed to some other address, in which case it shall be mailed to the address designated in such request. The person giving such notice shall make an affidavit stating how he has complied with this requirement. The Notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Any meeting of which all Unit Owners shall, at any time, waive or have waived notice in writing shall be a legal meeting for the transaction of business notwithstanding that notice has not been given as hereinbefore provided.

SECTION 5. Waiver of Notice. Whenever any notice whatever is required to be given by these Bylaws or by any laws of the State of Utah, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated herein, shall be deemed equivalent thereto.

SECTION 6. Quorum of Unit Owners. Except as herein provided and as otherwise provided by law, at any meeting of Unit Owners, twelve (12) Unit Owners of record in person or by proxy shall constitute a quorum, but a less number may adjourn any meeting, and the meeting may be held as adjourned without further notice; provided, however, that Directors shall not be elected at an adjourned meeting. When a quorum is present at any meeting, a majority of Unit Owners thereat shall decide any question brought before such meeting which shall be binding on all Unit Owners, unless the question is one upon which by express provision of law or of the Declaration or of these Bylaws a larger or different vote is required, in which case such express provision shall govern and control the decision of such question.

SECTION 7. Closing of Transfer Books or Fixing Record Date. For the purpose of determining Unit Owners entitled to notice or vote at any meeting of Unit Owners or at any adjournment thereof or in order to make a determination of Unit Owners for any other proper purpose, the Board of Directors may fix in advance a date as the record date for any such determination of Unit Owners, such date in any case to be not more than **fifty** (50) days, and in the case of a meeting of Unit Owners, not less than ten (10) days prior to the date on which the particular action requiring such determination of Unit Owners is to be taken. If no record date is fixed for the determination of Unit Owners entitled to notice or to vote, the date on which notice of the meeting is mailed shall be deemed the date of record for such determination of Unit Owners. When a determination of Unit Owners entitled to vote at any meeting of Unit Owners has been made as provided in this section, such determination shall apply to any adjournment thereof.

SECTION 8. Voting Lists. The officer or agent having charge of the Association records shall make, at least five (5) days before each meeting of Unit Owners, a complete list of the Unit Owners entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the addresses of each Unit Owner. For a period of five (5) days prior to such meeting, this list shall be kept on file at the registered office of the Association and shall be subject to inspection by any Unit Owner at any time during normal business hours. Such lists shall also be produced and displayed at the time and place of the meeting and shall be subject to the inspection of any Unit Owner during the whole time of the meeting.

SECTION 9. Proxy and Voting. Unit Owners of record may vote at any meeting, either in person or by proxy in writing. All proxies shall be in writing and filed with the Secretary or Secretary-Treasurer of the meeting before being voted. Such proxy shall entitle the holders thereof to vote at any adjournment of such meeting but shall not be valid after the final adjournment thereof.

No proxy shall be valid after the expiration of eleven (11) months from the date of execution unless the Unit Owner executing it shall have specified herein the length of time said proxy is to continue in force, which shall be for some limited period of time. Each proxy shall be revocable and shall automatically cease upon conveyance by the member of his Unit. Each Unit Owner, except as otherwise provided, shall be entitled to one vote.

ARTICLE IV
BOARD OF DIRECTORS

SECTION 1. General Powers. The business and the affairs of the Association shall be managed by its Board of Directors.

SECTION 2. Number, Tenure and Qualifications: Each director shall hold office for three years or until his successor shall have been duly elected and qualified. Each director elected after March 1, 1997 must be an Owner of a Unit. If a director sells his Unit, he must resign not later than the closing of the sale of his Unit.

SECTION 3. Election of Board of Directors. The Board of Directors shall be chosen by a secret written ballot at the annual meeting of Unit Owners or at any meeting held in place thereof, as provided by law. Cumulative voting is not permitted. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman/woman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Unit Owners.

Every election of Directors by the Unit Owners shall be conducted by two (2) inspectors, neither of whom shall be a candidate. These inspectors shall be appointed by the presiding officer of the meeting, but inspectors of the first election of Directors and all subsequent meetings of the Unit Owners shall be appointed by the Board of Directors. Before entering upon the discharge of their duties, the inspectors shall be sworn as provided by law. The appointment of such inspectors may be waived by the unanimous consent of all Unit Owners present or represented by proxy at any given meeting. Voting shall be by secret ballot, or if there is no contest for positions on the board, then by voice vote upon motion from the floor for such a vote.

In the event that the five (5) positions of the Board of Directors are not filled because of a lack of candidates willing to serve, the Board shall consist of a President, a Vice-President, and a Secretary-Treasurer. The three (3) member Board shall operate under the same voting rules as the five (5) member Board and shall serve the same term. The Board shall revert to five (5) members in the next election or at any time five (5) candidates are willing to serve.

SECTION 4. Powers of Directors. (a) The Board of Directors shall have the responsibility for the entire management of the business of this Association. The Board of Directors shall have power to adopt and publish rules and regulations governing the use of the Common Area and Facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof; suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period of not to exceed 60 days for infraction of published rules and regulations. The Board shall have power to: exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, or the Declaration; declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and, employ a manager, an independent contractor or such other employees as they deem necessary and to prescribe their duties. In the management and control of the property, business and affairs of the Association, the Board of Directors is vested with all of the powers possessed by the Association itself insofar as this delegation of authority is not inconsistent with the laws of the State of Utah and Declaration or with these Bylaws. The Board of Directors shall have the power to determine what constitutes net earnings, profit and surplus, respectively, and what amounts shall be reserved for working capital and of any other purpose. Such determination by the Board of Directors shall be final and conclusive.

(b) The Board shall have the power, by a vote of at least two thirds of the Board Members, create and ratify any Rule or Regulation not specifically covered in these Bylaws as well as a system of fines for the purpose of enforcement.

SECTION 5. Duties of Directors. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and Association affairs and to present a statement thereof to the members at the annual meeting of the Unit Owners, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Unit Owners entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) to prepare an annual budget and apportion costs on a monthly basis to each Unit based upon each Unit's share of the common interest according to square footage, a list of which is found in Appendix "A" of the Declaration. Such payment shall be known as the "Monthly Condominium Fee", and:

(1) fix the amount of the Monthly Condominium Fee against each Unit per annual period as part of the annual budget;

(2) send written notice of any increase in the monthly condominium fee to every Owner subject thereto at least thirty (30) days before such increase is to take effect; and

(3) foreclose the lien against any property pursuant to Article VII, Section 7 of these Bylaws.

(d) recommend special assessments as may be required to maintain the common areas to a vote of Unit Owners;

(e) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment or fee has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(f) procure and maintain adequate liability and hazard insurance on property owned by the Association with a minimum policy coverage of not less than two (2) million dollars;

(g) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(h) cause the Common Area to be maintained.

(i) maintain a cash reserve as projected by the yearly budget.

SECTION 6. Meeting of Board. Regular meetings of the Board of Directors shall be held at such places and at such time as the Board of Directors by vote may determine, and if so determined, no notice thereof need be given. Special meetings of the Board of Directors may be held at any time or any place within the State of Utah whenever called by the President, Vice-President, Secretary or Treasurer, notice thereof being given to each Director by the Secretary or Secretary-Treasurer, by delivering the same to him/her personally or telephoning or telefaxing the same to him at his residence or business address not later than seventy-two (72) hours prior to the date on which the meeting is to be held. In case of emergency, the chairman of the Board of Directors or the President may prescribe a shorter notice to be given personally or by telegraphing each Board Member at his or her residence or business address. Such special meeting shall be held at such time and place as the notice thereof or waiver shall specify. The officers of the Association shall be elected by the Board of Directors after its election by the Unit Owners, and a meeting may be held without notice of this purpose immediately after the annual meeting of Unit Owners and at the same place.

SECTION 7. Quorum of Board of Directors. A majority of the members of the Board of Directors as constituted for the time being shall constitute a quorum for the transaction of business, but a lesser number not less than two (2) may adjourn any meeting and the meeting may be held as adjourned without further notice. When a quorum is present at any meeting, the majority of the

members present thereat shall decide any questions brought before such meeting except as otherwise provided by law or by these Bylaws.

SECTION 8. Vacancies. Any vacancy occurring in the Board of Directors may be filled by an affirmative vote of the majority of the remaining Directors, though not less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at the annual meeting or at a special meeting of Unit Owners called for the purpose.

SECTION 9. Compensation. Directors will receive no compensation for serving as a member of the Board.

SECTION 10. Presumption of Assent. A director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his/her dissent shall be entered in the minutes of the meeting or unless he/she shall file his/her written dissent of such action with the person acting as secretary of the meeting or the adjournment thereof, or shall forward such dissent by registered mail to the Secretary or Secretary-Treasurer of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

SECTION 11. Action by Writing. Unless otherwise provided by law, any action required to be taken at a meeting of the Board of Directors or any other action which may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken shall be signed by all the Board members entitled to vote with respect to the subject matter thereof.

SECTION 12. Board Members Held Harmless Board Members shall be held harmless by the Association for any action taken within their duties or in their capacity as Board Members, so long as such actions do not consist of intentionally fraudulent or illegal conduct.

SECTION 13. Indemnification Board Members shall be indemnified and defended by the Association in any litigation or claim brought as a result of any action taken by Board Members within their duties or in their capacity as Board Members, so long as such actions do not consist of intentionally fraudulent or illegal conduct.

SECTION 14. Recall. The election of any Board Member or Board Members may be recalled by a two-thirds (2/3) majority vote of all Unit Owners. Such a vote may take place at any meeting held pursuant to Article III. In the event a Board Member is recalled, the Unit Owners shall elect a Board Member to fill the vacancy by a majority vote of those present.

ARTICLE V
OFFICERS

SECTION 1. Officers of the Association. The officers of this Association shall be a President, a Vice-President, a Secretary, a Treasurer or Secretary-Treasurer, and a Condominium Coordinator (all of whom shall at all times be members of the Board of Directors). The President who, when present, shall preside at all meetings of the Board of Directors, shall have other such powers as the Board of Directors may, from time to time, prescribe.

SECTION 2. Eligibility of Officers. The President, Vice-President, Secretary, Treasurer or Secretary-Treasurer and Condominium Coordinator shall be Unit Owners. Any person may hold more than one office provided the duties thereof can be consistently performed by the same person; provided, however, that no person shall, at any time, hold the three (3) offices of President, Vice-President and Secretary-Treasurer.

SECTION 3. Additional Officers and Agents. The Board of Directors at its discretion, may appoint a General Manager, one or more Assistant Secretary-Treasurers and one or more Assistant Secretaries and such other officers or agents as may be deemed advisable and prescribe the duties thereof.

SECTION 4. Appointment and Term of Office. The additional officers of the Association to be appointed by the Board of Directors shall be appointed annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the Unit Owners. If the appointment of officers shall not be held at such meeting, such appointment shall be held as soon thereafter as may be convenient. Each officer shall hold office until his successor shall have been duly appointed or the Board of Directors has determined to eliminate the position. Appointments shall be made by a majority vote of the Board of Directors.

SECTION 5. President. The President shall be the chief executive officer of the Association and, when present, shall preside at all meetings of the Unit Owners and shall preside at meetings of the Board of Directors. The President or Vice-President, unless some other person is specifically authorized by vote of the Board of Directors, shall sign all bonds, deeds, mortgages, extension agreements, modification of mortgage agreements, leases and contracts of the Association. He/She shall perform all the duties commonly incident to his/her office and shall perform such other duties as the Board of Directors shall designate from time to time.

SECTION 6. Vice-President. Except as specifically limited by vote of the Board of Directors, the Vice President shall perform the duties and have the powers of the President during the absence or disability of the President and shall have the power to sign all certificates of stock, bonds, deeds and contracts of the Association. He/She shall perform such other duties and have other powers as the Board of Directors shall, from time to time, designate.

SECTION 7. Secretary or Secretary-Treasurer. The Secretary or Secretary-Treasurer shall keep accurate minutes of all meetings of the Unit Owners and of the Board of Directors and shall

perform such other duties and have such other powers as the Board of Directors shall, from time to time, so designate. In his absence at any meeting, an Assistant Secretary or Secretary-Treasurer or a Secretary or Secretary-Treasurer Pro Tempore may be designated to perform his/her duties thereat. The Secretary or Secretary-Treasurer and any Secretary or Secretary-Treasurer Pro Tempore shall be sworn to the faithful discharge of their duties.

SECTION 8. Treasurer or Secretary-Treasurer. The Treasurer or Secretary-Treasurer, subject to the order of the Board of Directors, shall also have the care and custody of the money, funds, valuable papers, and documents of the Association (other than his own bond, if any, which shall be in the custody of the President), and shall have an exercise, under the supervision of the Board of Directors, all the powers and duties commonly incident to his office and shall give bond in such form and with such sureties as shall be required by the Board of Directors. He/She shall deposit all funds of the Association in such bank or banks, trust company or trust companies, or with such firm or firms doing a banking business as the Board of Directors shall, from time to time, so designate. The Treasurer or Secretary-Treasurer may endorse for deposit or collection all checks and notes payable to the Association or to its order, may accept drafts on behalf of the Association. He/She shall keep accurate books of account of the Association's transactions which shall be the property of the Association and, together with all property in his possessions, shall be subject at all times to the inspection and control of the Board of Directors.

All checks, drafts, notes or other obligations of the payment of money shall be signed by such officer or officers or agent or agents as the Board of Directors shall, by general or special resolution, direct. The Board of Directors may also in its discretion, require by general or special resolutions, that checks, drafts, notes and other obligations for the money shall be countersigned or registered as a condition to their validity by such officer or officers or agent or agents as shall be directed in such resolution.

All checks, drafts, notes or other obligations for the payment of money shall be signed by such officer or officers or agent or agents as the Board of Directors shall, by general or special resolution, direct. The Board of Directors may also in its discretion, require by general or special resolutions, that checks, drafts, notes and other obligations for the payment of money shall be countersigned or registered as a condition to their validity by such officer or officers or agent or agents as shall be directed in such resolution.

SECTION 8. Condominium Coordinator. The Condominium Coordinator shall oversee the mail and suggestion boxes for the Board and shall be responsible for overseeing the upkeep and maintenance of all common areas.

SECTION 9. Resignations and Removals. Any Board member or officer of the Association may resign at any time by giving written notice to the Association, to the Board of Directors, to the Chairman of the Board, to the President or to the Secretary or Secretary-Treasurer of the Association. Any such resignation shall take effect at the time specified therein or, if the time be not specified therein, upon its acceptance by the Board of Directors.

The Unit Owners at any meeting called for the purpose, of removing an officer or Board member, may by vote of a majority, remove from office any Board member or other officer elected or appointed by the Unit Owners or Board of Directors and elect or appoint his/her successor. The Board of Directors, by vote of not less than a majority of the entire board, may remove from office any officer or agent elected or appointed by it with or without cause.

SECTION 10. Vacancies. If the office of officer or agent becomes vacant by reason of death, resignation, removal, disqualification or otherwise, the Board of Directors may, by vote of a majority of a quorum, choose a successor or successors who shall hold office for the unexpired term. Vacancies may also be filled for the unexpired term by the Unit Owners at a meeting called for that purpose, unless such vacancy shall have been filled by the Board of Directors prior to the meeting.

SECTION 11. Salaries. Officers shall receive no compensation.

SECTION 12. Officers Held Harmless. Officers shall be held harmless by the Association for any action taken within their duties or in their capacity as Officers, so long as such actions do not consist of intentionally fraudulent or illegal conduct.

SECTION 13. Indemnification of Officers. Officers shall be indemnified and defended by the Association in any litigation or claim brought against them personally as a result of any action taken by the Officers within their duties or in their capacity as Officers so long as such actions do not consist of intentionally fraudulent or illegal conduct.

ARTICLE VI CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances.

SECTION 2. Repairs. The Board of Directors may contract for repairs to common areas. A minimum of two (2) bids for all work performed shall be required.

SECTION 3. Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a unanimous resolution of the Board of Directors. Such authority may be general or confined to specific instances.

SECTION 4. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association, and in such manner as shall, from time to time, be determined by a resolution of the Board of Directors.

SECTION 5. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may, in its sole discretion, select.

SECTION 6. Duties of Secretary and Treasurer. Nothing contained in this Article V shall, in any way conflict, or in any way otherwise, hamper the duties and obligations as set forth for the Secretary, Treasurer or Secretary-Treasurer of the Association, as provided in Article IV, Section 7 hereof.

ARTICLE VII MISCELLANEOUS

SECTION 1. Fiscal Year. The Board of Directors shall have the power to fix, and from time to time, to change the fiscal year of the Association. Unless otherwise fixed by the Board of Directors, the calendar year shall be the fiscal year.

SECTION 2. Best Interest of Association. The Board of Directors shall, at all times, keep themselves informed and take such steps and necessary actions as a reasonable, prudent person would do to serve the best interest of the Association

SECTION 3. Architectural Control Committee. At the time of the annual meeting the Association shall appoint an Architectural Control Committee consisting of two (2) members of the Board of Directors as determined by the Board and three other Unit Owners on a voluntary basis. If an insufficient number Unit Owners volunteer for the positions, the Architectural Control Committee shall consist of the two Board Members and the number of Unit Owners willing to serve. The Architectural Control Committee shall operate to maintain the architectural and aesthetic appearance of the Association. The Architectural Control Committee shall have the power to approve or disapprove of all requests for exterior alterations to any Unit including, but not limited to: landscaping, paint and replacement or repair of exterior of Unit. Unit Owners wishing to alter the exterior of a Unit must submit such a proposal in writing to the Committee, and the Committee may meet as needed to approve or disapprove such requests.

SECTION 4 Other Committees As Needed. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

SECTION 5. Inspection of Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Bylaws of the Association and the Rules and Regulations of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

SECTION 6. Special Assessments. Unit Owners must ratify any special assessments determined by the Board of Directors to be necessary. Such ratification must be by a majority vote of those present at any meeting convened pursuant to Article III. Special assessments shall be

collected from each Unit by a pro rate share based upon each Unit's interest in the common area based upon square footage. The percentage value of each Unit's ownership is listed in Appendix "A" of the Declaration.

SECTION 7. Cash Reserve. The Monthly Condominium Fee shall be doubled for the month of May and the additional funds shall be deposited into the cash reserve account of the Garner Chalet Home Owners Association to be used at the discretion of the Board for Association purposes per Article IV, Section 5.

SECTION 8. Liens. Each member is obligated to pay to the Association the Monthly Condominium Fees and all special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date a late fee of ten (10) percent of the amount owing shall be imposed. Thereafter, the assessment shall bear interest from the date of delinquency at the rate of ten (10) percent per annum, and the Association may bring an action at law against the Unit Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Unit Owner may waiver or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Unit. Past due balances constituting three (3) times the Monthly Condominium Fee, as determined by Article IV, Section 5(c), shall be referred to a collection agency or attorney at the discretion of the Board of Directors. If past due balance exceeds five (5) times the Monthly Condominium Fee, as determined by Article IV, Section 5(c), the Board of Directors shall file an automatic lien against the responsible Owner's Unit.

SECTION 9. Move In and Move Out Fee. There shall be a \$50 fee assessed to the Unit Owner for each move into or out of a Unit.

SECTION 10. Reasonable Inspection The Board may inspect any Unit during reasonable daytime hours and upon written notice to the Unit Owner three (3) days in advance of inspection.

SECTION 11. Smoke Detectors Unit Owners must install and maintain smoke detectors in all Units.

SECTION 12. Repairs Repairs to Units must be made within a reasonable time or the Board shall have the power to repair the Unit and allocate the cost of repairs to the Unit Owner for reimbursement.

SECTION 13. Balconies. Unit Owners are responsible for the upkeep and maintenance of the Unit balconies. However, any remodel or repair must receive prior approval from the Board and Architectural Control Committee.

SECTION 14. Unit Owners' Insurance. All Unit Owners are required to have insurance covering damages to the interior of the Unit and liability insurance of not less than \$100,000

covering any possible damages caused to other Units. Proof of insurance must be provided annually to the Board or its Agents as described in Article V, Section 3. Failure to provide proof of insurance will result in the Board purchasing such coverage for the Unit, the cost of which shall be billed to the Unit Owner.

SECTION 15. Parking Spaces and Storage. The Board may rearrange parking and storage assignments for the convenience and common benefit of all Unit Owners.

ARTICLE VIII RESTRICTIONS

SECTION 1. Fines. The Board of Directors shall have the power to levy reasonable fines, not to exceed five (5) times the Monthly Condominium Fee, for violation of these By-laws. Fines shall be subject to interest in the amount of ten (10) percent per annum until paid.

SECTION 2. Maximum Occupancy. The number of persons living in a single Unit shall be limited to the following:

- (a) for a one (1) bedroom Unit: two (2) adults or one (1) adult and two (2) children.
- (b) for a two (2) bedroom Unit: three (3) adults or two (2) adults and two (2) children.

Exceptions may be granted by a unanimous vote of the Board of Directors and shall be given to the Unit Owner in writing.

SECTION 3. Dogs. Dogs shall not be kept in any Unit without the prior written approval of the Board of Directors.

SECTION 4. Translation of By-laws. In the event an owner rents a Unit to a non-English speaking tenant, it shall be the duty of the Unit Owner to translate and explain these Bylaws and all other rules of the Association made pursuant to these Bylaws.

SECTION 5. Washing Machines. No washing machines shall be placed in any Unit after the effective date of these Bylaws.

SECTION 6. Number of Rooms. No changes shall be made to the number of rooms in any Unit without the prior and specific written approval of the Board of Directors and the Architectural Control Committee.

SECTION 7. Remodeling No owner shall remodel a Unit at any cost in excess of two-hundred fifty dollars (\$250.00) without prior written approval of the Board of Directors. No owner shall remodel a Unit in any respect visible outside the Unit, i.e. air conditioners, doors, windows, tile on deck, etc. without prior written approval of the Board of Directors and the Architectural Control Committee.

SECTION 8. Car Noise Upon receipt of two (2) letters of complaint from any Unit Owners that an automobile makes excessive noise, the Board of Directors shall have the power to ban said automobiles from the Garner Chalet garage.

SECTION 9. Pet Noise. Upon receipt of two (2) letters of complaint from any Unit Owners that a pet is making excessive noise or is otherwise a nuisance, the Board of Directors shall have the power to ban said pets from the Association.

SECTION 10. Tenants. Upon receipt of three (3) letters of complaint from any Unit Owners that a tenant is a nuisance to such an extent as to violate the other Unit Owners' rights to quiet enjoyment of their property, the Board of Directors shall notify the Unit Owner/Landlord and demand that the Unit Owner/Landlord remedy the situation or evict the tenant. The Unit Owners/Landlord shall have thirty (30) days to remedy the situation or the Board may, at its discretion and pursuant to Article VII, Section 1, levy fines against the Unit Owner until the situation is corrected.

ARTICLE IX AMENDMENTS

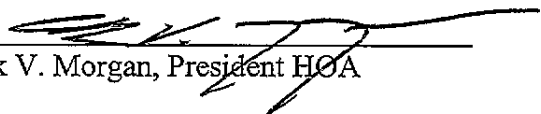
SECTION 1. Amendments: The Bylaws of the Association, regardless of whether made by the Unit Owners or by the Board of Directors, may be amended, added to or replaced by a vote of a two-thirds (2/3) majority of Unit Owners in person or by proxy. Voting on such resolutions or amendments to these Bylaws may take place at any meeting of the Unit Owners, provided notice of the proposed change is given and the notice of the meeting, or notice thereof is waived in writing.

SECTION 2 Conflict With Declaration: In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

THESE BYLAWS HAVE BEEN ENACTED AND RATIFIED BY THE GARNER CHALET CONDOMINIUM HOMEOWNERS ASSOCIATION ON THE 3RD DAY OF JUNE, 1997.

AS WITNESSED BY ERIK V. MORGAN, President of the Garner Chalet Homeowners Association.

DATED this 11th day of August, 1997.

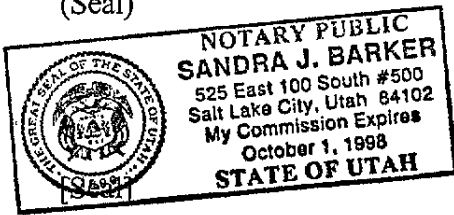


Erik V. Morgan, President HOA

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

The foregoing instrument was signed, sworn to and acknowledged before me this 11th day of August, 1997, by Erik V. Morgan, (person signing) in the capacity of President (position or office) of Garner Chalet Condominium Homeowners Association (name of corporation), and pursuant to authority given him by the corporation.

(Seal)



Sandra J. Barker
Notary Public

6713766
08/14/97 11:19 AM 67.00
NANCY WORKMAN
RECORDER, SALT LAKE COUNTY, UTAH
GARNER CHALET HOMEOWNER ASSOC
131 S 1000 E
SLC UT 84102
REC BY: P ANDERSON , DEPUTY - WI