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DECLARATION OF CONDOMINIUM

**THE PARC AT GATEWAY
CONDOMINIUMS**

**A UTAH EXPANDABLE
CONDOMINIUM PROJECT**

Located within SCM Residential Unit 2 and Parking Units 2, 4 & 7
of the Gateway Block C2 Condominium Project
Salt Lake City, Salt Lake County, State of Utah

TABLE OF CONTENTS

	<u>Page</u>
<u>RECITALS</u>	1
<u>DECLARATION</u>	1
ARTICLE I	
DEFINITIONS	2
1.01 <u>Basic Definitions</u>	2
1.02 <u>Gender and Number</u>	10
ARTICLE II	
SUBMISSION	11
2.01 <u>Submission</u>	11
2.02 <u>Covenants Running with the Land</u>	12
2.03 <u>Statement of Intention</u>	12
ARTICLE III	
TOWER, SUB-UNITS, AND COMMON ELEMENTS	12
3.01 <u>The Parc Tower</u>	12
3.02 <u>Sub-Units</u>	13
3.03 <u>Interests in General Common Elements</u>	14
3.04 <u>Limited Common Elements</u>	15
3.05 <u>Separate Taxation of Condominium Sub-Units</u>	16
3.06 <u>Description of Condominium Sub-Units</u>	16
3.07 <u>Interpretation</u>	16
ARTICLE IV	
THE ASSOCIATION	17
4.01 <u>Formation of the Association</u>	17
4.02 <u>Purposes and Powers</u>	17
4.03 <u>Association Documents</u>	19
4.04 <u>Books and Records</u>	19
4.05 <u>Rules and Regulation</u>	19
ARTICLE V	
VOTING	20
5.01 <u>Voting</u>	20
ARTICLE VI	
BOARD OF DIRECTORS	21
6.01 <u>Number and Election of Directors</u>	21
6.02 <u>Powers of the Board of Directors</u>	21

6.03	<u>Declarant Control Period</u>	22
6.04	<u>Removal of Directors</u>	23
6.05	<u>Replacement of Directors</u>	23
6.06	<u>Board of Directors Liability</u>	23

ARTICLE VII

	ASSESSMENTS, COMMON EXPENSES, BUDGETS AND LIENS	24
7.01	<u>Obligations for Assessments</u>	24
7.02	<u>Share of Common Expenses</u>	26
7.03	<u>Budgets</u>	26
7.04	<u>General Assessments</u>	28
7.05	<u>Special Assessments</u>	28
7.06	<u>Utility Assessments</u>	29
7.07	<u>Default Assessments</u>	29
7.08	<u>Assignment of Assessments</u>	30
7.09	<u>Assessment Lien</u>	30
7.10	<u>Waiver of Homestead Exemptions</u>	31
7.11	<u>Estoppel Certificates; Notices to Mortgagees</u>	31
7.12	<u>Reserve Fund</u>	32

ARTICLE VIII

	UTILITY AND OTHER SERVICES	33
8.01	<u>Water, Sewer, Electric and Trash Removal Services</u>	33
8.02	<u>Cable Television and Satellite Dishes</u>	33
8.03	<u>Telephone</u>	34
8.04	<u>Other Utilities</u>	34

ARTICLE IX

	MAINTENANCE OF COMMON ELEMENTS AND SUB-UNITS	34
9.01	<u>Maintenance of Common Elements</u>	34
9.02	<u>Maintenance of Sub-Units and Limited Common Elements</u>	35
9.03	<u>Mechanic's Liens and Indemnification</u>	36
9.04	<u>Gateway Master Declarant - Block C2 Declaration</u>	36

ARTICLE X

	COVENANTS, CONDITIONS AND RESTRICTIONS	36
10.01	<u>Applicability of Covenants, Conditions and Restrictions</u>	36
10.02	<u>Association Documents</u>	36
10.03	<u>Gateway Master Documents - Project Documents</u>	37
10.04	<u>Notice of Conveyance, Assignment or Encumbrance</u>	37
10.05	<u>Use of Common Elements</u>	37
10.06	<u>Alterations</u>	37
10.07	<u>Nuisances, Hazardous Activities and Unsightliness</u>	38
10.08	<u>Signs and Banners</u>	39
10.09	<u>Compliance with Laws</u>	39

10.10	<u>Compliance with Insurance</u>	39
10.11	<u>Subdivision, Rezoning and Timesharing</u>	39
10.12	<u>Vehicles and Parking</u>	40
10.13	<u>Deliveries, Trash Removal and Other Services; Move In and Out Procedures</u>	42
10.14	<u>Exterior Storage</u>	42
10.15	<u>Animals</u>	42
10.16	<u>Burning Devices</u>	43
10.17	<u>Disclosures Regarding Rentals</u>	43
10.18	<u>Storage Spaces</u>	44
10.19	<u>Parking Spaces and Facilities</u>	45
10.20	<u>Residential Sub-Units</u>	45
10.21	<u>Declarant's Exemption</u>	47

ARTICLE XI

EASEMENTS AND RESERVATIONS	47
11.01 <u>Declarant's Easements Over Common Elements</u>	47
11.02 <u>Utility Easement</u>	48
11.03 <u>Association's Easement</u>	48
11.04 <u>Easements to Parking Sub-Unit Owners</u>	49
11.05 <u>Entry in Aid of Other Rights</u>	49
11.06 <u>Easements for Encroachments</u>	49
11.07 <u>Emergency Access Easement</u>	49

ARTICLE XII

INSURANCE	49
12.01 <u>General Liability Insurance</u>	49
12.02 <u>Property Insurance</u>	50
12.03 <u>Fidelity Insurance or Bond</u>	51
12.04 <u>Liability Insurance for Directors and Officers</u>	51
12.05 <u>Additional Provisions to be Contained in Insurance Policies</u>	51
12.06 <u>Trustee</u>	52
12.07 <u>Sub-Unit Owner Maintained Insurance</u>	53
12.08 <u>Board of Directors' Authority to Revise Insurance Coverage</u>	53
12.09 <u>Periodic Insurance Review</u>	53
12.10 <u>Combined Insurance</u>	54

ARTICLE XIII

CASUALTY	54
13.01 <u>Total or Partial Destruction of the Condominium Project</u>	54
13.02 <u>Excess Insurance Proceeds</u>	54
13.03 <u>Casualty to a Sub-Unit</u>	55

ARTICLE XIV

CONDEMNATION	55
14.01 <u>Condemnation of All Sub-Units</u>	55

14.02	<u>Condemnation of Fewer Than All Sub-Units</u>	55
14.03	<u>Condemnation of Common Elements</u>	55
14.04	<u>Appointment of Association Regarding Condemnation Claims</u>	56
ARTICLE XV		
	SPECIAL DECLARANT RIGHTS	56
15.01	<u>Improvements</u>	56
15.02	<u>Development Rights</u>	56
15.03	<u>Expandable Condominium</u>	56
15.04	<u>Sales Offices and Models</u>	58
15.05	<u>Exercising Special Declarant Rights</u>	59
15.06	<u>Interference with Special Declarant Rights</u>	59
15.07	<u>Rights Transferable</u>	59
ARTICLE XVI		
	MORTGAGEE PROTECTIONS	59
16.01	<u>Benefit of Mortgagees</u>	59
16.02	<u>Notice of Actions</u>	60
16.03	<u>Consent Required</u>	60
16.04	<u>Notice of Objection</u>	61
16.05	<u>First Mortgagee's Rights</u>	61
16.06	<u>Limitations on First Mortgagee's Rights</u>	62
16.07	<u>Declarant Rights</u>	62
ARTICLE XVII		
	ENFORCEMENT AND REMEDIES	62
17.01	<u>Enforcement</u>	62
17.02	<u>Attorneys' Fees</u>	63
17.03	<u>Interest</u>	63
17.04	<u>Right to Notice and Hearing</u>	64
17.05	<u>Non-Waiver</u>	64
ARTICLE XVIII		
	TERM AND AMENDMENTS	65
18.01	<u>Term</u>	65
18.02	<u>Termination</u>	65
18.03	<u>Amendments</u>	65
ARTICLE XIX		
	MISCELLANEOUS	66
19.01	<u>Interpretation of the Declaration</u>	66
19.02	<u>Severability</u>	66
19.03	<u>Disclaimer of Representations</u>	66
19.04	<u>Reference to Declaration and Deeds</u>	66
19.05	<u>Successors and Assigns of Declarant</u>	66

19.06	<u>Captions and Titles</u>	67
19.07	<u>Exhibits</u>	67
19.08	<u>Governing Law</u>	67
19.09	<u>Notices</u>	67
19.10	<u>Waivers</u>	67
19.11	<u>Service of Process</u>	67
19.12	<u>Priority of Gateway Master Documents</u>	68
<u>EXHIBIT A</u>		1
	<u>Legal Description of the Land</u>	1
<u>EXHIBIT B</u>		1
	<u>Bylaws</u>	1
<u>EXHIBIT C</u>		1
	<u>Interest in General Common Elements</u>	1
<u>EXHIBIT D</u>		1
	<u>Additional Land</u>	1

**DECLARATION OF CONDOMINIUM
THE PARC AT GATEWAY CONDOMINIUMS**

(A Utah Expandable Condominium Project)

THIS DECLARATION OF CONDOMINIUM (as amended from time to time, this "Declaration") is made as of July 1, 2004, by PARC GATEWAY PARTNERS, L.C., a Utah limited liability company (together with its successors and assigns, "Declarant").

RECITALS

A. Declarant owns the certain real property located in the County of Salt Lake, State of Utah, that is more particularly described on Exhibit A hereto.

B. Declarant's ownership of the real property described on Exhibit A is subject to the terms and conditions of that certain Declaration of Condominium, Gateway Block C-2, Condominium Project, dated December 18, 2000, and recorded in the offices of the Salt Lake County Recorder December 27, 2000, as Entry No. 7788090, in Book 8410, beginning at page 8942, as amended by that certain Amended and Restated Declaration of Condominium, Gateway Block C-2, Condominium Project, dated April 19, 2001, and recorded in the offices of the Salt Lake County Recorder April 27, 2001, as Entry No. 7881709, in Book 8450, beginning at page 4843 (the "Block C2 Declaration").

C. Under the terms of the Block C2 Declaration, Declarant has the right to create a Sub-Declaration and to create a separate association of owners with respect to such Sub-Declaration.

D. Declarant desires to create a condominium project on and within the Subject Property pursuant to the Utah Condominium Ownership Act, Utah Code Annotated (2000 Replacement), Sections 57-8-1 through 57-8-36, as the same may be amended from time to time. The condominium project shall be known as the "THE PARC AT GATEWAY CONDOMINIUMS."

E. Declarant deems it necessary and desirable to subject the Subject Property, and all Improvements now or hereafter constructed on the Subject Property to the covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth in this Declaration, which Declaration shall constitute a Sub-Declaration for purposes of and as defined within the Block C2 Declaration.

DECLARATION

In consideration of the foregoing, Declarant hereby declares as follows:

ARTICLE I
DEFINITIONS

1.01 Basic Definitions.

As used in this Declaration, the following terms have the meanings given to them in this Section 1.01.

(a) "Act" means the Utah Condominium Ownership Act, Utah Code Annotated §§57-8-1 through 57-8-37 (2003 Supplement), as the same may be amended from time to time.

(b) "Additional Land" shall mean all or a portion of the real property designated on Exhibit "D" attached hereto and incorporated herein by reference, all or a portion of which may be added to the Project in accordance with the provisions of Section 15.03 herein below.

(c) "Area," when reference is made to a Sub-Unit or Sub-Units, means the total number of square feet of the ground or floor surface thereof, rounded to the nearest whole number ending in zero, and computed and determined as follows on the basis of dimensions shown on the Plat. The measurements used in determining Area shall run from the interior surfaces of the walls surrounding the Sub-Unit concerned and each separate level, story, or floor contained within or making up the Sub-Unit shall be taken into account and, subject to the following provisions, shall augment the Area thereof. So long as it substantially complies with the provisions of this Section and is not arbitrary, Declarant's determination of the Area of a Sub-Unit, as set forth in this Declaration or in any amendment hereto shall be conclusive.

(d) "Articles" means the articles of incorporation of the Association, as the same may be amended from time to time.

(e) "Assessment" means any charge imposed by the Association, as permitted by the Act, including but not limited to, a General Assessment, a Special Assessment or a Default Assessment levied and assessed pursuant to Article VII below.

(f) "Assessment Lien" has the meaning given to that term in Section 7.09 below.

(g) "Association" means the association of Sub-Unit Owners known as The Parc at Gateway Condominium Association, Inc., a Utah nonprofit corporation, and its successors and assigns.

(h) "Association Documents" means this Declaration, the Articles, the Bylaws and the Rules and Regulations, as the same may be amended from time to time.

(i) "Base Structure" shall have the meaning as set forth in the Block C2 Declaration.

(j) "Block C2 Declaration" means that certain Declaration of Condominium, Gateway Block C-2 Condominium Project, dated December 18, 2000, and recorded in the offices of the Salt Lake County Recorder on December 27, 2000, as Entry No. 7788090, in Book 8410, beginning at page 8942, as amended by that certain Amended and Restated Declaration of Condominium, Gateway Block C-2, Condominium Project, dated April 19, 2001, and recorded in the offices of the Salt Lake County Recorder April 27, 2001, as Entry No. 7881709, in Book 8450, beginning at page 4843.

(k) "Board of Directors" means the Association's board of directors which shall also be and have all of the rights, duties and authority of the management committee described by the Act, except as otherwise expressly provided herein.

(l) "Building" shall have the meaning as set forth in the Block C2 Declaration.

(m) "Bylaws" means the bylaws of the Association, attached hereto and forming a part hereof as Exhibit B, as the same may be amended from time to time.

(n) "Common Deck" shall have the meaning as set forth in the Block C2 Declaration.

(o) "Common Elements" means the General Common Elements and the Limited Common Elements.

(p) "Common Expenses" means:

(i) any and all costs, expenses and liabilities incurred by or on behalf of the Association, including, without limitation, costs, expenses and liabilities for (A) managing, operating, insuring, improving, repairing, replacing and maintaining the Common Elements; (B) providing facilities, services and other benefits to Sub-Unit Owners, including those facilities, services, and other benefits provided vis-a-vis the Block C-2 Declaration and the assessments levied thereunder; (C) administering and enforcing the covenants, conditions, restrictions, reservations and easements created hereby including, but not limited to, the Rules and Regulations; (D) levying, collecting and enforcing the Assessments, charges and liens imposed pursuant hereto; (E) regulating and managing the Condominium Project; and (F) operating the Association;

(ii) costs, expenses and liability agreed upon as Common Expenses by the Association or declared to be Common Expenses by this Declaration, the Act or the Association;

(iii) all sums lawfully assessed against the Sub-Unit Owners; and

- (iv) reserves for any such costs, expenses and liability.
- (q) "Condominium Project" means the real estate condominium project created on the Subject Property by this Declaration, consisting of the Sub-Units and the Common Elements, known as THE PARC AT GATEWAY CONDOMINIUMS.
- (r) "Condominium Sub-Unit" means a Sub-Unit together with:
 - (i) the Interest in General Common Elements appurtenant to that Sub-Unit;
 - (ii) the right to the exclusive or nonexclusive use of the General Common Elements and Limited Common Elements appurtenant to that Sub-Unit, if any; and
 - (iii) the membership in the Association appurtenant to that Sub-Unit.
- (s) "Declarant" means PARC GATEWAY PARTNERS, L.C., a Utah limited liability company, and its successors and assigns.
- (t) "Declarant Control Period" has the meaning given to that term in Section 6.03 below.
- (u) "Declaration" means this Declaration of Condominium for THE PARC AT GATEWAY CONDOMINIUMS, as the same may be amended from time to time, and intending to be a Sub-Declaration under the terms of the Block C2 Declaration.
- (v) "Default Assessment" has the meaning given to that term in Section 7.07 below.
- (w) "Director" means a duly elected or appointed member of the Board of Directors.
- (x) "Eligible Mortgagee" means those First Mortgagees giving notice as provided in Section 16.02.
- (y) "First Mortgage" means any Mortgage which is not subordinate to any other monetary lien or encumbrance, except liens for taxes or other liens which are given priority by statute.
- (z) "First Mortgagee" means a Mortgagee under a First Mortgage.
- (aa) "Gateway Master Declarant" means the Declarant under the Gateway Master Declaration.

(bb) "Gateway Master Declaration" means the Declaration and Establishment of Protective Covenants, Conditions and Restrictions and Grant of Easements for the Gateway Project, recorded in the Salt Lake County Records on December 27, 2000, as Entry No. 7787948, in Book 8410, at Page 8311, as the same may be amended from time to time.

(cc) "Gateway Master Documents" means the Gateway Master Declaration, as the same may be adopted and amended from time to time.

(dd) "Gateway Project" means the overall mixed use project located in Blocks 65, 80 and 83 of Salt Lake City, Utah and commonly known as the Gateway Project.

(ee) "General Assessment" has the meaning given to that term in Section 7.04 below.

(ff) "General Common Elements" means all of the areas of the Condominium Project, other than the Sub-Units and the Limited Common Elements. Without limiting the generality of the preceding sentence, the General Common Elements include, without limitation:

(i) all Improvements, including, without limitation, the foundations, columns, girders, beams, supports, perimeter and supporting walls, utility systems, mechanical systems, sprinkler systems, exhaust, heating and ventilation systems, storage areas, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, chimneys, drainage facilities, yards, gardens, patios, balconies, decks, courtyards, stoops, exits and entrances, tanks, pumps, motors, fans, compressors, ducts, and in general all apparatus and installations existing for common use, and all other parts of the Subject Property necessary or convenient to the existence, maintenance and safety of the Condominium Project, or normally in use by two or more Sub-Units, except for those Improvements that are designated by the Act, by this Declaration or by the Plat as Sub-Units or Limited Common Elements;

(ii) unless designated as Limited Common Elements, all parking facilities, driveways and ramps; and

(iii) any parcels of real property and Improvements and fixtures located thereon (A) that are owned by a Person other than the Association, but in which the Association has rights of use or possession pursuant to this Declaration, the Block C2 Declaration, a lease, license, easement or other agreement, and (B) that are used or possessed by the Association for the benefit of all Sub-Unit Owners.

(gg) "Guest" means any family member, employee, agent, independent contractor, lessee, customer or invitee of a Sub-Unit Owner.

(hh) "Improvement[s]" means the Parc Tower, together with any other building, structure or other improvement (including, without limitation, all fixtures and improvements

contained therein) located on or within the Subject Property and within or upon which one or more Sub-Units or Common Elements are or will be located.

(ii) "Interest in General Common Elements" means the undivided interest in the General Common Elements appurtenant to each Sub-Unit, determined in accordance with the terms and conditions of Section 3.03 below.

(jj) "Limited Common Elements" means the Limited Common Elements designated by this Declaration or the Plat for the exclusive use of one or more Sub-Units, but fewer than all of the Sub-Units. Without limiting the generality of the foregoing, "Limited Common Elements" include, without limitation:

(i) balconies, Storage Spaces, Parking Spaces, and any other physical portion of the Condominium Project depicted on the Plat as Limited Common Elements, Storage Spaces, or as Parking Spaces;

(ii) any shutters, awnings, window boxes, windows, doors, doorsteps, porches, balconies, patios, and other apparatus intended to serve a single Sub-Unit but located outside the boundaries of such Sub-Unit;

(iii) all installations for and all equipment connected with furnishing fewer than all of the Sub-Units with utility service, including, but not limited to, utility systems, mechanical systems and exhaust and ventilation systems;

(iv) patios, decks, porches, elevators, waiting areas, Storage Spaces, entrances, exits and walkways and other areas and improvements that are designed to serve fewer than all of the Sub-Units; and

(v) any parcels of real property and Improvements and fixtures located thereon (A) that are owned by a Person other than the Association, but in which the Association has rights of use or possession pursuant to this Declaration, the Block C2 Declaration, or a lease, license, easement or other agreement, and (B) that are used or possessed by the Association for the benefit of Sub-Unit Owners of fewer than all of the Sub-Units.

If any chute, flue, duct, wire, conduit, bearing wall, bearing column or other structural component, any portion of a mechanical system or any fixture lies partially within and partially outside of the designated boundaries of a Sub-Unit, any portion thereof serving only that Sub-Unit is a Limited Common Element allocated solely to that Sub-Unit, any portion thereof serving more than one Sub-Unit shall be Limited Common Elements. Nonstructural walls located wholly within a Sub-Unit are a part of the Sub-Units in which they are located.

(kk) "Majority," regardless of whether capitalized, means the Sub-Unit Owners of more than fifty percent (50%) of the aggregate Interest in General Common Elements.

(ll) "Manager" has the meaning given to that term in Section 6.02(b) below.

(mm) "Mortgage" means any mortgage, deed of trust or other document pledging any Condominium Sub-Unit or interest therein as security for payment of a debt or obligation.

(nn) "Mortgagee" means any Person named as a mortgagee or beneficiary in any Mortgage, any insurer or guarantor of a Mortgage, and any successor to the interest of any such Person under a Mortgage.

(oo) "Officer" means a duly elected or appointed officer of the Association.

(pp) "Owner" has the meaning attributed to it in the Block C2 Declaration. With respect to the Block C2 Declaration, and references therein to an Owner of a Unit, including the Subject Property, the term Owner shall mean the Association created by this Declaration and related documents.

(qq) "Parc Tower" means "Tower Structure 2," as defined below.

(rr) "Parking Space(s)" means one or more separately designated stalls or spaces on the Plat, or any amendment thereto which are identified by Parking Space Numbers and may be assigned to a Sub-Unit as Limited Common Elements or which may be reserved by easement to the Declarant pursuant to the provisions of Section 2.01 in conjunction with the use of the Additional Land.

(ss) "Par Value" means the number of points assigned to each Sub-Unit by this Declaration as set forth on Exhibit C hereto. The points assigned to a Unit shall be equal to one thousand (1,000) multiplied by the sum of (i) 1 divided by the total number of Units within the Condominium Project (determined to six decimals); plus (ii) the Area of the Unit divided by the total Area of all Units within the Condominium Project (determined to six decimals). The Par Value of each Sub-Unit shall be re-computed as Sub-Units are added to the Condominium Project pursuant to the provisions of Section 15.03. In determining Par Values, Declarant may have made and may make, as Additional Land and Sub-Units are added to the Condominium Project, minor adjustments in some or all of the Par Values which result from a strict application of the formula described in the immediately foregoing sentence for the purpose, but only for the purpose, of assuring that the total Par Values of all Units equals two thousand (2,000).

(tt) "Person" means any natural person, corporation, partnership, limited liability company, association, trustee, governmental or quasi-governmental entity or any other entity capable of owning real property under the laws of the State of Utah.

(uu) "Plat" means the Condominium Plat filed herewith, entitled "THE PARC AT GATEWAY CONDOMINIUMS, a Utah Expandable Condominium Project" executed and acknowledged by Declarant, consisting of 11 sheets (19) sheets, and prepared by Kenneth

A. Petty, a duly registered Utah Land Surveyor holding Certificate No. 362254, as such Condominium Plat may be amended or supplemented in accordance with law and the provisions hereof from time to time. Such Plat also creates the legal descriptions of each proposed sub-unit which may be added to the Condominium Project as "Additional Land" in accordance with the terms of this Declaration.

(vv) "Project" means the Building, and all Units, and all Common Elements known as Gateway Block C2 Condominium Project.

(ww) "Project Association" means the association of owners of Units defined in the Block C2 Declaration.

(xx) "Project Documents" means the Block C2 Declaration, the Articles and Bylaws of the Project Association, and the Rules and Regulations adopted by the Project Association, as the same may be amended from time to time.

(yy) "Project Unit Owners" means Owners of Units as defined in the Block C2 Declaration.

(zz) "Purchaser" means a Person, other than Declarant or a Successor Declarant, who acquires legal title to the fee simple interest in any Condominium Sub-Unit or portion thereof.

(aaa) "Real Property" shall have the meaning set forth in the Block C2 Declaration.

(bbb) "Record," "Recording," "Recorded," and "Recorder" each have the meaning stated in Utah Code Annotated §57-3-1 through §57-3-2, as the same may be amended from time to time.

(ccc) "Residential Sub-Unit" means each Sub-Unit designated as a Residential Sub-Unit on the Plat, or any amendment thereto.

(ddd) "Rules and Regulations" means any instrument adopted from time to time by the Association for the regulation and management of the Condominium, as the same may be amended from time to time.

(eee) "Salt Lake County Records" means the Official Records for Salt Lake County, Utah.

(fff) "SCM Residential Unit[s]" shall have the meaning set forth in the Block C2 Declaration.

(ggg) "Share of Common Expenses" means the share of Common Expenses allocated to each Sub-Unit in accordance with the terms and conditions of Section 7.02 below.

(hhh) "Special Assessment" has the meaning given to that term in Section 7.05 below.

(iii) "Special Declarant Rights" means all rights that Declarant reserves for itself in this Declaration.

(jjj) "Storage Spaces" means those limited common areas designated upon the Plat and which are assigned to a Sub-Unit in accordance with the provisions of Section 10.18 below.

(kkk) "Sub-Declaration" has the meaning attributed to it in the Block C2 Declaration. This Declaration constitutes a Sub-Declaration for purposes of the Block C2 Declaration.

(lll) "Subject Property" means the real property which Article II of this Declaration submits to the terms of the Act.

(mmm) "Sub-Unit" means a physical portion of the Condominium Project that:

(i) consists of one or more rooms or spaces located in one or more floors or parts of floors located in the Subject Property;

(ii) is designated for separate ownership and independent use; and

(iii) is designated as a Residential Sub-Unit or Sub-Unit on Exhibit C of this Declaration and on the Plat.

The walls, floors or ceilings are designated as boundaries of a Sub-Unit, and all paneling, tiles, wallpaper, painting, finished flooring and any other materials constituting any portion of the finished surfaces thereof are part of the Sub-Unit, and all other portions of the walls, floors and ceilings are part of the Common Elements; further provided that each garage door (including but not limited to the exterior surfaces thereof and any automatic garage door opener) for a garage located upon Level One and adjacent to Parking Unit No. 7, as designated in the Project Declaration, shall also constitute a part of the Residential Sub-Unit to which it is affixed.

(nnn) "Sub-Unit Number" means the number, letter, or combination thereof which designates a Sub-Unit on the attached Exhibit C and on the Plat.

(ooo) "Sub-Unit Owner" means the Person who is the record holder of legal title to the fee simple interest in any Condominium Sub-Unit as reflected in the Salt Lake County Records. If there is more than one record holder of legal title to a Condominium Sub-Unit, each record holder shall be a Sub-Unit Owner. The term "Sub-Unit Owner" includes Declarant to the extent that Declarant is the record holder of legal title to the fee simple interest in a Condominium Sub-Unit. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term "Sub-Unit Owner" shall not mean or

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

(ppp) "Successor Declarant" means any Person who succeeds to any Special Declarant Right.

(qqq) "Total Condominium Project Par Value" means the Par Value of all Sub-Units in the Condominium Project, as set forth on Exhibit C hereto, as the same may be amended by the additional of Additional Land.

(rrr) "Tower Structure 1" shall have the meaning set forth in the Block C2 Declaration. Generally, it is that portion of the Project which consists of "SCM Residential Unit 1" under the Block C2 Declaration and as of the date hereof is owned by Northgate Villages Apartments, L.P., a Utah limited liability company.

(sss) "Tower Structure 2" shall have the meaning set forth in the Block C2 Declaration. Generally, it is that portion of the Project which as of the date hereof consists of "SCM Residential Unit 2" (which includes Sub-Units constructed upon the face of the Base Structure) under the Block C2 Declaration and as of the date hereof is owned by the Declarant. Tower Structure 2 is also referred to herein as the "Parc Tower."

(ttt) "Utility Assessment" has the meaning given to that term in Section 7.06 below.

(uuu) "Working Capital Fund" has the meaning given to that term in Section 7.12 below.

1.02 Gender and Number.

Wherever the context of this Declaration so requires:

- (a) words used in the masculine gender shall include the feminine and neuter genders;
- (b) words used in the neuter gender shall include the masculine and feminine genders;
- (c) words used in the singular shall include the plural; and
- (d) words used in the plural shall include the singular.

ARTICLE II
SUBMISSION

2.01 Submission.

There is hereby submitted to the provisions of the Act, as the Subject Property associated with The Parc at Gateway Condominiums Project, the following-described real property situated in Salt Lake County, State of Utah:

See Exhibit A attached hereto and incorporated herein by this reference.

TOGETHER WITH: (i) all buildings, if any, improvements, and structures situated on or comprising a part of the above-described Subject Property, whether now existing or hereafter constructed; (ii) all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant to, or accompanying said Subject Property; and (iii) all articles of personal property intended for use in connection with said Subject Property.

ALL OF THE FOREGOING IS SUBJECT TO: all liens for current and future taxes, assessments, and charges imposed or levied by governmental or quasi-governmental authorities; all patent reservations and exclusions; any mineral reservations of record and rights incident thereto; all instruments of record which affect the above-described Subject Property or any portion thereof, including, without limitation, any mortgage or deed of trust, the Gateway Master Declaration, and the Block C2 Declaration; all visible easements and rights-of-way; all easements and rights-of-way of record; any easements, rights-of-way, encroachments, or discrepancies shown on or revealed by the Plat or otherwise existing; an easement for each and every pipe, line, cable, wire, utility line, or similar facility which traverses or partially occupies the above-described Subject Property at such times as construction of all Improvements is complete; and all easements necessary for ingress to, egress from, maintenance of, and replacement of all such pipes, lines, cables, wires, utility lines, and similar facilities.

RESERVING UNTO DECLARANT, however, such easements and rights of ingress and egress over, across, through, and under the above-described Subject Property and any improvements now or hereafter constructed thereon as may be reasonably necessary for Declarant or for any assignee or successor of Declarant (in a manner which is reasonable and not inconsistent with the provisions of this Declaration): (i) an easement for ingress and egress for the benefit of the Additional Land, over and the right to use the Common Elements, until the Additional Land, or portions thereof, becomes part of the Condominium Project, subject to the Declarant's obligation to pay a reasonable amount for the reserved rights provided herein pursuant to an agreement between Declarant and the Association as authorized in Section 4.01 (a) (vi); (ii) to construct and complete the Parc Tower and all of the other improvements described in this Declaration or in the Plat recorded concurrently

herewith, and to do all things reasonably necessary or proper in connection therewith; and (iii) to improve portions of the Subject Property with such other or additional improvements, facilities, or landscaping designed for the use and enjoyment of all the Sub-Unit Owners, as Declarant or as such assignee or successor may reasonably determine to be appropriate. If, pursuant to the foregoing reservations, the above-described Subject Property or any improvement thereon is traversed or partially occupied by a permanent improvement or utility line, a perpetual easement for such improvement or utility line shall exist. With the exception of such perpetual easements, the reservations hereby effected shall, unless sooner terminated in accordance with their terms, expire seven (7) years after the date on which this Declaration is filed for record in the Salt Lake County Records.

2.02 Covenants Running with the Land.

All covenants, conditions, restrictions, reservations, easements, charges, liens and other provisions of this Declaration are covenants running with the land (used as a term of art), or equitable servitudes, as the case may be. The obligations, burdens and benefits created by this Declaration shall bind and inure to the benefit of Declarant, the Sub-Unit Owners, the Association, all other parties having any, right, title or interest in the Subject Property or any portion thereof and their respective successors, assigns, heirs, devisees, executors, administrators and personal representatives.

2.03 Statement of Intention.

The condominium project to be created on the Subject Property is hereby created pursuant to and shall be governed by the provisions of the Act.

ARTICLE III
TOWER, SUB-UNITS, AND COMMON ELEMENTS

3.01 The Parc Tower.

(a) The Improvements included in the Condominium Project are now or will be located on or within the Subject Property. The significant Improvements contained in the Condominium Project include: (i) the Parc Tower, generally consisting of four (4) levels to be constructed upon the face of the Base Structure and eight (8) levels constructed upon the top of the Base Structure; (ii) not less than fifty nine (59) Residential Sub-Units and not greater than One Hundred Fifty Two (152) Residential Sub-Units after the addition of all of the Additional Land; and (iii) parking levels, storage areas, asphalt or concrete driveways, and the Common Elements, including Limited Common Elements. The location and configuration of the Improvements referred to in the foregoing sentence are depicted on the Plat. The Condominium Project also contains other improvements of a less significant nature which are not depicted on the Plat. The Plat shows the number of stories within the

Parc Tower, the number of Sub-Units which are contained, or are to be contained, in the Parc Tower and included in the Condominium Project and the Additional Land.

(b) The principal materials used or to be used in the construction of the Parc Tower are as follows: all load bearing and non-load bearing walls are wood frame, steel, and/or concrete; the floor are comprised of reinforced concrete, wood, and/or post-tension concrete slabs; the roof is of post-tension concrete slab with metal or other appropriate surfaces; interior walls are surfaced with sheetrock or gypsum board; and exterior walls are surfaced with EFIS, or faux stone.

3.02 Sub-Units.

(a) Declarant hereby initially creates fifty-nine (59) Residential Sub-Units and reserves the right to add all or portions of the Additional Land from time to time, provided however, that the total number of Residential Sub-Units within the Condominium Project, including those to be added from the Additional Land shall not exceed a total of One Hundred Fifty Two (152) Residential Sub-Units. The Plat shows the Additional Land, the Sub-Unit Number of each Sub-Unit, its location, dimensions from which its Area may be determined, and the General Common Elements and Limited Common Elements to which it has access. Each Sub-Unit shall be capable of being separately owned, encumbered and conveyed. Each Sub-Unit Owner of a Sub-Unit shall be entitled to the exclusive ownership and possession of such Sub-Unit Owner's Sub-Unit, subject to the terms and conditions of this Declaration, and each Sub-Unit may be transferred without any right of first refusal or similar restriction.

(b) No Sub-Unit Owner may alter its Sub-Unit, subdivide its Sub-Unit or relocate the boundaries between a Sub-Unit and an adjacent Sub-Unit, except as expressly provided by this Declaration and the Act.

(c) Except as expressly provided to the contrary in this Declaration, including, but not limited to Sections 10.12 and 10.18, the Interest in General Common Elements and the right to use Limited Common Elements appurtenant to the Sub-Unit may not be partitioned or separated from the Sub-Unit or any part thereof; provided that this subparagraph shall not prejudice or otherwise affect the rights set forth in Article XIII and Article XIV of this Declaration in the event of casualty or condemnation.

(d) Notwithstanding anything to the contrary contained in paragraphs 3.02(b) and 3.02(c) above or elsewhere in this Declaration:

(i) nothing shall prevent or limit Declarant's exercise or enjoyment of any Special Declarant Right;

(ii) subject to the provisions of Section 10.05, a Sub-Unit Owner may grant its rights to use any General Common Element or any Limited Common

Element appurtenant to the Sub-Unit Owner's Sub-Unit to the Sub-Unit Owner's Guests;

(iii) the Sub-Unit Owner of a Sub-Unit may construct partitions within its Sub-Unit only with the prior written consent of the Board of Directors provided that any such construction shall not result in the removal or modification of the Common Elements or Limited Common Elements; further provided, however, the Sub-Unit Owner of a Sub-Unit may not assign all or any portion of the voting rights allocated to its Sub-Unit to any lessee to whom the Sub-Unit Owner leases its Sub-Unit.

3.03 Interests in General Common Elements.

(a) The Interests in General Common Elements shall be allocated among the Sub-Units as set forth in this Section 3.03. The Interest in General Common Elements appurtenant to a Sub-Unit shall be expressed as a percentage and calculated in accordance with the following formula:

$$\text{Interest in General Common Elements} = \left(\frac{\text{Par Value of the Sub-Unit}}{\text{Total Condominium Project Par Value (2000)}} \right)$$

In determining the Interests in General Common Elements, Declarant may have made minor adjustments in some or all of the Interests in General Common Elements which result from a strict application of the formula described in the immediately foregoing sentence for the purpose, but only for the purpose, of assuring that the total Interests in General Common Elements equals 100.00%. The Interests in General Common Elements which are appurtenant to the Sub-Units and which are set forth on Exhibit C have been computed in the aforesaid manner. Exhibit C shall be modified from time to time as Additional Land and Sub-Units are added to the Condominium Project in accordance with the requirements of Section 15.03.

(b) The Interest in General Common Elements appurtenant to each of the Sub-Units of the Condominium Project are set forth on Exhibit C attached hereto and made a part hereof. Exhibit C shall be modified from time to time as Additional Land and Sub-Units are added to the Condominium Project in accordance with the requirements of Section 15.03.

(c) The Interest in General Common Elements shall have a permanent character and shall not be altered without the express consent of all Sub-Unit Owners expressed in an amendment to this Declaration adopted as provided in Section 18.03 hereof or in accordance with the requirements of Sections 3.03 or 15.03. If any Sub-Units are added to or withdrawn from the Condominium Project, or if the Area of one or more Sub-Units is increased or decreased, the Interest in General Common Elements for all Sub-Units within the Condominium Project after such addition or withdrawal, increase or decrease shall be recalculated in accordance with the formula set forth in paragraph 3.03(a) above. In making any such recalculation, Sub-Units that are substantially identical shall be assigned the same Par Value. The Par Value assigned to a Sub-Unit shall not be considered to reflect or control

the sales price or fair market value of any Sub-Unit, and no opinion, appraisal, or fair market transaction may affect the Par Value of any Sub-Unit, or such Sub-Unit's Interest in General Common Elements, voting rights in the Association, liability for Common Expenses, or the right to any common profits, assigned on the basis thereof.

(d) Except as expressly provided to the contrary elsewhere in this Declaration, an Interest in General Common Elements may not be partitioned from the Sub-Unit to which it is appurtenant, and any purported conveyance, encumbrance or transfer of an Interest in General Common Elements made without the Sub-Unit to which the Interest in General Common Elements is appurtenant shall be void. The immediately foregoing sentence shall not prejudice or otherwise affect the rights set forth in Articles XIII and XIV of this Declaration in the event of casualty or condemnation. There shall not be any restriction upon a Sub-Unit Owner's right of ingress to and egress from such Sub-Unit Owner's Sub-Unit, which right shall be perpetual and appurtenant to such Sub-Unit.

3.04 Limited Common Elements.

Except as expressly provided to the contrary in this Declaration including Sections 10.12 and 10.1E, the allocation of the Limited Common Elements to the Sub-Units as shown on the Plat may not be altered without the consent of all Sub-Unit Owners whose Sub-Units would be affected by such reallocation. The Limited Common Elements of the Condominium Project and the Sub-Units to which they are appurtenant are generally described as follows: (i) one or more balconies or patios (not including or extending into decking or other materials constituting the balcony or patio surface, excluding the exterior surface of all walls of a Building which may surround part of the balcony or patio, excluding the railings which may in part contain the balcony or patio, and excluding the roof or decking (including the surface thereof) above the balcony or deck, all of which exclusions shall remain Common Elements and not Limited Common Elements), (ii) one or more Parking Stalls, all as assigned to each respective Sub-Unit as more particularly shown on the Plat or as subsequently assigned by Declarant to Sub-Units as evidenced by one or more Supplements to this Declaration based upon needs and preferences of Sub-Unit Owners; and (iii) in some instances one or more Storage Spaces, all as assigned by Declarant to Sub-Units as evidenced by this Declaration and/or one or more Supplements to this Declaration. The Sub-Unit Owner shall not permit any screws, bolts, or other items to be used upon the Limited Common Elements of a balcony or patio or any other locations which would penetrate the Common Elements; provided, however, a Sub-Unit Owner shall be permitted to install shelving within Storage Spaces as approved by the Association or in accordance with Rules and Regulations. The Sub-Unit Owner of a Sub-Unit shall keep the Limited Common Elements designated for use in connection with his Sub-Unit, in a good, clean, sanitary and attractive condition; provided, that a Sub-Unit Owner may not maintain any item of personal property upon a patio or balcony which is higher than or is stored above the top of the originally constructed railing; further provided, however, that the Association shall keep those components for which it is responsible in a good state of repair. In the event that a Sub-Unit Owner fails to keep the Limited Common Elements appurtenant to his Sub-Unit in a good, clean, sanitary, and attractive condition, or in the event that the Sub-Unit Owner improperly uses or damages the Common Elements adjacent to a Limited Common Element, the Association may cause the Limited Common Element to be properly maintained and the Common Elements to be restored to their proper

condition, at the expense of the Sub-Unit Owner, in accordance with the procedures set forth in Section 7.07.

3.05 Separate Taxation of Condominium Sub-Units.

Pursuant to the Act, each Condominium Sub-Unit constitutes a separate parcel of real estate and will be separately assessed and taxed.

3.06 Description of Condominium Sub-Units.

Any deed, lease, mortgage, deed of trust, or other instrument conveying, encumbering or otherwise affecting a Condominium Sub-Unit shall describe the interest or estate substantially as follows:

Residential Sub-Unit _____, contained within The Parc at Gateway Condominiums Project as the same is identified in the Condominium Plat recorded in Salt Lake County, Utah, on _____, 2004 as Entry No. _____ (as said Condominium Plat may have heretofore been amended or supplemented) and in the Declaration of Condominium for The Parc at Gateway Condominiums, recorded in Salt Lake County, Utah on _____, 2004 as Entry No. _____, in Book No. _____ at Page _____ (as said Declaration may have heretofore been amended or supplemented), TOGETHER WITH the undivided ownership interest in said Condominium Project's Common Elements that is appurtenant to said Sub-Unit as more particularly described in said Declaration.

Whether or not the description employed in any such instrument is in the above-specified form, however, all provisions of this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Condominium Sub-Unit. Neither the Interest in General Common Elements, nor the right of exclusive use of the Limited Common Elements, shall be separated from the Sub-Unit to which it appertains; and, even though not specifically mentioned in the instrument of transfer, such Interest in the General Common Elements and such right of exclusive use shall automatically accompany the transfer of the Sub-Unit to which they relate.

3.07 Interpretation.

In interpreting this Declaration, the Plat or any deed or other instrument affecting the Building (or a portion thereof, separately, including the SCM Residential Units or the Subject Property) or a Sub-Unit, the boundaries of the Building (or portions thereof) or Sub-Unit constructed or reconstructed in substantial accordance with the Plat shall be conclusively presumed to be the actual boundaries rather than the description expressed in the Plat, regardless of settling or lateral movement of the Building, including the components thereof, and regardless of minor variance between boundaries shown on the Plat and those of the Building, the Parc Tower, the SCM Residential Unit, the Subject Property, and/or the Sub-Unit.

ARTICLE IV
THE ASSOCIATION

4.01 Formation of the Association.

On or before the date on which Declarant conveys the first Sub-Unit to a Purchaser, Declarant shall form the Association.

4.02 Purposes and Powers.

- (a) The Association's purposes are:
- (i) to manage, operate, insure, construct, improve, repair, replace, alter and maintain the Common Elements;
 - (ii) to vote the interests of the Association, acting as the Owner of the Subject Property, vis-a-vis the Block C2 Declaration;
 - (iii) to provide certain facilities, services and other benefits to the Sub-Unit Owners; provided however, that without the approval of Sub-Unit Owner's holding eighty percent (80%) or greater of the votes allocated to all Sub-Units, the Association may not establish a rental desk, hotel desk or similar facilities for the management of rentals within the Condominium Project;
 - (iv) to administer and enforce the covenants, conditions, restrictions, reservations and easements created hereby;
 - (v) to levy, collect and enforce the Assessments, charges and liens imposed pursuant hereto;
 - (vi) to enter into agreements with other Persons, including, without limitation, easements, licenses, leases and other agreements with one or more condominium associations, the Project Association, the Declarant as the owner of the Additional Land, or the Gateway Master Declarant, with or without the vote or consent of the Sub-Unit Owners, Mortgagees, insurers or guarantors of Mortgages, or of any other Person, including, but not limited to, those which contemplate the sharing of expenses among the Association and other condominium associations, the Project Association, the Declarant as the owner of the Additional Land, or the Gateway Master Declarant, for facilities and services that serve the Association and other condominium associations, the Project Association, the Declarant as the owner of the Additional Land, or the Gateway Master Declarant;
 - (vii) to take any action that it deems necessary or appropriate to protect the interests and general welfare of Sub-Unit Owners;

(viii) to regulate and manage the Condominium Project; and

(ix) to execute and record, on behalf of all Sub-Unit Owners, any amendment to this Declaration or the Plat which has been approved by the vote or consent necessary to authorize such amendment.

(b) Unless expressly prohibited by law or any of the Association Documents, the Association may:

(i) take any and all actions that it deems necessary or advisable to fulfill its purposes;

(ii) exercise any powers conferred on it by the Act or any Association Document; and

(iii) exercise all powers that may be exercised in Utah by nonprofit corporations.

(c) Without in any way limiting the generality of paragraph 4.02(b) above, the Association may, but is not obligated to:

(i) to the extent not provided by a public, quasi-public or private utility provider or by the Project Association, provide certain facilities and services to the Sub-Unit Owners, such as (A) recreational facilities and services, (B) water, sewer, natural gas, electric, cable television, HVAC services, and other utility services, and (C) trash collection facilities and other services, all of which services specified in (B) and (C) may be the subject of a Utility Assessment as provided in Section 7.06 herein below ;

(ii) acquire, sell, lease and grant easements over, under, across and through Common Elements which are reasonably necessary to the ongoing development and operation of the Condominium Project;

(iii) borrow monies and grant security interests in the Common Elements and in the assets of the Association as collateral therefor;

(iv) make capital improvements, repairs and replacements to Common Elements;

(v) adopt Rules and Regulations; and

(vi) hire and terminate managers and other employees, agents and independent contractors.

4.03 Association Documents.

(a) This Declaration and the Plat create the Condominium Project and set forth certain covenants, conditions, restrictions, reservations, easements, assessments, charges and liens applicable to the Subject Property. The Articles create the Association. The Bylaws provide for the regulation and management of the Association, and the Rules and Regulations provide for the regulation and management of the Condominium Project.

(b) If there is any conflict or inconsistency between the terms and conditions of this Declaration and the terms and conditions of the Articles, the Bylaws or the Rules and Regulations, the terms and conditions of this Declaration shall control. If there is any conflict or inconsistency between the terms and conditions of the Articles and the terms and conditions of the Bylaws or the Rules and Regulations, the terms and conditions of the Articles shall control. If there is any conflict or inconsistency between the terms and conditions of the Bylaws and the terms and conditions of the Rules and Regulations, the terms and conditions of the Bylaws shall control.

4.04 Books and Records.

The Board of Directors or the Manager shall keep copies of the Association Documents and detailed, accurate records in chronological order, of Utility Assessments and receipts and expenditures affecting all such other Assessments and the Common Elements, specifying and itemizing the Common Expenses and any other expenses incurred. Upon request, the Association shall allow Sub-Unit Owners, Mortgagees, prospective purchasers and prospective Mortgagees, and their respective agents to inspect current copies of the Association Documents and the books, records, budgets and financial statements (including a copy of the most recent annual audited financial statements, if the same has been prepared) of the Association during normal business hours and under other reasonable circumstances. The Association may charge a reasonable fee for copying such materials.

The Association shall be required to prepare and furnish within one hundred twenty (120) days after the end of each fiscal year of the Association, an audited financial statement of the Association for the immediately preceding fiscal year. Copies of such audited financial statements shall be made available to the holder, insurer or guarantor of any first mortgage secured by a Sub-Unit as they shall request the same.

4.05 Rules and Regulation.

The Association may make reasonable Rules and Regulations governing the use, repair and maintenance of the Sub-Units and of the Common Elements, which Rules and Regulations shall be consistent with the rights and duties established in this Declaration. Such Rules and Regulations may include, without limitation: (i) a requirement that draperies, shades, or other interior window coverings, including the interior surfaces of any window or door glass used in Sub-Units shall present a uniform appearance of type and color from the exterior of any Sub-Unit or all Sub-Units, and that the Association shall have the right to inspect and reinspect and approve all proposed

draperies, shades, or other interior window coverings to insure compliance with such Rules and Regulations before installation thereof in a Sub-Unit; (ii) a requirement that windows not be tinted; (iii) that materials, facilities, apparatus and components used in the repair and maintenance of a Sub-Unit be of the same type, quality, grade, and appearance as those originally installed in a Sub-Unit, including but not limited to the requirement that floor coverings of specific types be replaced with the same type of coverings (i.e., carpet for carpet, tile for tile, etc.); (iv) that glass specifications originally installed as part of a Sub-Unit be maintained (i.e., special requirements for south and west facing windows); (v) that no walls of any type located within a Sub-Unit be moved without prior Association approval; and (vi) that Limited Common Elements conform to standardized regulations regarding appearance, maintenance and modifications thereof.

ARTICLE V VOTING

5.01 Voting.

(a) At any meeting of the Association, the Interest in General Common Elements appurtenant to a Sub-Unit may be voted in connection with issues presented to the Sub-Unit Owners for vote.

(b) The votes allocated to the Sub-Units of the Condominium Project shall be equal to one hundred (100) multiplied by the Interests in General Common Elements as set forth on Exhibit C attached hereto and made a part hereof. Consequently, the total number of votes allocated to all Sub-Units shall be ten thousand (10,000).

(c) If any Sub-Units are added to or withdrawn from the Condominium Project, or the Area of one or more Sub-Units is increased or decreased, the total number of votes allocated to all Memberships and the allocation thereof after such addition, withdrawal, increase or decrease shall be adjusted so that such votes at all times remain equal to the Interest in General Common Elements appurtenant to such Sub-Unit.

(d) Each Sub-Unit shall be entitled to the number of votes allocated to it in accordance with paragraphs 5.01(a), (b) and (c) above, regardless of the number of Sub-Unit Owners of the Sub-Unit. If the Sub-Unit Owners of a Sub-Unit cannot agree among themselves as to how to cast their votes on a particular matter, they shall lose their right to vote on such matter. If any Sub-Unit Owner casts a vote representing a particular Sub-Unit, it will thereafter be presumed for all purposes that the Sub-Unit Owner was acting with the authority and consent of all other Sub-Unit Owners with whom such Sub-Unit Owner shares the Sub-Unit, unless objection thereto is made by a Sub-Unit Owner of that Sub-Unit to the Person presiding over the meeting at the time the vote is cast. If more than the number of allocated votes are cast for any particular Sub-Unit, none of such votes shall be counted and all of such votes shall be deemed null and void other than to determine whether a quorum exists.

(e) In any case in which the Act or this Declaration requires the vote of a stated percentage of the Sub-Unit Owners or approval of an act or transaction, such requirement shall be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Sub-Unit Owners who collectively hold at least the stated percentage of required votes. Such written consents shall be subject to the following conditions:

(i) All necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Sub-Unit Owner.

(ii) Any change in ownership of a Condominium Sub-Unit which occurs after consent has been obtained by the Sub-Unit Owner having an interest therein shall not be considered or taken into account for any purpose.

(iii) Unless consent of all Sub-Unit Owners having an interest in the same Condominium Sub-Unit is secured, the consent of none of such Sub-Unit Owners shall be effective.

5.02 Project Association.

The votes allocated to the Subject Property pursuant to the Block C2 Declaration in accordance with paragraphs 5.01(a), (b) and (c) thereof, shall be voted in a block by the Association created by this Declaration and related documents. No Sub-Unit Owner shall be deemed an "Owner" for purposes of the Block C2 Declaration, nor shall any such Sub-Unit Owner have the right to participate directly in any matter requiring a vote of the "Owners" for purposes of the Block C2 Declaration, it being the intent that the Sub-Unit Owners participate in such matters indirectly vis-a-vis the vote of the Association acting through a designated representative of the Board of Directors and acting as the Owner of the Subject Property.

ARTICLE VI BOARD OF DIRECTORS

6.01 Number and Election of Directors.

The Board of Directors shall consist of five (5) Directors. The initial Directors shall hold office until the election or appointment of their successors at the first annual meeting. Thereafter, subject to the terms and conditions of Sections 6.03 and 6.04 below, each Director will hold office for a term as follows: two (2) Directors shall be elected for a term of one year and three (3) Directors shall be elected for a term of two years, and at each annual meeting thereafter the Sub-Unit Owners shall elect the number of Directors whose terms are to expire, for a term of two years each.

6.02 Powers of the Board of Directors.

(a) Except as provided in this Declaration, the Articles and the Bylaws, the Board of Directors may act on behalf of the Association in all instances.

(b) The Board of Directors shall be required to retain by written contract, a professional manager (the "Manager") who shall be responsible for the routine operation of the Condominium Project, unless Sub-Unit Owners holding two thirds (2/3) or more of all votes allocated to Sub-Units agree to the contrary. Each Manager (or its principal broker) shall be a licensed real estate broker or property manager in the State of Utah.

(c) The Board of Directors may not act on behalf of the Association to:

(i) amend this Declaration;

(ii) terminate the Association, this Declaration or the Condominium;

(iii) elect Directors to the Board of Directors; or

(iv) determine the qualifications, powers and duties, or terms of office, of Directors.

6.03 Declarant Control Period.

(a) Subject to the terms and conditions of paragraphs 6.03(b) and (c) below, but notwithstanding anything else to the contrary contained in this Declaration or in any other Association Document, Declarant shall have the exclusive right to appoint and remove all Directors and Officers during the Declarant Control Period. The phrase "Declarant Control Period" means the period commencing on the date on which this Declaration is Recorded, and ending on the first to occur of the following:

(i) the expiration of six (6) years from the date that this Declaration (exclusive of amendments or supplements) is recorded in the official records of the County Recorder of Salt Lake County, State of Utah, or such shorter period as the Declarant may determine in its sole discretion; or

(ii) a date not later than one hundred twenty (120) days after the date upon which Sub-Units representing seventy-five percent (75%) of the total Interests (including those Sub-Units which may be added with the Additional Land) in the General Common Elements have been conveyed to Purchasers.

(b) Declarant may voluntarily surrender its right to appoint and remove Officers and Directors prior to the expiration of the Declarant Control Period, but, in that event, Declarant may require, for the remainder of the Declarant Control Period, that specific actions of the Association or the Board of Directors, as described in a recorded instrument executed by Declarant, be approved by the Declarant before they become effective.

(c) During the thirty (30)-day period immediately preceding the date on which the Declarant Control Period expires, the Owners shall elect a Board of Directors of five (5) Directors as set forth in Section 6.01 above consisting of Sub-Unit Owners or designated

representatives of Sub-Unit Owners. Any Sub-Unit Owner may designate for election multiple representatives to serve, and such representatives may serve, simultaneously on the Board of Directors if so elected. Such Directors shall take office upon election.

(d) No management contract, lease of recreational areas or facilities, or any other contract or lease designed to benefit the Declarant which was executed by or on behalf of the Association or the Sub-Unit Owners as a group shall be binding after the expiration of the Declarant Control Period unless renewed or ratified by the consent of a Majority of the votes allocated to the Sub-Units as provided in Section 5.01(b).

(e) The Declarant need not designate a Manager, as provided in Section 6.02 (b), during the Declarant Control Period.

6.04 Removal of Directors.

(a) Directors appointed by Declarant may be removed, with or without cause, solely by Declarant.

(b) Each Director, other than a Director appointed by Declarant, may be removed, with or without cause, by a sixty-seven percent (67%) or greater vote of the votes allocated to the Sub-Units as provided in Section 5.01(b).

6.05 Replacement of Directors.

(a) Vacancies on the Board of Directors created by the removal, resignation or death of a Director appointed by Declarant shall be filled by a Director appointed by Declarant.

(b) A vacancy on the Board of Directors created by the removal, resignation or death of a Director appointed or elected by the Sub-Unit Owners shall be filled by a Director elected by the Sub-Unit Owners.

(c) Any Director elected or appointed pursuant to this Section 6.05 shall hold office for the remainder of the unexpired term of the Director that Director replaced.

6.06 Board of Directors Liability.

No Director or officer of the Association shall be liable to the Sub-Unit Owners for any mistake in judgment, for negligence, or on other grounds, except for such Director's or officer's own individual and willful misconduct or bad faith. The Sub-Unit Owners and Association shall indemnify and hold harmless each Director and officer from and against all liability to third parties arising out of any contract made by the Board of Directors on behalf of the Association or Sub-Unit Owners, unless such contract was made in bad faith or contrary to the provisions of the Act or this Declaration. The liability of a Sub-Unit Owner arising out of the foregoing indemnification shall be limited to the total liability concerned multiplied by such Sub-Unit Owner's Interest in General

Common Elements. The Association shall be authorized to obtain liability insurance for the acts and/or omissions of such Directors and/or officers.

ARTICLE VII
ASSESSMENTS, COMMON EXPENSES, BUDGETS AND LIENS

7.01 Obligations for Assessments.

(a) Each Sub-Unit Owner, by accepting a deed to a Sub-Unit (regardless of whether it shall be expressly stated in such deed), shall be deemed to have covenanted and agreed, to pay to the Association all:

- (i) General Assessments;
- (ii) Special Assessments;
- (iii) Utility Assessments;
- (iv) Default Assessments; and
- (v) other charges,

that the Association is required or permitted to levy or impose on such Sub-Unit Owner or such Sub-Unit Owner's Sub-Unit pursuant to this Declaration or any other Association Document.

(b) Notwithstanding the definition of the term " Sub-Unit Owner":

(i) a Person who acquires a Sub-Unit in a trustee or foreclosure sale shall be personally liable for all Assessments and other charges that the Association is required or permitted to levy or impose on that Sub-Unit or on the Sub-Unit Owner of that Sub-Unit on or after the date of the trustee or foreclosure sale; and

(ii) a Person who acquires a Sub-Unit by deed-in-lieu of foreclosure shall be personally liable for all Assessments and other charges that the Association is required or permitted to levy or impose on that Sub-Unit or on the Sub-Unit Owner of that Sub-Unit on or after the date on which the Sub-Unit Owner of the Sub-Unit executes the deed-in-lieu of foreclosure.

(c) No Sub-Unit Owner shall be exempt from liability for any Assessment or other charges by waiving the use or enjoyment of any Common Element or by abandoning a Sub-Unit against which such Assessments or other charges are made.

(d) Each Sub-Unit Owner shall be personally liable for all Assessments and other charges levied on such Sub-Unit Owner or such Sub-Unit Owner's Sub-Unit during the period of such Sub-Unit Owner's ownership of the Sub-Unit. If there is more than one Sub-Unit Owner of a Sub-Unit, each Sub-Unit Owner shall be jointly and severally liable with the other Sub-Unit Owners of the Sub-Unit for all Assessments and other charges levied on the Sub-Unit or any Sub-Unit Owner of the Sub-Unit. In a voluntary conveyance, the grantee of a Sub-Unit shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor without prejudice to the grantee's rights to recover from the grantor the amount of the Assessment paid by the grantee.

(e) Each Assessment or other charge, together with interest and penalties thereon and, whether or not an action is commenced to collect the same, all costs and expenses incurred by the Association to collect such Assessment or other amount, including all fees and disbursements of attorneys, accountants, appraisers, receivers and other professionals engaged by the Association in connection therewith, shall constitute an Assessment Lien and may be recovered by a suit for a money judgment by the Association without foreclosing or waiving any Assessment Lien securing the same.

(f) In addition to any other remedy provided in this Declaration, when an Assessment has not been paid when due, the Association shall have the right, after giving notice to a Sub-Unit Owner and an opportunity to be heard in accordance with the requirements of the Act and the further provisions herein, to: (i) terminate the Sub-Unit Owner's right to receive utility services that are paid for by the Association as part of the Common Expenses; and/or (ii) terminate the Sub-Unit Owner's right of access and use of any common recreational facilities. Upon payment of the Assessment due, including any interest, late payment fees and/or collection costs, the Association shall immediately take action to reinstate the terminated utility services to the Sub-Unit and permit the Sub-Unit Owner to again use the common recreational facilities. Prior to terminating any utility services or the right of access and use of recreational facilities, the Association shall give written notice to the delinquent Sub-Unit Owner in the manner provided in this Declaration, which notice shall include the following: (i) notice that utility services and/or the right of access and use of the common recreational facilities will be terminated if payment of the past-due Assessment is not received within the time provided in the Declaration, Bylaws, or Rules and Regulations, which time shall be stated and shall be at least forty-eight (48) hours from the date of the notice; (ii) notice of the amount of the Assessment which is due, including any interest or late payment fees; and (iii) notice of the Sub-Unit Owner's right to request a hearing. The Sub-Unit Owner may request an informal hearing to dispute the Assessment by submitting a written request to the Association within fourteen (14) days from the date the notice required above is received by the Sub-Unit Owner. Such hearing shall be conducted in accordance with the standards adopted by the Association as set forth in Section 17.04, as may be supplemented by Rules and Regulations. If such hearing is timely requested by the Sub-Unit Owner, the utility services and the right of access and use of the common recreational facilities may not be terminated by the Association until after such hearing has been conducted and a final decision has been entered by the Association.

(g) In addition to any other remedy provided in this Declaration, when an Assessment has not been paid for a period more than sixty (60) days from when it was due and a Sub-Unit has been leased (as such term is defined by the Act), the Association shall have the right to demand that the Sub-Unit Owner's tenant for such Sub-Unit pay to the Association future lease payments until the Association is paid; provided, however, that such demand shall not be made upon a tenant until the requirements of the Act are complied with, including but not limited to first giving written notice (with the required content) to a Sub-Unit Owner and subsequently giving written notice (with the required content) to a tenant of a Sub-Unit in the manner provided by this Declaration and in accordance with the requirements of the Act, and further provided, that any such funds collected by the Association from a tenant be deposited into a separate account to be disbursed to the Association, with costs of administration, or to be paid to the Sub-Unit Owner as required by the Act. Any time frames which are to be established for notice and/or performance by the Sub-Unit Owner shall be established by the Association and set forth in the Rules and Regulations.

7.02 Share of Common Expenses.

(a) Except as otherwise set forth in this Declaration, the Association's Common Expenses shall be allocated among the Sub-Units in accordance with the Interest in General Common Elements appurtenant to such Sub-Units (the "Share of Common Expenses").

(b) Until the Association levies an Assessment, Declarant shall pay all Common Expenses. No assessments shall be levied until the first day of the month following the sale and closing of a Residential Sub-Unit to a person not the Declarant. Assessments with respect to Sub-Units which are added as part of the Additional Land, shall begin on the first day of the month following addition to the Condominium Project.

(c) Upon the purchase of a Sub-Unit, each Purchaser shall be required to pay to the Association as provided in Section 7.12, an amount equal to one fourth of the then General Assessment (i.e, three monthly installments if the General Assessment is to be paid in twelve installments), two thirds of such payment to be deposited into a Working Capital Fund to be maintained by the Association, and one third of such payment to be deposited into a reserve to be maintained by the Association pursuant to Section 7.12.

(d) A Person who acquires a Sub-Unit in a trustee or foreclosure sale or who acquires a Sub-Unit by deed-in-lieu of foreclosure shall be personally liable only for those assessments which accrue after the date of such sale or deed as provided in Section 7.01 (b) above, and provided the lien of a Mortgagee has priority over the Assessment Lien of the Association as provided in Sections 7.09 (b) and/or 7.09 (c), in the event of a trustee or foreclosure sale, the Assessment Lien of the Association shall be extinguished and shall no longer be a lien upon the applicable Sub-Unit; nevertheless a deed-in-lieu shall not extinguish the Assessment Lien without the written consent of the Association.

7.03 Budgets.

(a) Prior to the first levy of a General Assessment, and thereafter on or before November 1 of each calendar year, the Board of Directors shall adopt a proposed annual budget for the Association for the following calendar year that sets forth:

(i) the Board of Directors's estimates of Common Expenses for the next calendar year, taking into account any default or surplus realized for the current calendar year and any amounts as may be necessary to fund the reserve provided for in Section 7.12 of this Declaration;

(ii) the amount of funds for such Common Expenses that the Board of Directors proposes to raise through General Assessments; and

(iii) the amount of funds for such Common Expenses that the Board of Directors proposes to raise through Special Assessments.

(b) Within five (5) days after adopting a proposed annual budget, the Board of Directors shall deliver a summary of the proposed annual budget to the Sub-Unit Owners. Such notice shall also specify the date for a meeting of the Sub-Unit Owners to consider ratification of the proposed annual budget, the date of such meeting to occur on the second Tuesday of November of each year, or in the event that the Board of Directors elects to set a different date for ratification of the proposed annual budget, a date not less than fourteen (14) days nor more than sixty (60) days after the delivery of the summary of the proposed annual budget to the Sub-Unit Owners. Unless the proposed budget is ratified at the meeting of the Sub-Unit Owners by a vote of at least fifty-one percent (51%) of the votes allocated to all Sub-Units, the proposed budget shall be deemed rejected. If the proposed annual budget is rejected, the annual budget last ratified by the Sub-Unit Owners shall be deemed renewed for the next calendar year and shall remain in full force and effect until such time as the Sub-Unit Owners ratify a subsequent annual budget proposed by the Board of Directors. Notwithstanding the foregoing, the total amount of annual General Assessments shall not exceed the previous year's annual General Assessments by more than 25% for the first three (3) calendar years after the end of the Declarant Control Period (as defined in Section 6.03), and thereafter 10%, without the affirmative vote of Sub-Unit Owners holding sixty-seven percent (67%) of the Interests in General Common Elements and the affirmative vote of Eligible Mortgages holding First Mortgages upon Sub-Units holding at least fifty-one (51%) of the Interests in General Common Elements.

(c) If the Board of Directors deems it necessary or advisable to amend an annual budget that has been ratified by the Sub-Unit Owners under paragraph 7.03(b) above, the Board of Directors may adopt a proposed amendment to the annual budget, deliver a summary of the proposed amendment to all Sub-Unit Owners and set a date for a meeting of the Sub-Unit Owners to consider ratification of the proposed amendment. The date of such meeting shall not be less than fourteen (14) days nor more than sixty (60) days after the delivery of the summary of the proposed amendment. Unless the proposed amendment is

ratified at the meeting of the Sub-Unit Owners by a vote of at least fifty-one percent (51%) of the votes allocated to all Sub-Units, the proposed amendment shall be deemed rejected.

(d) Sub-Unit Owners acknowledge that in the event that annual budgets and/or amendments thereto are not approved as provided in this Section 7.03, the Board of Directors may be required to reduce services to the Condominium Project.

7.04 General Assessments.

(a) After the Board of Directors has adopted an annual budget pursuant to paragraph 7.03(b) above, the Association shall levy an assessment for Common Expenses (a "General Assessment") on each Sub-Unit. The amount of the General Assessment levied against a Sub-Unit shall equal the product obtained by multiplying:

(i) the amount set forth in the annual budget adopted by the Board of Directors as the amount of Common Expenses to be raised by General Assessments, by

(ii) that Sub-Unit's Interest in General Common Elements.

(b) The Sub-Unit Owners shall pay the General Assessments levied against their respective Sub-Units in such periodic installments as may be required by the Association.

(c) If the Board of Directors adopts an amendment to the General Assessment portion of an annual budget pursuant to paragraph 7.03(c) above, the amount of the General Assessment levied against each Sub-Unit shall be adjusted accordingly, as shall the amount of each Sub-Unit Owner's periodic installments.

(d) If the Board of Directors fails to adopt an annual budget for any calendar year prior to January 1 of that calendar year, the Sub-Unit Owners shall continue to pay periodic installments of the General Assessment to the Association at the rate payable during the prior calendar year until such time as the Board of Directors adopts a new annual budget for the then current calendar year. Once the Board of Directors adopts a new annual budget, the Association shall levy against each Sub-Unit the General Assessment for the then current calendar year and each Sub-Unit Owner's periodic installments shall be adjusted as necessary to pay the new General Assessment in equal periodic installments over the remainder of such calendar year, giving the Sub-Unit Owners credit, in such manner as the Board of Directors deems necessary or appropriate, for any installments that the Sub-Unit Owners have previously paid to the Association during such calendar year.

(e) The failure of the Association to levy a General Assessment for any calendar year shall not be deemed a waiver, modification or release of a Sub-Unit Owner's liability for the Share of Common Expenses allocated to such Sub-Unit Owner's Sub-Unit.

7.05 Special Assessments.

(a) The Assessments that the Association may levy pursuant to this Section 7.05 are referred to in this Declaration as "Special Assessments."

(b) Notwithstanding anything to the contrary contained in Section 7.04 above, if the Association determines that an Assessment is required to immediately fund any Common Expense attributable to the Common Elements, the Association shall amend the budget in accordance with Section 7.03 and thereafter levy an Assessment for such Common Expense against the Sub-Units in proportion to the Interests in General Common Elements

(c) Each Special Assessment levied against any Sub-Unit shall be shown on an annual budget, or an amendment to an annual budget, adopted by the Board of Directors pursuant to Section 7.03 above and shall be paid as and when required by the Association.

7.06 Utility Assessments.

(a) The Assessments made pursuant to this Section 7.06 are referred to in this Declaration as "Utility Assessments."

(b) In the event that the Association provides or causes others to provide utility services to an individual Sub-Unit which are separately metered, the Association shall be deemed to have made a levy for the amount charged for such services, as the same is determined periodically, but not more frequently than monthly. Immediately subsequent to the determination of the amount of utility services provided, the Association or its Manager shall cause a statement of the amount(s) due for such services to be provided to each Sub-Unit Owner receiving service. The amount set forth in such statement is immediately due and payable by the Sub-Unit Owner to the Association. Nothing herein shall preclude the Association from combining the statement for Utility Assessments with any other Assessment or charge to a Sub-Unit Owner.

(c) The Sub-Unit Owner shall pay the Utility Assessment levied against their respective Sub-Unit monthly as statements are received.

(d) Utility Assessments need not be shown on an annual budget, or on an amendment to an annual budget adopted by the Board of Directors pursuant to Section 7.03 above.

(e) With respect to any Utility Assessment, or portion thereof, levied other than a late charge, the Sub-Unit Owner of the Sub-Unit against which the Association has levied a Utility Assessment may request an opportunity to contest the amount of a Utility Assessment, provided such request is made in writing to the Association within thirty (30) days of the date of the statement. Upon notice and hearing, the Board, or a committee designated for such purpose, shall affirm or modify the Utility Assessment levied.

7.07 Default Assessments.

(a) Notwithstanding anything to the contrary contained herein, if any Common Expense is caused by:

(i) the negligence or misconduct of a Sub-Unit Owner or a Sub-Unit Owner's Guest; or

(ii) a violation of any covenant or condition of an Association Document by a Sub-Unit Owner or a Sub-Unit Owner's Guest (a "Violation"), the Association may levy an Assessment for such Common Expense against such Sub-Unit Owner's Sub-Unit or a fine, penalty fee or other charge for each Violation. Any such Assessment levied by the Association and each fine, penalty, fee or other charge imposed upon a Sub-Unit Owner for the Sub-Unit Owner's Violation are each referred to herein as a "Default Assessment."

(b) Default Assessments need not be shown on an annual budget, or on an amendment to an annual budget, adopted by the Board of Directors pursuant to Section 7.03 above.

(c) With respect to any Default Assessment, or portion thereof, levied other than as a late charge, the Sub-Unit Owner of the Sub-Unit against which the Association seeks to levy the Default Assessment shall be provided notice as provide in this Declaration and an opportunity to be heard in accordance with the procedures set forth in the Rules and Regulations. Sub-Unit Owners of Sub-Units against which Default Assessments have been levied shall pay such Default Assessments as and when required by the Association.

7.08 Assignment of Assessments.

The Association shall have the unrestricted right to assign its right to receive Assessments and other future income, either as security for obligations of the Association or otherwise, on the condition that any such assignment is approved by a Majority of the votes allocated to Sub-Units.

7.09 Assessment Lien.

(a) The Association shall have a lien on each Sub-Unit for any Assessment levied against that Sub-Unit and for any fines, late charges, penalties, interest and attorneys' fees, disbursements and costs of collection imposed against the Sub-Unit Owner of such Sub-Unit under any Association Document (the "Assessment Lien"). The Assessment Lien shall secure all of the foregoing obligations of a Sub-Unit Owner from the time such obligations become due. If an Assessment is payable in installments, the Assessment Lien shall secure each installment from the time it becomes due, including the due date set by any valid Association acceleration of installment obligations. Fines, late charges and/or penalties may be established from time to time by the Board of Directors, subject to the requirements of Section 7.01 (f) and (g) as applicable.

(b) An Assessment Lien shall constitute a lien upon the Sub-Unit Owner's Sub-Unit and, upon the Recording of a notice of lien by the Board of Directors or the Manager, it is a lien prior to all other liens and encumbrances on a Sub-Unit, recorded and unrecorded except:

(i) encumbrances on the interest of a Sub-Unit Owner recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances; and

(ii) liens for real estate taxes and special assessment liens on the Sub-Unit in favor of any governmental assessing unit or special improvement district; and

(c) Notwithstanding the terms and conditions of subparagraph 7.09(b) above, an Assessment Lien shall not be prior to a First Mortgage recorded before the date on which the Assessment sought to be enforced became delinquent.

(d) An Assessment Lien is extinguished unless proceedings to enforce the Assessment Lien are instituted within six (6) years after the full amount of the Assessment secured thereby becomes due. Suit to recover a money judgment for unpaid Assessments is maintainable without foreclosing or waiving the lien securing it.

(e) This Section 7.09 does not prohibit actions or suits to recover sums secured by an Assessment Lien or the Association from taking a deed in lieu of foreclosure.

(f) In any action by the Association to collect Assessments or to foreclose an Assessment Lien for unpaid Assessments, the court may appoint a receiver of the Sub-Unit Owner to collect all sums alleged to be owed by the Sub-Unit Owner prior to or during the pendency of the action, including, but not limited to, all costs and expenses of such proceedings, reasonable attorneys' fees, and a reasonable rental for the Sub-Unit. A court may order the receiver to pay any sums held by the receiver to the Association during the pending of the action to the extent of the Association's Assessments.

(g) An Assessment Lien may be foreclosed in like manner as a deed of trust or mortgage on real estate or in any other manner permitted by law. Periodic Assessments shall be payable during the period of foreclosure of an Assessment Lien.

7.10 Waiver of Homestead Exemptions.

To the fullest extent permitted by law, by acceptance of the deed or other instrument of conveyance of a Sub-Unit, each Sub-Unit Owner irrevocably waives the homestead exemption provided by the Utah Exemptions Act, Utah Code Ann. §78-23-1 through §78-23-15 as amended from time to time, as the same may apply to the Assessment Lien.

7.11 Estoppel Certificates; Notices to Mortgagees.

(a) The Association shall furnish to a Sub-Unit Owner or to a Mortgagee or its designee upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Association's registered agent, and payment of a reasonable fee not to exceed the amount provided for in the Act, a statement setting forth the amount of unpaid Assessments currently levied against such Sub-Unit Owner's Sub-Unit. The statement shall be furnished within ten (10) calendar days after receipt of the request and is binding on the Association, the Board of Directors and every Sub-Unit Owner in favor of all Persons who rely upon such statement in good faith. If no statement is furnished to the Sub-Unit Owner, the Mortgagee or their designee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, then the Association shall have no right to assert the priority of its Assessment Lien upon the Sub-Unit for unpaid Assessments which were due as of the date of the request.

(b) If a First Mortgagee delivers to the Association a written request for notice of unpaid Assessments levied against a Sub-Unit subject to a First Mortgage held by that First Mortgagee, the Association shall report to the First Mortgagee any unpaid Assessments levied against such Sub-Unit that remain unpaid for more than sixty (60) days after the same shall have become due. The First Mortgagee may pay any such unpaid Assessment, together with any and all costs and expenses incurred with respect to the Assessment Lien securing such unpaid Assessment, and upon such payment, such First Mortgagee shall have a lien on the Sub-Unit for the amounts paid with the same priority as a lien of the First Mortgage held by such First Mortgagee.

7.12 Reserve Fund.

(a) The Association shall maintain an adequate reserve fund for Common Expenses. The reserve fund shall include such amounts as the Board of Directors may deem proper for general working capital, for a general operating reserve, and for a reserve fund for replacements and major maintenance or capital replacement, and will be funded and maintained from General Assessments. In addition the Declarant shall create a "Working Capital Fund" for the benefit of the Association for the initial months of operations of the Condominium Project which shall be funded by Purchasers as follows. At the closing of the sale of a Sub-Unit by Declarant to a Purchaser, the Purchaser shall pay to the Association an amount equal to the Association's estimate of one fourth (1/4) of the then General Assessment for the fiscal year in which the sale of the Sub-Unit occurs (i.e, the equivalent of three months installments if installments are made monthly), two thirds (2/3) thereof to be deposited into the Working Capital Fund and one third (1/3) thereof to be deposited into the reserve fund; provided, however that at such time as the Declarant Control Period terminates, the Declarant shall pay to the Association, the required deposit for each unsold Sub-Unit which is part of the Condominium Project, excluding Sub-Units which may be added pursuant to the provisions of Section 15.03; further provided, that the Declarant is entitled to seek reimbursement of such deposit for each Sub-Unit from a Buyer of each Sub-Unit, as each such Sub-Unit is sold and closed. Funds not expended from the Working

Capital Fund prior to the expiration of four (4) years from the first sale of a Sub-Unit, shall be transferred to the reserve fund. Thereafter, the Association may increase the reserve fund or replace funds withdrawn from the reserve fund with funds collected through General Assessments. The Declarant shall have no right to use any of the Working Capital Fund to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits while it is in control of the Association.

(b) Payments by Purchasers to the Association under paragraph 7.12(a) above shall not be credited against, or relieve Purchasers from, their obligation to pay other Assessments levied against Sub-Units by the Association.

(c) Upon the sale of a Sub-Unit from one Sub-Unit Owner to another, the Association shall not be obligated to return to the transferor any funds held in reserve.

ARTICLE VIII UTILITY AND OTHER SERVICES

8.01 Water, Sewer, Electric and Trash Removal Services.

(a) It is initially contemplated that electric services shall be separately obtained by each Sub-Unit Owner and that all such services will be separately metered and billed to such Sub-Unit by the utility company or other party furnishing such services. The charges incurred by the Sub-Unit Owners of Sub-Units for such services shall not be a part of the Common Expenses of the Condominium Project.

(b) All other utility services, if any, furnished to the Condominium Project which are separately metered and billed to an individual Sub-Unit by the utility company, the Association, or other party furnishing such services shall be paid for by the Sub-Unit Owner of the Sub-Unit to which such utility is metered. Any such utility services provided by the Association to a Sub-Unit shall create an obligation to pay a Utility Assessment as provided in Section 7.06 above. All other water, sewer, electric, heating and cooling, and trash removal services, which are not separately metered, shall be a part of the Common Expenses and shall be allocated by the Association among the Sub-Units and charged to the Sub-Unit Owners in accordance with their Interest in General Common Elements.

(c) Each Sub-Unit Owner shall ensure that its Sub-Unit is sufficiently heated to prevent the freezing of water and sewer lines serving the Condominium Project.

8.02 Cable Television and Satellite Dishes.

(a) The Association may, at its election, arrange for one or more cable providers to provide services to Sub-Unit Owners within the Condominium Project. Nevertheless, each Sub-Unit Owner of a Residential Sub-Unit shall be responsible for obtaining cable television services for its Residential Sub-Unit and shall pay all costs, expenses, fees, rates

and other installation and connection charges incurred in connection therewith, including, without limitation, any connection fees, directly to the provider of such services.

(b) A Sub-Unit Owner of a Residential Sub-Unit shall have the right to install a miniature satellite dish (not exceeding 24 inches in diameter) upon a patio or deck which is designated as Limited Common Elements appurtenant to such Sub-Unit for the sole benefit of a Sub-Unit Owner, such installation to be made totally within the area of such Limited Common Elements (i.e., within the patio and balcony area) and below the top rail of any railing installed as part of the original construction or as otherwise approved in advance in writing by the Board of Directors. Such installation and maintenance shall be made in accordance with the Rules and Regulations and at the sole cost and expense of the Sub-Unit Owner. Any maintenance of the satellite dish or of the Common Elements occasioned by the installation and maintenance of such satellite dish shall be the sole financial responsibility of the Sub-Unit Owner and the Association is authorized to assess the cost of the same against the Sub-Unit Owner as a Default Assessment pursuant to the provisions of Section 7.07. In the event that the Limited Common Elements appurtenant to a Sub-Unit do not lend themselves to the placement of a miniature satellite dish, the Association shall have no obligation to provide a substitute location for installation of a satellite dish.

(c) All cable television services furnished to the Condominium Project which are separately metered and billed to an individual Sub-Unit by the cable company or other party furnishing such services shall be paid for by the Sub-Unit Owner of the Sub-Unit to which such services are metered. Any such cable services provided by the Association to a Sub-Unit shall create a Utility Assessment as provided in Section 7.06 above. All other cable television services shall be a part of the Common Expenses and shall be allocated by the Association among the Sub-Units and charged to the Sub-Unit Owners in accordance with their proportionate Share of Common Expenses.

8.03 Telephone.

(a) Each Sub-Unit Owner shall be responsible for obtaining telephone services for its Sub-Unit and the Limited Common Elements designed to serve only its Sub-Unit and shall pay all costs, expenses, fees, rates and other charges incurred in connection therewith, including, without limitation, any connection fees, directly to the provider of such services.

(b) The Association shall determine what, if any, telephone services are necessary for the General Common Elements that serve all of the Sub-Units and shall be responsible for obtaining those services. The Common Expenses incurred by the Association for those services shall be allocated among the Sub-Units in accordance with their proportionate Shares of Common Expenses.

8.04 Other Utilities.

If the Association incurs Common Expenses for any utility service not described above, or if the manner of providing or metering any utility service described above changes from the manner

in which such service is provided or metered as of the date of this Declaration, the Association may allocate the Common Expenses incurred for such new utility service or changed utility service in any reasonable and equitable manner consistent with the Act. Any utility service provided to a Sub-Unit shall create a Utility Assessment as provided in Section 7.06 above.

ARTICLE IX
MAINTENANCE OF COMMON ELEMENTS AND SUB-UNITS

9.01 Maintenance of Common Elements.

Except as otherwise provided in this Declaration, the Block C2 Declaration and/or the Gateway Master Declaration, the Association, or its duly designated agent, shall maintain the General Common Elements and the other Association property in good order and condition and shall otherwise manage and operate the General Common Elements as it deems necessary or appropriate. The Board of Directors shall have the irrevocable right to have access to each Sub-Unit and appurtenant Limited Common Elements from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of the General Common Elements or for making emergency repairs necessary to prevent damage to the General Common Elements or to another Sub-Unit or Sub-Units. In addition, the Association shall ensure that all interior General Common Elements are sufficiently heated to prevent the freezing of water and sewer lines serving the Condominium Project. Without the limiting the foregoing, the Association may:

- (a) construct, modify, add to, repair, replace or renovate any improvements that are located on or constitute a part of any General Common Element, provided, however that any such General Common Element shall be replaced with a like-kind improvement, including material, design and color, unless Sub-Unit Owners holding not less than seventy-five percent (75%) of the Interests in General Common Elements approve a different material, design or color;
- (b) plant and replace trees, shrubs and other vegetation on any General Common Element;
- (c) place, maintain and replace signs upon any General Common Element;
- (d) adopt and enforce Rules and Regulations regulating the use of General Common Elements; and
- (e) take any other actions as the Association deems necessary or advisable to protect, maintain, operate, manage or regulate the use of the General Common Elements.

9.02 Maintenance of Sub-Units and Limited Common Elements.

Each Sub-Unit Owner, at such Sub-Unit Owner's sole cost and expense, shall maintain in good order and repair its respective Sub-Unit and all structural elements, utility facilities, lines,

ducts, and other such apparatus (including all fixtures located therein) serving solely such Sub-Unit so as not to detract from the appearance of the Condominium Project and so as not to affect adversely the value or use of any other Sub-Unit or other portions of the Condominium Project. In further explanation of the foregoing, each Sub-Unit Owner shall keep the interior of his Sub-Unit, including without limitation, interior walls, doors, windows, ceilings, floors, and permanent fixtures and appurtenances thereto, in a clean and sanitary condition and in good state of repair. In the event that any element, facility, apparatus and/or component of any Sub-Unit is in need of replacement, such component shall be replaced with the same type, style, grade and quality of element, facility, apparatus and/or component as originally existed, except as may be permitted to the contrary by the Association, including Rules and Regulations which may address such issues. In the event that any such Sub-Unit shall develop an unclean or unsanitary condition or fall into a state of disrepair, and in the event that the Sub-Unit Owner of such Sub-Unit shall fail to correct such condition or state of disrepair promptly following written notice from the Association and only upon the approval of the Board of Directors, the Association shall have the right, at the expense of the Sub-Unit Owner and without liability to the Sub-Unit Owner for trespass or otherwise, to enter said Sub-Unit and correct or eliminate said unsanitary or unclean condition or state of disrepair; provided, however, that the Association shall in no event have the obligation to correct or eliminate any such condition or state of disrepair. In addition to the foregoing, each Sub-Unit Owner shall separately maintain, clean, repair and generally keep in good order and operating condition the Limited Common Elements serving solely such Sub-Unit Owner's Sub-Unit. Any costs and/or expenses incurred by the Association, as provided in this Section, may become the basis for a Default Assessment as provided in Section 7.07.

9.03 Mechanic's Liens and Indemnification.

No labor performed or materials furnished and incorporated into a Sub-Unit with the consent or at the request of a Sub-Unit Owner or an agent, contractor or subcontractor of a Sub-Unit Owner shall be the basis either for filing a lien against the Sub-Unit of any other Sub-Unit Owner not expressly requesting or consenting to the same, or against the Common Elements. Notwithstanding the foregoing, labor performed or materials furnished for the Common Elements, if authorized by the Sub-Unit Owners, the Manager, or the Board of Directors in accordance with this Declaration, the Bylaws, the Rules and Regulations, or the Act, shall be deemed to be performed or furnished with the express consent of each Sub-Unit Owner and shall be the basis for filing a lien pursuant to applicable law. Payment for any such lien shall be made as provided in the Act. Each Sub-Unit Owner shall indemnify and hold harmless each of the other Sub-Unit Owners and any Mortgagee from and against all liability arising from any claim or lien against the Sub-Unit of any other Sub-Unit Owner or against the Common Elements for construction performed or for labor, materials, services or supplies incorporated in the Sub-Unit Owner's Sub-Unit at the Sub-Unit Owner's request.

9.04 Gateway Master Declarant - Block C2 Declaration.

The rights and obligations of the Association and the Sub-Unit Owners under this Article IX are subject to the rights of the Gateway Master Declarant and those of the Project Association as granted under the Block C2 Declaration.

ARTICLE X
COVENANTS, CONDITIONS AND RESTRICTIONS

10.01 Applicability of Covenants, Conditions and Restrictions.

Except as otherwise provided in this Declaration, the covenants, conditions and restrictions set forth in this Article X shall apply to all Sub-Units and Common Elements.

10.02 Association Documents.

Each Sub-Unit Owner shall strictly comply with, and shall require its Guests to comply with, all provisions of the Association Documents that apply to such Sub-Unit Owner or such Sub-Unit Owner's Sub-Unit.

10.03 Gateway Master Documents - Project Documents.

Each Sub-Unit Owner shall strictly comply with, and shall require its Guests to comply with, all provisions of the Gateway Master Documents and the Project Documents that apply to such Sub-Unit Owner or such Sub-Unit Owner's Sub-Unit. The Association shall strictly comply with all provisions of the Gateway Master Documents and the Project Documents that apply to the Association.

10.04 Notice of Conveyance, Assignment or Encumbrance.

(a) Promptly after a conveyance of a fee simple interest in a Sub-Unit or portion thereof, the grantee shall furnish a copy of the conveyance deed to the Association.

(b) Promptly after an encumbrance of a fee simple interest in a Sub-Unit or portion thereof, the Sub-Unit Owner shall furnish the Association with a copy of the Mortgage creating the encumbrance.

(c) Promptly after the lease of a Sub-Unit, the Sub-Unit Owner thereof shall furnish a copy of the lease to the Association.

10.05 Use of Common Elements.

All Sub-Unit Owners and their Guests may use the General Common Elements and the Limited Common Elements designed to serve their Sub-Units for the purposes for which such Common Elements are intended, subject however, to the terms, conditions, and limitations set forth in Rules and Regulations. Notwithstanding the preceding sentence, neither a Sub-Unit Owner nor a Guest may use any Common Element in any manner that unreasonably interferes with, hinders or encroaches upon the rights of other Sub-Unit Owners in and to the Common Elements. Without limiting the generality of the foregoing, no Sub-Unit Owner shall cause, or permit its Guests to cause waste to any Common Element. In the event a Sub-Unit Owner enters into a lease or rental agreement for his Sub-Unit, for the period of such lease or rental agreement, the Sub-Unit Owner's

use of such Common Elements shall be restricted to those reasonably necessary for a landlord of such Sub-Unit, except as provided to the contrary in Section 10.12.

10.06 Alterations.

(a) Except as otherwise expressly provided in this Declaration, a Sub-Unit Owner of a Sub-Unit may not make (i) any improvement or alteration to a Common Element, or (ii) any improvement or alteration to its Sub-Unit that is contrary to the requirements of the Rules and Regulations, that results in the substitution of different types of materials, facilities, apparatus and components from those originally installed, or affects any Common Element or any other Sub-Unit, without the prior written consent of the Association. No Sub-Unit Owner shall do any work or make any alterations or changes which would jeopardize the soundness or safety of the Condominium Project without obtaining the written consent of each Sub-Unit Owner. No Sub-Unit Owner shall do any work or make any alterations or changes which would reduce the value of the Condominium Project or impair any easement or hereditament, without in every case first obtaining the prior written consent of the Association.

(b) No new Improvement shall be constructed on the Subject Property and no construction, alteration, installation or other work affecting the exterior surface of any existing Improvement shall be made, except as required or approved by the Gateway Master Declarant and the Project Association, and each of them, and then only in strict accordance with the terms and conditions of the Gateway Master Documents and the Project Documents.

(c) Notwithstanding paragraphs 10.06(a) and 10.06(b) above, initial construction of the Parc Tower may be carried out by the Declarant in accordance with the requirements of the Gateway Master Declarant and the Project Documents.

(d) Without limiting the generality of paragraphs 10.06(a) through (c) above, and subject to the provisions of Section 8.02, a Sub-Unit Owner of a Sub-Unit may not, without the prior written consent of the Association, install or erect any improvement, mechanical system or fixture (including but not limited to a satellite dish except as provided in Section 8.02) that either:

(i) protrudes beyond the boundaries of the Sub-Unit Owner's Sub-Unit;
or

(ii) is located wholly outside the Sub-Unit Owner's Sub-Unit (even if located within a Limited Common Element that is assigned to solely the Sub-Unit Owner's Sub-Unit); or

(iii) constitutes the modification, construction, or installation of improvements upon or comprising a part of a Limited Common Element, including but not limited to the installation of racks, closets, shelves, or other improvements to a Limited Common Element (i.e., installation of shelves or a closet upon a deck).

10.07 Nuisances, Hazardous Activities and Unsightliness.

(a) No Person shall conduct any activity on the Subject Property which creates a nuisance.

(b) No Person shall conduct any activity on the Subject Property which is or might be hazardous to any Person or property.

(c) No unsightliness shall be permitted at the Subject Property.

(d) Subject to the exemption for the Declarant as set forth in Section 15.01, normal construction activities conducted in accordance with Rules and Regulations shall not be considered to violate the terms and conditions of this Section 10.07. **BY ACCEPTING A DEED TO A SUB-UNIT, A SUB-UNIT OWNER ACKNOWLEDGES THAT THE CONDOMINIUM PROJECT IS A PART OF THE GATEWAY PROJECT AND THAT NOISES, LIGHTS AND ODORS COMMON TO RECREATIONAL AND COMMERCIAL ACTIVITIES (INCLUDING, BUT NOT LIMITED TO, RESTAURANTS AND OTHER BUSINESS ESTABLISHMENTS), AS WELL AS CONSTRUCTION ACTIVITIES, MAY EXIST ON OR NEAR THE SUBJECT PROPERTY, AT ANY TIME AND FROM TIME TO TIME.**

10.08 Signs and Banners.

(a) No signs or banners whatsoever shall be erected or maintained on the Subject Property which may be viewed within or by those passing the Condominium Project, including but not limited to any sign or banner which may be located within a Sub-Unit or on or within any vehicle or other item of personal property located within the Condominium Project, except signs required by legal proceedings and those permitted or approved by this Declaration, the Block C2 Declaration, and the Gateway Master Declarant.

(b) Without limiting the generality of paragraph 10.09(a) above, no "For Sale" or "For Rent" signs shall be displayed on the exterior or interior of a Sub-Unit, and no sign or banner may be displayed or hung from any patio or balcony by any means or method.

(c) In accordance with Rules and Regulations adopted by the Board of Directors, the Association may, but has no obligation to provide a procedure for the uniform posting of signs of Sub-Units "For Sale" or "For Rent" at a specific location within an office or Common Element designated for such purpose by the Board of Directors.

(d) The violation of these provisions may result in the assessment of a Default Assessment.

10.09 Compliance with Laws.

Nothing shall be done or kept at the Subject Property in violation of any law, ordinance, rule, regulation or other requirement of any governmental or quasi-governmental authority.

10.10 Compliance with Insurance.

Except as may be approved in writing by the Association, nothing shall be done or kept at the Subject Property that may result in the cancellation of any insurance maintained by the Association or may result in an increase in the rates of any such insurance.

10.11 Subdivision, Rezoning and Timesharing.

(a) No Sub-Unit may be subdivided, unless the subdivision has been approved by 100 percent of the votes allocated to all Sub-Units at a duly convened meeting of the Association, and has received all applicable governmental and quasi-government approvals.

(b) No application for rezoning any portion of the Subject Property, and no applications for variances or use permits, shall be filed with any governmental or quasi-governmental authority, unless the proposed rezoning has been approved by one hundred percent (100%) of the votes allocated to all Sub-Units at a duly convened meeting of the Association (or pursuant to written consents in lieu of such a meeting) and the uses that would be permitted under the rezoning comply with the Block C2 Declaration, this Declaration, and the other Association Documents.

(c) No Sub-Unit Owner shall offer or sell any interest in any Sub-Unit under a "timesharing" or "interval ownership" plan or similar plan.

(d) The covenants, conditions and restrictions set forth in paragraphs 10.11(a) and (b) above shall not apply to Declarant's development of the Subject Property or to Declarant's exercise of any Special Declarant Right.

10.12 Vehicles and Parking.

(a) No motor vehicle classed by manufacturer rating as exceeding three-quarter ton and no mobile home, trailer, detached camper or camper shell, boat or other similar equipment or vehicle may be kept or parked at the Condominium Project, except such delivery and service trucks as are temporarily parked in locations designated by the Association for such purposes.

(b) No motor vehicle shall be constructed, repaired, serviced, or washed at the Condominium Project, except for repairs performed on a short-term emergency basis where such repairs are necessary to affect the removal of a disabled vehicle.

(c) The Owner of a Retail Unit as defined in the Block C2 Declaration shall have the right of ingress and egress through the Parking Unit or Parking Units (as defined in the Block C2 Declaration and being a part of the Real Property) to the extent necessary for access to limited common elements appurtenant to such Retail Units (as defined in the Block C2 Declaration).

(d) The Declarant has assigned or shall assign in the future to each Sub-Unit one or more separately designated and numbered Parking Spaces which shall be designated as Limited Common Elements, and when assigned shall be set forth on Exhibit "C" attached hereto or an amendment thereto, provided however, that Declarant may defer such assignment to a later date which shall be effective upon the recording of a supplement to this Declaration. Excluding those Sub-Units which include a separate garage (i.e., Units located on Level One and adjacent to Parking Unit No. 7), the Declarant shall at a minimum assign one (1) Parking Space to each one (1) bedroom Residential Sub-Unit, two (2) Parking Spaces to each two (2) bedroom Residential Sub-Unit, and two (2) Parking Spaces to each three (3) bedroom Residential Sub-Unit. Each Parking Space assigned to a Sub-Unit in excess of the foregoing minimum assignments shall be deemed an "Excess Parking Space." Notwithstanding the designation of an Excess Parking Space as appurtenant to a specific Sub-Unit, a Sub-Unit Owner is permitted to have an Excess Parking Space reassigned to another Sub-Unit within the Condominium Project solely upon satisfaction of the following conditions: (i) a written request is made to the Board of Directors by the "Transferring Owner" prior to reassignment to the Transferee Owner; (ii) the reassignment of an Excess Parking Space shall be made only to the Association, for the benefit of the Transferring Owner until it is reassigned to a Sub-Unit, or to a Sub-Unit located within the Project and upon such reassignment the Excess Parking Space shall become appurtenant to such Sub-Unit; (iii) at the time of reassignment of such Excess Parking Space, the Sub-Unit from which the severance is to occur is not encumbered by a Mortgage in favor of a lender or by a lien filed on behalf of the Association, or in the alternative all Mortgagees, lien holders and/or holders of an interest in and to the Sub-Unit of the Transferring Owner consent in writing to the reassignment of the Excess Parking Space and the resulting release of their Mortgage and/or lien as to such appurtenance; (iv) at no time shall a Sub-Unit have less than the minimum number of Parking Spaces assigned to it as specified above; and (v) the costs to be incurred by the Association, including the recording of applicable documents necessary to evidence the reassignment are paid in advance by the Transferring Owner or the Transferee Owner, as they shall agree. The Association may also permit the "trading" and reassignment of Parking Spaces (other than Excess Parking Space) provided all of the conditions specified in (i) through (v) are satisfied as to each of the Sub-Units affected by such trade. Upon satisfaction of the foregoing conditions, the Association shall record an amendment to the Declaration to evidence the reassignment of the applicable Parking Space or Spaces. Any consideration exchanged between the Transferring Owner and the Transferee Owner shall be a matter of contract between them.

(e) The Association may reserve to itself, for the benefit of Sub-Unit Owners and/or staff of the Association, one or more Parking Stalls which may be designated for handicap purposes and/or staff parking. The Association may make any of such designated

Parking Spaces available to Sub-Unit Owners needing handicap parking in accordance with procedures adopted by the Association, including but not limited to agreements which require a temporary exchange by a Sub-Unit Owner of such Sub-Unit Owner's assigned Parking Space for a Parking Space designated for handicap parking. Notwithstanding the foregoing provisions and the provisions of subparagraph (d) above, the Association may also (i) prohibit or restrict the transfer of Parking Spaces if such Parking Spaces are designated for handicap purposes, or (ii) force a Sub-Unit Owner who is not or is no longer handicapped or does not maintain a handicapped person within such Sub-Unit Owner's Sub-Unit, to trade a Parking Space designated as handicap parking for a Parking Space located elsewhere. Evidence of handicap status shall be by providing evidence to the Association of distinguishing license plate or placard issued by the Utah Department of Motor Vehicles. Trading and reassignment of Parking Spaces shall be accomplished in accordance with the provisions of subparagraph (d) (ii) through (v) above, except that any Parking Space to be traded and reassigned need not be an Excess Parking Space.

(f) Parking Spaces appurtenant to a Sub-Unit shall be deemed included within the lease of the Sub-Unit to those individuals who lease such Sub-Unit; provided, however, that a Sub-Unit Owner may exclude from the lease of a Sub-Unit, any Excess Parking Space, reserving the use thereof to such Sub-Unit Owner only. A Sub-Unit Owner may not lease any Parking Space under any other circumstance or for any other use.

10.13 Deliveries, Trash Removal and Other Services; Move In and Out Procedures.

(a) By acceptance of a deed to a Sub-Unit, a Sub-Unit Owner agrees that all deliveries and all trash removal services, and other such services to that Sub-Unit Owner or its Sub-Unit shall be effected at a location or locations designated by the Association, the Project Association, and/or the Gateway Master Declarant from time to time for such purposes. Unless otherwise directed by the Association, Sub-Unit Owners of all Sub-Units and their Guests shall place all trash and other waste from the Sub-Units in receptacles or chutes which are located in the Condominium Project or adjacent thereto and designated for that purpose.

(b) Sub-Unit Owners shall not, and shall not permit their Guests to litter. No burning of trash, garbage or other waste materials will be permitted at the Real Property.

(c) The Board of Directors shall establish and enforce as part of the Rules and Regulations, procedures for moving furniture and personal belongings of Sub-Unit Owners to and from Residential Sub-Units, which procedures may limit the days and time of such moving.

10.14 Exterior Storage.

No Sub-Unit Owner shall store any materials or items on or in any Common Element, other than those Common Elements designed for that purpose, such as storage lockers, and then only in strict accordance with the terms and conditions of the Association Documents.

10.15 Animals.

No animals, livestock or poultry of any kind shall be raised, bred, or kept in or on the Property or in any Sub-Unit, provided, however not more than two (2) usual and ordinary pets, such as dogs, cats, birds, etc, and not including rodents or reptiles of any kind, may be kept by the Sub-Unit Owners of a Sub-Unit in accordance with Rules and Regulations established by the Board of Directors with respect to the keeping of such animals, and all such pets shall be kept under reasonable control at all times. Notwithstanding the foregoing, no pet may be kept at the Condominium Project which is a serious annoyance or is obnoxious to the Sub-Unit Owners. No pet shall be allowed in the Common Elements except as may be permitted by the Rules and Regulations. Declarant or any Sub-Unit Owner may cause any unauthorized pet found in the Common Elements to be removed to a pound or animal shelter under the jurisdiction of the City and/or County of Salt Lake, by calling the appropriate authorities, whereupon the Sub-Unit Owner (upon payment of all expenses therewith) may obtain the pet. No dog whose barking disturbs other Sub-Unit Owners in a reasonably objective manner shall be permitted to remain on the Condominium Project. Any decision regarding the conduct of a pet shall be made only after notice to the Sub-Unit Owner and the opportunity to be heard before the Board of Directors. Sub-Unit Owners shall prevent their pet from soiling any portion of the Common Element and shall promptly clean up any fouling by their pet, all in accordance with the Rules and Regulations. Any cleaning and/or damage occasioned by a pet shall be the sole responsibility of its Sub-Unit Owner and if not paid may result in the imposition of a Default Assessment.

10.16 Burning Devices.

No fuel burning devices, such as charcoal grills, wood burning stoves, fireplaces or liquid burning devices shall be used, kept or stored on the Subject Property; provided however, that nothing herein shall preclude within any Sub-Unit or interior space designated as a General Common Element of the Condominium Project, the use of natural gas stoves and ovens, natural gas dryers, and natural gas fireplaces, as long as the same are installed and maintained in good working order and according all applicable building codes and other applicable laws and ordinances. Under no circumstances are any fuel burning devices (cooking or otherwise) of any kind to be used on exterior balconies, decks, patios or similar locations within the Condominium Project.

10.17 Disclosures Regarding Rentals.

✦ Pursuant to reasonable Rules and Regulations established by the Board of Directors, the Association may regulate or limit rentals of Condominium Sub-Units and may require the rental of any Condominium Sub-Unit to be conducted through one or more approved management companies. The Association may also require that all lease agreements be on forms approved by the Association, or in the alternative be reviewed and approved by the Association or the management company. Such Rules and Regulations may require that any tenants be screened for any lawful reason and approved by the Association or the management company prior to renting the Condominium Sub-Unit; provided, however, that approval of the Association or the management company shall not be unreasonably withheld. Prior to renting any Condominium Sub-Unit, the Sub-Unit Owner and the tenant shall execute a written lease agreement which shall include the following provisions:

(a) The tenant shall agree to comply with all of the terms and conditions of the Declaration, Bylaws and Rules and Regulations;

(b) The tenant shall agree not to allow or commit any nuisance, waste, unlawful or illegal act upon the Project;

(c) The lease shall be on terms and for a period authorized by applicable governmental laws, ordinances and statutes; and

(d) The Sub-Unit Owner and the tenant shall acknowledge that the Association is an intended third party beneficiary of the lease agreement, that the Association shall have the right to enforce compliance with the Declaration and Bylaws and to abate any nuisance, waste, unlawful or illegal activity upon the premises; and that the Association shall be entitled to exercise all of the Sub-Unit Owner's rights and remedies under the lease agreement to do so.

Prior to a tenant's occupancy of a Sub-Unit, the Sub-Unit Owner must provide to the Association the name, address and telephone number of the tenant and a copy of the written lease agreement. The Association shall have the right and the obligation to enforce compliance with the Declaration and Bylaws against any Sub-Unit Owner and/or occupant of any Condominium Sub-Unit, and shall have all rights and remedies available under state or local law, in addition to its rights and remedies as a third party beneficiary under any lease agreement, to enforce such compliance.

Upon a tenant's occupancy of a Sub-Unit, the Sub-Unit Owners of such Sub-Unit shall thereafter have only limited rights in the use of the Common Elements, such use limited to those uses reasonably necessary for a landlord to enforce the provisions of such lease. In the event that a Sub-Unit Owner withholds an Excess Parking Stall (as defined in Section 10.12) from the terms of the Lease, the Sub-Unit Owner thereof shall have the continuing right to use such Excess Parking Stall, provided, however that such Excess Parking Stall may not be leased to any other party.

Notwithstanding the foregoing, none of the Rules and Regulations adopted by the Association regarding the rental of Sub-Units shall be applicable to a Mortgagee holding title to a Sub-Unit, but only to such Sub-Unit and such Mortgagee for the period that it holds title to such Sub-Unit, who acquires such Sub-Unit by foreclosure or by a deed in lieu of foreclosure.

10.18 Storage Spaces.

The Declarant, exercised in its sole discretion and pursuant to its sales program, has assigned or may in the future assign to a Sub-Unit one or more Storage Spaces as set forth on Exhibit "C", as may be amended from time to time, all of which spaces shall be deemed Limited Common Elements, provided, however, such designation may be made, by the Declarant recording one or more supplements to this Declaration designating such assignments or reassignments. The Declarant is under no obligation to assign any Storage Space to any Sub-Unit. Notwithstanding the designation of a Storage Space as appurtenances to a specific Sub-Unit, a Sub-Unit Owner is permitted to have a Storage Space reassigned to another Sub-Unit within the Condominium Project solely upon

satisfaction of the following conditions: (a) a written request is made to the Board of Directors by the "Transferring Owner" prior to reassignment to the Transferee Owner; (b) the reassignment of a Storage Space shall be made only to the Association, for the benefit of the Transferring Owner until it is reassigned to a Sub-Unit, or to a Sub-Unit located within the Project and upon such reassignment the Storage Space shall become appurtenant to such Sub-Unit; (c) at the time of reassignment of such Storage Space, the Sub-Unit from which the severance is to occur is not encumbered by a Mortgage in favor of a lender or by a lien filed on behalf of the Association, or in the alternative all Mortgagees, lien holders and/or holders of an interest in and to the Sub-Unit of the Transferring Owner consent in writing to the reassignment of the Storage Space and the resulting release of their Mortgage and/or lien as to such appurtenance; (d) and the costs to be incurred by the Association, including the recording of applicable documents necessary to evidence the reassignment are paid in advance by the Transferring Owner or the Transferee Owner, as they shall agree. Upon satisfaction of the foregoing conditions, the Association shall record an amendment to the Declaration to evidence the reassignment of the applicable Storage Space. Any consideration exchanged between the Transferring Owner and the Transferee Owner shall be a matter of contract between them.

The Sub-Unit Owner of the Sub-Unit to which a Storage Space is assigned shall maintain and repair such Storage Space and any cabinets or other improvements located therein and may use the same in accordance with Rules and Regulations adopted by the Association. The Association shall have no responsibility for the security of any such Storage Space.

10.19 Parking Spaces and Facilities.

(a) Each Parking Space may be used and occupied for parking purposes only, except as provided in Section 10.12 (f).

(b) Owners of Parking Spaces (being those Sub-Unit Owners of Sub-Units to which such Parking Spaces are appurtenant) shall not use, and shall not permit their Guests to use (except such Guests who are also Sub-Unit Owners otherwise entitled to use such facilities) (i) any entrance to or exit from the Condominium Project which is designated on the Plat or posted within a parking structure for exclusive use by Sub-Unit Owners, or a portion thereof, of Residential Sub-Units or (ii) any portions of the Project restricted by the terms of the Block C2 Declaration. The Owner(s) of Parking Spaces shall have the right to use the same as such areas are identified for their use on the Plat.

(c) Owners of Parking Spaces shall not use, and shall not permit their Guests to use, any waiting area, stairway, elevator, patio, walkway, hallway, storage area, restroom or other portion of the Condominium Project which is designated on the Plat as Limited Common Elements, unless the same are appurtenant to the Sub-Unit of such Sub-Unit Owner.

(d) Notwithstanding anything to the contrary contained in this Declaration, an Owner of a Parking Space may not make improvements or alterations to its Parking Space;

provided, nothing herein shall reduce a Sub-Unit Owner's obligation for repair and maintenance as provided in Section 10.12 (f).

(e) Notwithstanding anything to the contrary in this Article X, only the Association may:

(i) perform such activities in relationship to the Parking Spaces as are lawfully permitted and are common to or necessary for the conduct of commercial parking operations, including, without limitation, any lights, sounds and odors which typically result from such activities, provided, however, that all of such activities shall be in furtherance of the residential character of the Condominium Project; and

(ii) apply for and obtain special use permits and licenses which are necessary or appropriate for the conduct of commercial parking activities in the Parking Spaces in accordance with this Declaration and the other Association Documents, on the condition that such permits and licenses are consistent with the existing zoning and actual uses of the Parking Spaces at the time the permit or license is applied for.

10.20 Residential Sub-Units.

(a) Except as otherwise expressly permitted by this Declaration, a Sub-Unit Owner of a Residential Sub-Unit may use such Residential Sub-Unit only as a permanent or vacation single-family residence (as "family" is defined from time to time in the zoning ordinances of Salt Lake City, Utah) for itself and its Guests. No Sub-Unit Owner of a Residential Sub-Unit shall conduct any business, profession, occupation or trade from its Sub-Unit, including, without limitation, the operation of a so-called "bed and breakfast" or "chalet"; provided that this Declaration does not prohibit a Sub-Unit Owner from leasing or renting such Sub-Unit Owner's Sub-Unit to others so long as the use of such Sub-Unit complies with the provisions of this Declaration (including but not limited to Section 10.17), the Block C2 Declaration, the Act, and other applicable laws and ordinances. Any lease of a Sub-Unit or any portion thereof shall be in writing and shall be subject to this Declaration and the Bylaws.

(b) Notwithstanding the restrictions set forth in paragraph 10.20(a) above, a Sub-Unit Owner may use its Residential Sub-Unit as its private office, on the condition that the Sub-Unit Owner does not invite others to its Sub-Unit to conduct business and such use complies with all applicable federal, state and local laws, ordinances, regulations and rules.

(c) Notwithstanding anything to the contrary contained in this Declaration, a Sub-Unit Owner of a Residential Sub-Unit may make improvements or alterations to its Residential Sub-Unit, without the consent of any Sub-Unit Owner or the Association, on the conditions that:

(i) the improvement or alteration does not impair or cause damage to any other Sub-Unit or any Common or Limited Common Element;

(ii) the Sub-Unit Owner of the Residential Sub-Unit promptly repairs any damage to any General Common Element caused thereby at its cost and expense;

(iii) the improvement or alteration complies with all applicable requirements of the Gateway Master Documents, the Block C2 Declaration, the Act and all laws, ordinances, regulations and rules of governmental and quasi-governmental authorities with jurisdiction.

If any such improvement constitutes or requires the erection or modification of partitions within any Sub-Unit, such improvements require the approval of the Board of Directors as specified in Section 3.02 (d) (iii). If any such improvement or alteration will impair any other Sub-Unit or any Common or Limited Common Element, the Sub-Unit Owner of the Residential Sub-Unit shall not make the improvement or alteration without the prior written consent of the Majority of the Sub-Unit Owners of the Sub-Units.

(d) Each garage door (including but not limited to the exterior surfaces thereof and any automatic garage door opener) for a garage located upon Level One and adjacent to Parking Unit No. 7, as designated in the Block C2 Declaration, shall constitute a part of the Sub-Unit to which it is affixed, and the Sub-Unit Owner thereof shall be required to maintain, repair and replace the same at such Sub-Unit Owner's sole cost and expense. The Association shall have the right to require all such garage doors be maintained, repaired and replaced so as to be in conformity with all other garage doors, including but not limited to color and design.

10.21 Declarant's Exemption.

Nothing contained in this Declaration or in any other Association Document shall be construed to prevent:

(a) Declarant's exercise and enjoyment of any Special Declarant Right or any other rights of Declarant under this Declaration or any other Association Document; or

(b) the conduct by Declarant or its employees or agents of any activity, including, without limitation, the erection or maintenance of temporary structures, improvements or signs, necessary or convenient to the development, construction, marketing or sale of Sub-Units or other property within or adjacent to the Condominium Project.

ARTICLE XI
EASEMENTS AND RESERVATIONS

11.01 Declarant's Easements Over Common Elements.

(a) In accordance with the Act, Declarant hereby reserves for itself, its successors and assigns a general, transferable easement over, across, through and under the Common Elements to:

- (i) discharge Declarant's obligations under this Declaration;
- (ii) exercise any of Declarant's rights under this Declaration; and

(iii) make improvements on the Subject Property or any other real estate owned by Declarant, for the purpose of doing all things reasonably necessary and proper in connection with the foregoing.

(b) Declarant hereby reserves for itself, its successors and assigns, the right to:

(i) establish from time to time utility and other easements, permits or licenses over, across, through and under the Common Elements for the benefit of the Condominium Project, any property owned by Declarant or any other real property within the Gateway Project; and

(ii) create other reservations, exceptions and exclusions for the best interest of the Declarant and other Persons, on the conditions that (A) the parties benefitted by the easement, license, permit, reservation, exception or exclusion must use reasonable efforts to locate any such easement, license, permit reservation, exception or exclusion to minimize interference with the use of the Subject Property by the Sub-Unit Owners to the extent practicable; and (B) if the parties benefitted by the easement, license, permit, reservation, exception or exclusion construct or install any improvements on the Subject Property pursuant to the same, the benefitted parties shall promptly repair any damage caused to the Subject Property thereby at their sole cost and expense.

11.02^a Utility Easement.

(a) Subject to the terms and conditions of this Declaration and all other Association Documents, Declarant hereby creates a general easement over, across, through and under the Subject Property for ingress to, egress from, and installation, replacement, repair and maintenance of, all utility and service lines and systems, including, without limitation, water, sewer, heating and cooling systems, telephone, electricity and cable communication that service the Subject Property or any portion thereof. The Association may, but is not obligated to, authorize the release of portions of the general easement created

pursuant to this Section 11.02 upon the request of any Sub-Unit Owner showing good cause therefor.

(b) Pursuant to this easement, and only with the prior written consent of the Association, a utility or service company may install and maintain facilities and equipment on the Subject Property and affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of Improvements to provide service to the Sub-Units or the Common Elements. Notwithstanding anything to the contrary contained in this Section 11.02, no sewers, electrical lines, water lines or other utilities or service lines may be installed or relocated on any portion of the Subject Property, except in accordance with terms and conditions of Sections 10.06. Any utility or service company using this general easement shall use its best efforts to install, repair, replace and maintain its lines and systems without disturbing the uses of Sub-Unit Owners, the Association, Declarant and other utility and service companies.

(c) If any utility or service company furnishing utilities or services to the Subject Property or any portion thereof as permitted under paragraph 11.02(a) above requests a specific easement by separate recordable document, the Association shall have the right and authority, but not the obligation, to grant such easement over, across, through and under any portion of the Subject Property.

11.03 Association's Easement.

(a) The Association shall have a general easement over, across, through and under each Sub-Unit and each Common Element to:

(i) exercise any right held by the Association under this Declaration or any other Association Document; and

(ii) perform any obligation imposed upon the Association by this Declaration or any other Association Document.

(b) Notwithstanding the foregoing, the Association shall not enter any Sub-Unit without reasonable prior notice to the Sub-Unit Owner thereof, except in cases of emergency.

11.04* Easements to Parking Sub-Unit Owners.

The Sub-Unit Owners and those Guests which are authorized by the Rules and Regulations to have access to areas where the Parking Spaces are located shall have the rights and privileges available to the Association as granted in the Block C2 Declaration for, vehicular and pedestrian ingress and egress, without charge, over and across the drive isles located in Parking Units 1, 2, 3, 4, 5, and 7, but not Parking Spaces or other restricted areas.

11.05 Entry in Aid of Other Rights.

There shall be an easement in favor of each Sub-Unit Owner to enter in and upon the Common Elements and Sub-Units with workers, materials and tools to the extent, at the time, and for the periods reasonably necessary to enable a Sub-Unit Owner to access Limited Common Elements appurtenant to such Sub-Unit Owner's Sub-Unit or Sub-Units isolated from public access or via Common Elements and to otherwise perform all of the construction, maintenance, inspection, repair, and replacement required of such Sub-Unit Owner hereunder or necessary to the operation of the said Sub-Unit Owner's Sub-Unit. Notwithstanding the foregoing and except when access is required on an emergency basis, any access may be limited to such reasonable times as the Sub-Unit Owner of an affected Sub-Unit or the Board of Directors may designate.

11.06 Easements for Encroachments.

In the event that any portion of the General Common Elements, a Limited Common Element, or Sub-Unit and whether constructed or reconstructed so as to substantially duplicate a Sub-Unit originally constructed by Declarant encroaches or comes to encroach on the General Common Elements, a Limited Common Element, or another Sub-Unit as a result of construction, reconstruction, repair, shifting, settlement, or movement of any portion of the foregoing, an easement is created hereby and shall exist so long as such encroachment exists, but such easement shall not relieve a Sub-Unit Owner of liability in the case of willful misconduct.

11.07 Emergency Access Easement.

Declarant hereby grants a general easement to all police, sheriff, fire protection, ambulance and all other similar emergency agencies or Persons to enter upon the Subject Property in the proper performance of their duties.

ARTICLE XII
INSURANCE

12.01 General Liability Insurance.

The Association shall obtain and maintain one or more policies of comprehensive general liability insurance insuring the Sub-Unit Owners, the Association, the Board of Directors, the Manager, and their respective agents against general liability and claims arising in connection with the ownership, existence, use, operation, maintenance, or management of the Common Elements, in an amount per occurrence that is not less than \$3,000,000 for bodily injury, including deaths of persons and property damage, or such greater amount as the Board of Directors deems appropriate. Coverage shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Elements, legal liability arising out of lawsuits related to employment contracts of the Association, and such other risks as are customarily covered with respect to condominium projects similar in construction, location and use, including but not limited to host liquor liability, employers liability

insurance, contractual and all-written contract insurance, and comprehensive automobile liability insurance. Such insurance shall cover claims of one or more insured parties against other insured parties.

12.02 Property Insurance.

The Association shall obtain and maintain a multi-peril policy or policies of fire and other hazard insurance covering the entire Condominium Project (both Sub-Units and Common Elements), with extended coverage and all other coverages in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location and use, including a "Special Condominium Endorsement, the standard "All risk" endorsement, on a replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based upon replacement cost) of the Condominium Project, subject to reasonable deductibles and exclusive of land, excavations, foundations and similar items normally excluded from property insurance policies, together with common personal property, equipment and supplies. The policy shall contain each of the following features, to the extent that such features are, in the reasonable discretion of the Board of Directors, available at reasonable cost:

- (a) an agreed-amount endorsement or its equivalent;
- (b) an increased-cost-of-construction endorsement or a contingent-liability-from-operation-of building-laws endorsement or their equivalent;
- (c) an extended-coverage endorsement;
- (d) vandalism and malicious mischief coverage;
- (e) a special-form endorsement;
- (f) in the event that the Condominium Project contains a steam boiler, a Steam Boiler and Machinery Coverage Endorsement (with minimum liability of \$1,000,000 per accident) if the Project has central heating or cooling; and
- (g) a determinable-cash-adjustment clause or a similar clause to permit cash settlement covering full value of the Common Elements in case of partial destruction and a decision not to rebuild.

12.03 Fidelity Insurance or Bond.

The Association shall purchase for the benefit of and on behalf of the Association, in such amounts and in such forms as it deems appropriate, fidelity insurance or a bond to cover against dishonesty of members of the Board of Directors, Officers and employees of the Association and all others persons handling, or responsible for funds of or administered by the Association, destruction or disappearance of money or securities, and forgery. If funds are administered by a management agent, the management agent shall be required to maintain fidelity bond coverage for its officers,

employees and agents handling or responsible for funds of, or administered on behalf of, the Association. Such fidelity bonds shall name the Association as an obligee and shall not be less than the greater of (i) three (3) months assessments on all Sub-Units plus reserve funds, or (ii) the estimated maximum amount of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions, and shall not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days' prior written notice to the Association and to any Fannie Mae servicer holding a Mortgage on behalf of Fannie Mae.

12.04 Liability Insurance for Directors and Officers.

The Association may, if it elects, purchase liability insurance for Directors and officers to cover errors and omissions of Directors and officers of the Association, and any obligation for indemnification as contained in Section 6.06.

12.05 Additional Provisions to be-Contained in Insurance Policies.

Any insurance policies obtained and maintained by the Association pursuant to Sections 12.01, 12.02, 12.03, and 12.04 above shall name as insureds the Association and the Sub-Unit Owners (including Declarant, so long as Declarant is the Sub-Unit Owner of any Sub-Unit) and provide that:

(a) Each policy of insurance obtained by the Association shall be issued to and for the benefit of the Parc at Gateway Condominium Association, Inc. for the benefit of its owners (or its authorized representative or trustee under the terms of an insurance trust agreement) and shall provide: a standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the Project is located; a waiver (if available) of the insurer's subrogation rights with respect to the Association, the Board of Trustees (and each of them), Officers of the Association, the Manager, the Sub-Unit Owners, Mortgagees, and their respective servants, agents and guests; that it cannot be canceled, suspended or invalidated due to the conduct of any member, officer, or employee of the Association or of the Manager without a prior written demand that the defect be cured; that any "no other insurance" clause therein shall not apply with respect to insurance held individually by the Sub-Unit Owners; and that a mortgagee clause endorsement which must provide that the insurance carrier shall notify in writing any and all insureds, including the servicers on behalf of Mortgagees thereof at least thirty (30) days in advance of the effective date of any substantial modification or cancellation of the policy.

(b) All insurance policies shall be written by a company holding a "B" or better general policyholder's rating or a "6" or better financial performance index rating in Best's Insurance Reports, an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's Insurance Reports - International Edition, an "A" or better rating in Demotech's Hazard Insurance Financial Stability Ratings, a "BBBq" qualified solvency

ratio or a "BBB" or better claims-paying ability rating in Standard and Poor's Insurer Solvency Review, or a "BBB" or better claims-paying ability rating in Standard and Poor's International Confidential Rating Service. Each insurer must be specifically licensed to transact business within the State of Utah. Policies are unacceptable where (i) under the terms of the carrier's charter, bylaws or policy, contributions or assessments may be made against the Borrower or a Mortgagee; or (ii) by the terms of the carrier's charter, by-laws or policy, loss payments are contingent upon action by the carrier's board of directors, policy holders, or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent a Mortgagee or the borrower from collecting insurance proceeds.

(c) All policies of property insurance must provide that notwithstanding any provision affording the insurer the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable without the prior written approval of the Association (or any insurance trustee) or when in conflict with the provisions of any insurance trust agreement to which the insurance may be a party, or any requirement of law.

(d) no act or omission by any Sub-Unit Owner, unless acting within the scope of such Sub-Unit Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and

(e) if, at the time of a loss under the policy, there is other insurance in the name of a Sub-Unit Owner, a Sub-Unit Owner or the Project Association covering the same risk covered by the policy, the Association's policy provides primary insurance.

12.06 Trustee.

Any loss covered by the property insurance policy described in Section 12.02 above must be adjusted with the Association or its authorized insurance trustee, and the insurance proceeds for that loss shall be payable to the Association or any insurance trustee designated for that purpose, and not to any Sub-Unit Owners or Mortgagees. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Sub-Unit Owners and Mortgagees as their interests may appear. Subject to the provisions of Section 13.02 below, the proceeds must be disbursed first for the repair or restoration of the damaged property, and the Sub-Unit Owners and Mortgagees are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Condominium Project has been repaired or restored or the Condominium Project is terminated.

12.07 Sub-Unit Owner Maintained Insurance.

Each Sub-Unit Owner shall have the right to separately insure its personal property against loss by fire or other casualty. In addition, any Improvements made by a Sub-Unit Owner within its Sub-Unit may be separately insured by the Sub-Unit Owner, but the insurance is to be limited to the type and nature of coverage commonly known as "tenant's improvements." All such insurance that is individually carried is primary for losses which emanate within the Sub-Unit for items which are the Sub-Unit Owner's responsibility to maintain, repair and/or replace and must contain a waiver of

subrogation rights by the insurer as to other Sub-Unit Owners, the Association, Manager, Declarant, and Mortgagees. Each Sub-Unit Owner shall acquire for that Sub-Unit Owner's own protection, such insurance on the Sub-Unit Owner's contents as the Sub-Unit Owner deems appropriate. **THE ASSOCIATION SHALL HAVE NO RESPONSIBILITY REGARDING INSURANCE ON THE PERSONAL PROPERTY OR TENANT'S IMPROVEMENTS OF SUB-UNIT OWNERS.**

12.08 Board of Directors' Authority to Revise Insurance Coverage.

(a) The Association and its Directors and Officers shall have no liability to any Sub-Unit Owner or Mortgagee if, after a good faith effort, (i) the Association is unable to obtain any insurance required hereunder because the insurance is no longer available; or (ii) if available, the insurance can be obtained only at a cost that the Board of Directors, in its sole discretion, determines is unreasonable under the circumstances.

(b) The Board of Directors is authorized to negotiate and agree on the value and extent of any loss under any policy carried by the Association, including, but not limited to, the right and authority to compromise and settle any claim or enforce any claim by legal action or otherwise and to execute releases in favor of any insurer.

(c) Each Sub-Unit Owner, by acceptance of a deed to a Sub-Unit irrevocably appoints the Association as that Sub-Unit Owner's attorney in fact for purposes of procuring, negotiating, accepting, compromising, releasing, settling, distributing, and taking other related actions in connection with any insurance policy maintained by the Association and any losses or claims related thereto and agrees to be bound by the actions so taken as if the Sub-Unit Owner had personally taken the action.

12.09 Periodic Insurance Review.

The Board of Directors periodically (and not less than once every three (3) years) shall review the Association's insurance policies and make such adjustments to the policies' terms and conditions as the Board of Directors considers to be in the best interests of the Association. The review shall include an appraisal by a qualified appraiser of the current replacement costs of all covered property under the Association's policy unless the Board of Directors is satisfied that the current dollar limit of the property policy, coupled with the amount of actual reserves on hand, is equal to or greater than the current replacement costs.

12.10 Combined Insurance.

As provided in the Block C2 Declaration, if at any time and for any reason it is not reasonably possible to obtain separate casualty insurance coverage relative to each of the Base Structure Common Elements, Tower Structure 1 and/or 2, or the Real Property, or if at any time and for any reason the Project Board of Directors, the Project Owners and/or the Declarant should determine that such separate coverage should not be maintained, the Association is authorized to empower the Project Association to obtain insurance coverage covering all or any combination of

structures and equipment located on or within the Real Property under a single policy which otherwise meets the requirements of this Article 12.

ARTICLE XIII
CASUALTY

13.01 Total or Partial Destruction of the Condominium Project.

If there is a total or partial destruction of the Condominium Project, including the Parc Tower, the Condominium Project shall be promptly rebuilt or repaired in accordance with the Act, unless:

- (a) the Project is terminated in accordance with the requirements of the Block C2 Declaration;
- (b) the Project is subject to an action for partition and sale in accordance with the requirements of the Block C2 Declaration;
- (c) the Project is to be disposed of in accordance with the requirements of Section 13.01 (d) of the Block C2 Declaration;
- (d) the Project Owners allow only a partial restoration of the Base Structure, which does not permit the restoration of the Condominium Project; or
- (e) the Association obtains the consent of Eligible Mortgagees (as defined in Section 16.02) upon Sub-Units to which at least fifty-one percent (51%) or more of the votes of Sub-Units subject to First Mortgages held by such Eligible Mortgagees (based on the Interest in General Common Elements attributable to each Sub-Unit covered by a First Mortgage held by an Eligible Mortgagee).

13.02 Excess Insurance Proceeds.

If the entire Condominium Project is not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the Condominium Project or as required by the Block C2 Declaration, and, except to the extent that other persons will be distributees, the insurance proceeds attributable to Sub-Units and Limited Common Elements that are not rebuilt must be distributed to the Sub-Unit Owners of those Sub-Units and the Sub-Unit Owners of the Sub-Units to which those Limited Common Elements were allocated, or to Mortgagees, as their interests may appear, and the remainder of the proceeds, if any, must be distributed to all the Sub-Unit Owners or Mortgagees, as their interests may appear, in proportion to the Interests in General Common Elements of all the Sub-Units.

13.03 Casualty to a Sub-Unit.

To the extent that the Association is not obligated to make any such repairs or replacements, each Sub-Unit Owner shall repair or replace any damage to or destruction to the interior of its Sub-Unit, as soon as is reasonably practical after such damage or destruction occurs.

ARTICLE XIV
CONDEMNATION

14.01 Condemnation of All Sub-Units.

If the entire Condominium Project is taken by condemnation, eminent domain or similar proceeding, the Condominium Project shall terminate as of the date of the taking and any condemnation award payable in connection therewith shall be paid to the Association and then disbursed by the Association to the Sub-Unit Owners in proportion to their Interests in General Common Elements.

14.02 Condemnation of Fewer Than All Sub-Units.

If one or more Sub-Units, but less than the entire Condominium Project, is taken by condemnation, eminent domain or similar proceeding,

(a) any condemnation award payable in connection therewith shall be paid to the Sub-Unit Owners of the Sub-Units taken and expended to repair those Sub-Units not taken, and

(b) the Interest in General Common Elements appurtenant to those Sub-Units shall be reallocated, in accordance with the terms and conditions of the Act.

14.03 Condemnation of Common Elements.

If any portion of the Common Elements is taken by condemnation, eminent domain or similar proceeding, any condemnation award payable in connection therewith shall be paid to the Association and then used to repair any remaining Common Elements with the balance disbursed by the Association to the Sub-Unit Owners in proportion to their Interests in General Common Elements.

14.04 Appointment of Association Regarding Condemnation Claims.

Each Sub-Unit Owner, by acceptance of a deed to a Sub-Unit irrevocably appoints the Association as that Sub-Unit Owner's attorney in fact for purposes of procuring, negotiating, accepting, compromising, releasing, settling, distributing, and taking other related actions in connection with any condemnation action commenced by or against the Association or the

Condominium Project and any losses or claims related thereto and agrees to be bound by the actions so taken as if the Sub-Unit Owner had personally taken the action.

ARTICLE XV
SPECIAL DECLARANT RIGHTS

15.01 Improvements.

Declarant hereby reserves for itself, its successors and assigns the right, but is not obligated, to construct:

- (a) any Improvements shown on the Plat;
- (b) any Sub-Units upon all or any portion of the Additional Land, and subject to the requirements of Section 15.03, the addition of the same to the Condominium Project; and
- (c) any other buildings, structures or improvements that Declarant desires to construct on the Subject Property, or any other real estate owned by Declarant, regardless of whether the same ever become part of the Condominium Project.

15.02 Development Rights.

Declarant hereby reserves for itself, its successors and assigns the right to create easements, permits, licenses and other property rights and reservations as described in Articles II, III and XI of this Declaration.

15.03 Expandable Condominium.

In accordance with the provisions of Sections 57-8-10(4) and 57-8-13.6 of the Act, the Declarant herewith expressly reserves the right and option to expand the Condominium Project by the addition of Additional Land, or portions thereof, and Sub-Units to be constructed thereon, all in accordance with the provisions of this Section 15.03.

- (a) The Condominium Project may be expanded by the addition of all or a portion of the real property designated on Exhibit "D" attached hereto and incorporated herein by reference, such real property or portions thereof where applicable being referred to as "Additional Land".
- (b) Expansion of the Condominium Project by the Declarant is without limitation, except as set forth in this Section 15.03, and shall be effective without the prior approval of the Association or any Sub-Unit Owner.

(c) Declarant's right to expand the Condominium Project as provided in this Section 15.03 shall expire seven (7) years from the date of recording of this Declaration (exclusive of any amendments or supplements) in the Official Records.

(d) The Additional Land designated on Exhibit "D" attached hereto and incorporated herein by reference, may be added in total or in part, and in any order as Declarant may determine. Such Additional Land (or any portion thereof constituting Additional Land) may be added at any time within the period allowed for expansion of the Condominium Project.

(e) All Improvements upon Additional Land shall be made in such a manner as to conform to all governmental regulations appertaining thereto, but such Improvements may be located upon the Additional Land, or any portion thereof, in such manner as the Declarant deems appropriate in its sole discretion, subject to the requirements contained herein. The maximum number of Sub-Units to be constructed upon the Additional Land shall be limited such that the total number of Sub-Units to be included within the Parc Tower shall not exceed One Hundred Fifty Two (152). All of the additional Sub-Units to be constructed upon Additional Land will be constructed for or are to be designated exclusively for residential use.

(f) All Improvements erected upon any Additional Land added to the Condominium Project will be compatible with the Sub-Units and Improvements now upon or to be constructed upon the Subject Property, all such additional Sub-Units and Improvements to be approximately equal to or better in terms of quality of construction and materials to be used. Notwithstanding the above, no assurances can be made by the Declarant in every instance that such structures and Improvements will be identical in all regards.

(g) Although Declarant intends to construct upon Additional Land additional Sub-Units, such that all sub-Units shall be part of the Parc Tower, no assurances can be made by the Declarant as to the description of Improvements that will be made upon any Additional Land.

(h) Declarant consents and agrees that any Sub-Unit constructed within the Parc Tower and upon Additional Land will be similar in all material respects to the Sub-Units presently contained or to be constructed upon the Subject Property and shown on the Plat. No Sub-Units shall be created which are not substantially identical to those Sub-Units currently shown on the Plat.

(i) The Declarant simultaneously with the submission of Additional Land to the Condominium Project shall prepare and record in the Salt Lake County Records, a Supplemental Map pertaining to such Additional Land to be added to the Condominium Project, and showing the location and dimensions (the vertical and horizontal boundaries), of each Sub-Unit located within the Parc Tower created from and located upon such Additional Land, and the Sub-Unit designation of each Sub-Unit so created.

(j) Simultaneously with the recording of said supplemental Map as required by the provisions of Section 15.03 (i) above, the Declarant shall duly execute, acknowledge and record in the Salt Lake County Records, a Supplemental Declaration setting forth that an expansion of the Condominium Project has occurred. Such Supplemental Declaration shall include, in addition to any requirements of the Act, the following: (i) if not shown on the Supplemental Plat, a legal description of the Additional Land added to the Condominium Project; (ii) the designation of each Sub-Unit created from and included within the Additional Land; and (iii) the Interest in General Common Elements allocated and appertaining to all Sub-Units within the Project.

(k) Each expansion of the Condominium Project by the addition of Additional Land shall be subject to the following additional qualifications:

(i) The Interest in General Common Elements appertaining to a Sub-Unit and each Sub-Unit shall be re-computed in accordance with the provisions of Section 3.03(a) taking into consideration the Sub-Units contained upon the Additional Land to be included within the Condominium Project. Such re-allocations shall be effective as of the date of recordation of the Supplemental Declaration.

(ii) Following the addition to the Condominium Project of Additional Land, the total of the Interests in General Common Elements appertaining to all Sub-Units shall in all events equal 100%.

(iii) All Improvements, including but not limited to Sub-Units, to be constructed upon portions of the Additional Land shall be substantially completed prior to the annexation to the Condominium Project.

15.04 Sales Offices and Models.

Notwithstanding anything in the Declaration to the contrary, during any period that Declarant has one or more Sub-Units to sell, Declarant shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish or facilitate the sale of all Sub-Units owned or to be owned by Declarant.

(a) Declarant shall have the right to maintain one or more models and sales offices in which it conducts the business of marketing and selling Sub-Units.

(b) Declarant shall have the right to maintain a reasonable number of promotional, advertising, and/or signs, banners, or similar devices at any place or places on the Subject Property, but any such device shall be of a size and in a location as is reasonable and customary.

(c) Declarant shall have the right from time to time to locate or relocate any signs, banners, or similar devices, but in connection with such location or relocation shall observe the limitations imposed by the preceding portion of this Section. Within a reasonable period

after the conclusion of all sales of Sub-Units, Declarant shall have the right to remove from the Condominium Project any signs, banners, or similar devices and any separate structure or facility which was placed on a portion of the Subject Property for the purpose of aiding Declarant's sales efforts. Any signs, banners, or similar devices, and any separate structure or facility for aiding Declarant's sales efforts shall comply with applicable zoning ordinances.

15.05 Exercising Special Declarant Rights.

Declarant may exercise its Special Declarant Rights at any time prior to the later to occur of the date on which the Declarant Control Period expires or the date that is three (3) years after the date on which this Declaration is recorded in the Salt Lake County Records. Declarant may exercise its Special Declarant Rights in any order, and no assurance is given as to the order in which Declarant will exercise its Special Declarant Rights. If Declarant exercises any Special Declarant Right with respect to any portion of the Subject Property, Declarant may, but is not obligated to, exercise that Special Declarant Right with respect to any other portion of the Subject Property. Notwithstanding anything to the contrary contained in this Declaration, Declarant may exercise any Special Declarant Right described in this Article XV and any other right reserved to Declarant in this Declaration, without the consent of the Association or any of the Sub-Unit Owners.

15.06 Interference with Special Declarant Rights.

Neither the Association nor any Sub-Unit Owner may take any action or adopt any Rule or Regulation that interferes with or diminishes any Special Declarant Right contained in this Article XV or elsewhere in this Declaration, without Declarant's prior written consent. Any action taken in violation of this Section 15.05 shall be null and void and have no force or effect.

15.07 Rights Transferable.

Declarant may transfer any Special Declarant Right reserved to it under this Article XV or under any other provision of this Declaration in accordance with the terms and conditions of the Act.

ARTICLE XVI
MORTGAGEE PROTECTIONS

16.01 Benefit of Mortgagees.

This Article establishes certain standards and covenants which are for the benefit of Mortgagees. This Article is supplemental to, and not in substitution of, any other provisions of this Declaration, but in the case of any conflict, this Article shall control.

16.02 Notice of Actions.

If requested in writing to do so by a First Mortgagee, which request states both the name and address of such First Mortgagee and the Sub-Unit number or address of the Sub-Unit on which it has (or insures or guarantees) a First Mortgage (herein referred to as an "Eligible Mortgagee" upon such request in the form required herein), the Association shall give prompt written notice of the following to each Eligible Mortgagee making such request:

(a) any condemnation loss or any casualty loss which affects a material portion of the Common Elements or any Sub-Unit in which an interest is held by the Eligible Mortgagee;

(b) any delinquency in the payment of Assessments which remains uncured for sixty (60) days by a Sub-Unit Owner whose Sub-Unit is encumbered by a First Mortgage held by such Eligible Mortgagee;

(c) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) any proposed action which would require the consent of Eligible Mortgagees as set forth in this Article; and

(e) any material judgment rendered against the Association.

16.03 Consent Required.

Notwithstanding anything to the contrary contained in this Declaration or the Bylaws, the Association may not take any of the following actions without the consent of Eligible Mortgagees (as defined in Section 16.02) upon Sub-Units to which at least sixty-seven percent (67%) or more of the votes of Sub-Units subject to First Mortgages held by such Eligible Mortgagees (based on the Interest in General Common Elements attributable to each Sub-Unit covered by a First Mortgage held by an Eligible Mortgagee):

(a) by act or omission seek to abandon or terminate the Condominium Project, except after condemnation or substantial casualty;

(b) except as provided herein for condemnation, casualty and the exercise of Special Declarant Rights, change the Interests in General Common Elements, Shares of Common Expenses or votes in the Association of any Sub-Unit;

(c) subdivide, partition, or relocate the boundaries of any Sub-Unit, except as permitted with respect to Special Declarant Rights;

(d) abandon, subdivide, partition, encumber, sell, or transfer the Common Elements (the granting of easements for public utilities or for other purposes provided for in this Declaration shall not be deemed transfers);

(e) use property insurance proceeds for losses to any portion of the Common Elements for other than repair, replacement, or reconstruction of such Common Elements, except as provided by this Declaration;

(f) change the purposes for which the Sub-Units or the Common Elements are restricted;

(g) amend or add any material provision which provides for, govern or regulate any of the following: (i) increases in assessments by more than 25% for the first three (3) calendar years after the end of the Declarant Control Period (as defined in Section 6.03), and thereafter 10%, of the previously annually assessed amounts, assessment liens or subordination of such lien; (ii) reserves for maintenance, repair and replacement of the Common Elements (including but not limited to reductions); (iii) insurance or fidelity bonds; (iv) rights to use of the common elements; (v) responsibility for maintenance and repair of the Condominium Project; (vi) expansion or contraction of the Condominium Project, or the addition, annexation or withdrawal of property to or from the Condominium Project; (vii) leasing of Sub-Units; (viii) imposition of any right of first refusal or similar restriction on the right of the Sub-Unit Owner of a Sub-Unit to sell, transfer, or otherwise convey his or her Sub-Unit in the Condominium Project; (ix) the establishment of self-management by the Association without professional management; or (x) amend this Declaration or the Bylaws which are for the express benefit of Eligible Mortgagees.

(h) merge the Condominium Project with any other common interest community.

16.04 Notice of Objection.

Unless a First Mortgagee provides the Association with written notice of its objection, if any, to any proposed amendment or action requiring the approval of First Mortgagees within thirty (30) days following the receipt of notice of such proposed amendment or action, the First Mortgagee will be deemed conclusively to have consented to or approved the proposed amendment or action.

16.05* First Mortgagee's Rights.

(a) First Mortgagees, jointly or singly, may pay taxes or other charges which are in default and which may or have become a charge against any of the Common Elements or Improvements thereon, and may pay overdue premiums on hazard insurance policies, for the Common Elements. First Mortgagees making such payment shall be owed immediate reimbursement from the Association.

(b) A First Mortgagee shall be entitled to cure any delinquency of the Sub-Unit Owner of a Sub-Unit encumbered by its First Mortgage in the payment of Assessments. In

that event, the First Mortgagee shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

16.06 Limitations on First Mortgagee's Rights.

No requirement for approval or consent by a First Mortgagee provided in this Article shall operate to:

- (a) deny or delegate control over the general administrative affairs of the Association by the Sub-Unit Owners or the Board of Directors;
- (b) prevent the Association or the Board of Directors from commencing, intervening and/or settling any legal proceeding; or
- (c) prevent any insurance trustee or the Association from receiving and distributing any insurance proceeds in accordance with the requirements of the Article XII above.

16.07 Declarant Rights.

No provision or requirement of this Article XVI shall apply to any Special Declarant Rights or other rights or options reserved to Declarant in this Declaration.

ARTICLE XVII
ENFORCEMENT AND REMEDIES

17.01 Enforcement.

- (a) Each provision of this Declaration with respect to the Association or the Common Elements shall be enforceable by Declarant or by any Sub-Unit Owner by a proceeding for injunctive relief.
- (b) Each provision of this Declaration with respect to a Sub-Unit Owner or a Sub-Unit shall be enforceable by Declarant or by the Association by:
 - (i) a proceeding for injunctive relief;
 - (ii) a suit or action to recover damages; or
 - (iii) in the discretion of the Association, for so long as any Sub-Unit Owner fails to comply with any such provisions, exclusion of such Sub-Unit Owner and its Guests from the use of any Common Elements and from participation in any Association affairs, including but not limited to Voting.

(c) In addition to the rights and remedies described in paragraph 17.01(b) above, if a Sub-Unit Owner fails to strictly perform or observe any covenant or condition to be performed or observed by such Sub-Unit Owner under this Declaration or any other Association Document, the Association shall have the following rights and remedies:

(i) The Association may, but is not obligated to, cure such failure to comply at the Sub-Unit Owner's sole cost and expense. If the Association cures any such failure to comply, the Sub-Unit Owner shall pay to the Association the amount of all costs incurred by the Association in connection therewith within thirty (30) days after the Sub-Unit Owner receives a written invoice therefor from the Association.

(ii) The Association may, after notice and an opportunity to be heard, fine the Sub-Unit Owner, as a Default Assessment, an amount not to exceed one month's installment of the General Assessment for each violation. The Sub-Unit Owner shall pay any such fine to the Association within thirty (30) days after the Sub-Unit Owner receives written invoice therefor from the Association.

(iii) With respect to a Sub-Unit Owner's failure to pay an installment of any Assessment, the Association may accelerate the due date for the payment of the full amount of the Assessment.

(iv) With respect to a Sub-Unit Owner's failure to pay one or more installment of any Assessment (including a General, Special or Default Assessment), the Association may publicly post at a location with the Condominium Project, the name of each Sub-Unit Owner is delinquent and the amount of any such delinquency.

(v) The Association shall have all other rights and remedies available to it under this Declaration, at law or in equity.

(d) All rights and remedies of the Association shall be cumulative and the exercise of one right or remedy shall not preclude the exercise of any other right or remedy.

17.02 Attorneys' Fees.

* In the event of any dispute under or with respect to this Declaration or any other Association Document, the prevailing party shall be entitled to recover from the non-prevailing party all of its costs and expenses in connection therewith, including, without limitation, the fees and disbursements of any attorneys, accountants, engineers, appraisers or other professionals engaged by the prevailing party.

17.03 Interest.

If a Sub-Unit Owner fails to pay to the Association any Assessment or other amount due to the Association as and when the same becomes due, the Sub-Unit Owner shall pay to the Association

interest on such unpaid amount at the rate of eighteen percent (18%) per annum, or such other rate as the Board of Directors may establish from time to time, from the due date of such unpaid amount until the date paid.

17.04 Right to Notice and Hearing.

Whenever an Association Document requires that an action be taken after "notice and hearing," the following procedure shall be observed. The party proposing to take the action (e.g., the Board of Directors or a committee or officer of the Association) shall give at least three (3) days' prior written notice of the proposed action to all Sub-Unit Owners whose interests would be significantly affected by the proposed action, as reasonably determined by the proposing party. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the party proposing to take the action, and all affected Sub-Unit Owners may give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the hearing to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. Any affected Sub-Unit Owner shall be notified of the decision in the same manner in which notice of the hearing was given. Any Sub-Unit Owner having a right to notice and hearing shall have the right to appeal to the Board of Directors from a decision of a proposing party other than the Board of Directors. Such right of appeal may be exercised within ten (10) days after a Sub-Unit Owner receives notice of the decision, by filing a written notice of appeal with the Board of Directors. The Board of Directors shall conduct a hearing within forty-five (45) days thereafter, giving the same notice and observing the same procedures as were required for the original hearing.

17.05 Non-Waiver.

Failure by Declarant, the Association or any Sub-Unit Owner to enforce any covenant, condition, restriction, reservation, easement, assessment, charge, lien or other provision of this Declaration or any other Association Document shall in no way be deemed to be a waiver of the right to do so thereafter.

17.06 Waiver of Jury.

TO THE MAXIMUM EXTENT PERMITTED BY LAW, DECLARANT AND THE ASSOCIATION AND EACH SUB-UNIT OWNER BY ACCEPTING A DEED TO A SUB-UNIT HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, CAUSE OF ACTION, CLAIM, DEMAND OR PROCEEDING ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS DECLARATION, THE OWNERSHIP OF A SUB-UNIT, OR IN ANY WAY CONNECTED WITH, RELATED TO OR INCIDENTAL TO THE DEALINGS OF DECLARANT, ASSOCIATION AND A SUB-UNIT OWNER OR SUB-UNIT OWNERS WITH RESPECT TO THIS DECLARATION OR ANY OTHER ASSOCIATION DOCUMENTS, OR THE TRANSACTIONS RELATED HERETO, OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING

IN CONTRACT, TORT, OR OTHERWISE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, DECLARANT, ASSOCIATION AND EACH SUB-UNIT OWNER HEREBY AGREE THAT ANY SUCH ACTION, CAUSE OF ACTION, CLAIM, DEMAND OR PROCEEDING SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY AND THAT DECLARANT, ASSOCIATION, OR A SUB-UNIT OWNER MAY FILE AN EXECUTED COPY OF THIS AGREEMENT WITH ANY COURT OR OTHER TRIBUNAL AS WRITTEN EVIDENCE OF THE CONSENT OF DECLARANT, ASSOCIATION AND EACH SUB-UNIT OWNER TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY. DECLARANT, ASSOCIATION, OR AND SUB-UNIT OWNER SHALL NOT SEEK TO CONSOLIDATE, BY COUNTER CLAIM OR OTHERWISE, ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

ARTICLE XVIII TERM AND AMENDMENTS

18.01 Term.

The covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth in this Declaration shall run with and bind the Subject Property until the Declaration is terminated pursuant to Section 18.02 below.

18.02 Termination.

Subject to the rights of Mortgagees under Article XVI above and subject to the requirements of the Block C2 Declaration, the Sub-Unit Owners may terminate the Condominium Project and this Declaration, by the vote of 100 percent of the votes allocated to all Sub-Units. If the necessary votes are obtained, the agreement of the Sub-Unit Owners to terminate the Condominium Project and this Declaration shall be evidenced by a termination agreement or ratification thereof, executed by the required number of Sub-Unit Owners in accordance with the Act. Upon recordation of the termination agreement in the Salt Lake County Records, the Condominium Project shall be terminated, this Declaration shall have no further force or effect, and the Association shall be dissolved. Notwithstanding the foregoing, the Sub-Unit Owners may not terminate the Condominium Project during the Declarant Control Period without Declarant's prior written consent, which consent Declarant may withhold in its sole discretion.

18.03 Amendments.

Except as otherwise expressly provided in this Declaration, the Block C2 Declaration, or the Act, and except for provisions of this Declaration regarding the rights and obligations of Declarant, which may not be amended without Declarant's prior written consent, and subject to the rights of Mortgagees under Article XVI above, Sub-Unit Owners may amend any provision of this Declaration at any time by a vote of at least sixty-seven percent (67%) of the votes allocated to all Sub-Units; provided, however that a vote of at least eighty percent (80%) of the votes allocated to all Sub-Units shall be required to prohibit the rental of Condominium Sub-Units. If the necessary

votes and consent are obtained, the Association shall cause an amendment to the Declaration to be Recorded in the Salt Lake County Records. Notwithstanding the foregoing, the Sub-Unit Owners may not amend this Declaration during the Declarant Control Period without Declarant's prior written consent, which consent Declarant may withhold in its sole discretion.

ARTICLE XIX MISCELLANEOUS

19.01 Interpretation of the Declaration.

Except for judicial construction, the Association, by its Board of Directors, shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefitted or bound by the covenants and the provisions hereof.

19.02 Severability.

Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity and enforceability of any other provision hereof.

19.03 Disclaimer of Representations.

Notwithstanding anything to the contrary contained in this Declaration, Declarant makes no warranties or representations whatsoever that the plan presently envisioned for the complete development of the Condominium Project can or will be carried out or that any land now owned or hereafter acquired by Declarant is or will be subject to this Declaration, or that any such land, whether or not it has been subjected to this Declaration, is or will be committed to or developed for a particular use, that such use will continue in effect.

19.04 Reference to Declaration and Deeds.

Deeds to and instruments affecting any Sub-Unit or any other part of the Condominium Project may contain the provisions set forth herein by reference to this Declaration, but regardless of whether any such reference is made in any deed or instrument, each and all of the covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth herein shall be binding upon the grantee-owner or other person claiming through any deed or other instrument and his heirs, executors, administrators, successors and assigns.

19.05 Successors and Assigns of Declarant.

Any reference in this Declaration to Declarant shall include any successors or assignees of Declarant's rights and powers hereunder on the condition that Declarant's rights and powers may only be assigned by a written recorded instrument expressly assigning such rights and powers.

19.06 Captions and Titles.

All captions and titles of headings of Articles and Sections in this Declaration are for the purpose of reference and convenience and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.

19.07 Exhibits.

All exhibits attached to this Declaration are a part of, and are incorporated into, this Declaration.

19.08 Governing Law.

This Declaration shall be governed by and construed in accordance with Utah law.

19.09 Notices.

All Sub-Unit Owners of each Sub-Unit shall have one and the same registered mailing address to be used by the Association or other Sub-Unit Owners for notices, demands, and all other communications regarding Association matters. The Sub-Unit Owner or the representative of the Sub-Unit Owners of a Sub-Unit shall furnish such registered address to the secretary of the Association within ten (10) days after transfer of title to the Sub-Unit to such Sub-Unit Owner or Sub-Unit Owners. Such registration shall be in written form and signed by all of the Sub-Unit Owners of the Sub-Unit or by such persons as are authorized to represent the interests of all Sub-Unit Owners of the Sub-Unit. If no address is registered or if all of the Sub-Unit Owners cannot agree, then the address of the Sub-Unit shall be deemed their registered address of the Sub-Unit Owner(s), and any notice shall be deemed duly given if delivered to the Sub-Unit. All notices and demands intended to be served upon the Association shall be sent to the following address or such other address as the Association may designate from time to time by notice to the Sub-Unit Owner(s):

The Parc at Gateway Condominium Association
c/o Parc Gateway Partners
6440 South Wasatch Boulevard, Suite 100
Salt Lake City, Utah 84121

19.10 Waivers.

No waivers by the Association of any right of the Association shall constitute a waiver by the Gateway Master Declarant or the Project Association.

19.11 Service of Process.

The name and place of business of the person to receive service of process is as set forth in the Articles of Incorporation of the Association, and initially shall be Daniel C. Lofgren, whose place of business within Salt Lake County, Utah is 6440 South Wasatch Boulevard, Suite 100, Salt Lake City, Utah 84121.

19.12 Priority of Gateway Master Documents.

This Declaration and the other Association Documents shall be subject and subordinate to the Gateway Master Documents and the Project Documents. If there is any conflict or inconsistency between the terms and conditions of this Declaration or any of the other Association Documents and the terms and conditions of the Gateway Master Documents or the Project Documents, the terms and conditions of the Gateway Master Documents or the Project Documents, respectively, shall control; provided, however, that any limitations included in the Gateway Master Documents with respect to limiting construction activity during specific months shall be inapplicable with respect to the initial construction of the Parc Tower or the reconstruction of the same in the event of casualty. The terms and conditions of this Section may not be amended or deleted without the prior written consent of the Gateway Master Declarant or the Project Association.

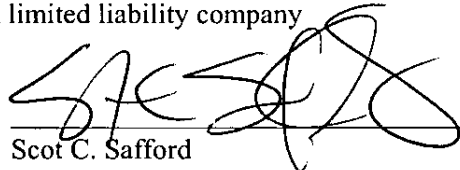
Declarant has caused its name to be signed by the signature of a duly authorized officer as of the day and year first written above.

PARC GATEWAY PARTNERS, L.C., a Utah limited liability company, by its Manager:

PARC DEVELOPERS, L.C., a Utah limited liability company


By one of its Managers, Cowboy Partners, L.C., a Utah limited liability company

By:


Scot C. Safford
Vice-President

And by its remaining Manager, Boyer PG Manager, L.C., a Utah limited liability company

By:


Steven B. Ostler
Manager

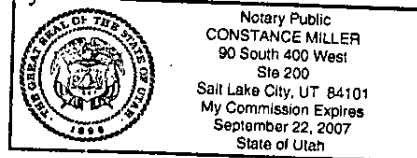
STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

Slot C. Safford

On this 4th day of August, 2004, before me personally appeared ~~Daniel C. Lofgren~~, who acknowledged himself to be the Manager of Cowboy Partners, L.C., a Utah limited liability company and a Manager of Parc Developers, L.C., a Utah limited liability company, the Manager of PARC GATEWAY PARTNERS, L.C., a Utah limited liability company, and being authorized to do so, he executed the foregoing instrument for the purposes therein contained, by signing the name of the company, by himself as such officer.

[NOTARY SEAL]

Constance Miller
Notary Public

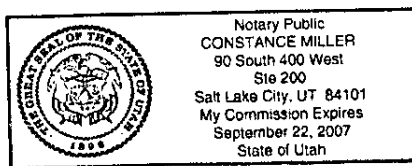


STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

On this 4th day of August, 2004, before me personally appeared Steven B. Ostler, who acknowledged himself to be a Manager of Boyer PG Manager, L.C., a Utah limited liability company and a Manager of Parc Developers, L.C., a Utah limited liability company, the Manager of PARC GATEWAY PARTNERS, L.C., a Utah limited liability company, and being authorized to do so, he executed the foregoing instrument for the purposes therein contained, by signing the name of the company, by himself as such officer.

[NOTARY SEAL]

Constance Miller
Notary Public



AGREEMENT AND CONSENT OF LIENHOLDER:

Corus Bank, N.A., as the holder of a lien affecting the above-referenced Subject Property, hereby agrees and consents to the submission of the Subject Property to the provisions of the Act pursuant to the terms of this Declaration.

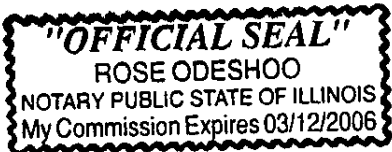
Dated this 10 day of August, 2004.

By: John R. Markowicz
Its: JOHN R. MARKOWICZ
SENIOR VICE PRESIDENT

ILLINOIS
STATE OF ~~UTAH~~)
COOK) ss.
COUNTY OF ~~SALT LAKE~~)

On this 10th day of August, 2004, before me personally appeared John R. Markowicz, who acknowledged himself to be the Senior Vice President of Corus Bank N.A., and being authorized to do so, he executed the foregoing instrument for the purposes therein contained, by signing the name of the company, by himself as such officer.

[NOTARY SEAL]



Rose Odeschoo
Notary Public

EXHIBIT A

(Attached to and forming a part of the Declaration of Condominium
for THE PARC AT GATEWAY CONDOMINIUM PROJECT)

Legal Description of the Land

The Subject Property referred to in the foregoing Declaration of Condominium is located in Salt Lake County, Utah, and is more particularly described as follows:

SCM Residential No.2 and Parking Unit Nos. 2, 4, and 7 contained within the Gateway Block C2 Condominium Project as the same is identified in the Record of Survey Map recorded in Salt Lake County, Utah, on December 27, 2000, as Entry No. 7788089 (as said Record of Survey Map shall have heretofore been amended or supplemented) and in the Declaration of Condominium for Gateway Block C2 Condominium Project, recorded in Salt Lake County, Utah, on December 18, 2000, as Entry No. 7788909, in Book 8410, beginning at page 8942, as amended by that certain Amended and Restated Declaration of Condominium, Gateway Block C-2, Condominium Project, dated April 19, 2001, and recorded in the offices of the Salt Lake County Recorder April 27, 2001, as Entry No. 7881709, in Book 8450, beginning at page 4843 (as said Declaration may have been further amended or supplemented). TOGETHER WITH the undivided ownership interest in said Project's Common Elements that is appurtenant to said Units as more particularly described in said Declaration.

LESS AND EXCEPTING the following Future Sub-Units as shown on the Plat of The Parc at Gateway Condominiums:

Unit 0101	Unit 0610	Unit 0810	Unit 1007	Unit 1204
Unit 0102	Unit 0611	Unit 0812	Unit 1010	Unit 1205
Unit 0103	Unit 0612	Unit 0814	Unit 1011	Unit 1206
Unit 0104	Unit 0615	Unit 0815	Unit 1012	Unit 1207
Unit 0105	Unit 0617	Unit 0816	Unit 1015	Unit 1211
Unit 0301	Unit 0601	Unit 0817	Unit 1016	Unit 1212
Unit 0302	Unit 0702	Unit 0818	Unit 1001	Unit 1214
Unit 0303	Unit 0707	Unit 0801	Unit 1102	Unit 1215
Unit 0306	Unit 0710	Unit 0902	Unit 1103	Unit 1216
Unit 0307	Unit 0711	Unit 0907	Unit 1104	Unit 1217
Unit 0308	Unit 0712	Unit 0910	Unit 1105	Unit 1218
Unit 0309	Unit 0717	Unit 0911	Unit 1106	Unit 1201
Unit 0310	Unit 0718	Unit 0912	Unit 1107	
Unit 0311	Unit 0701	Unit 0915	Unit 1111	
Unit 0507	Unit 0802	Unit 0916	Unit 1112	
Unit 0512	Unit 0803	Unit 0917	Unit 1115	
Unit 0514	Unit 0804	Unit 0918	Unit 1116	
Unit 0515	Unit 0805	Unit 0901	Unit 1117	
Unit 0517	Unit 0806	Unit 1002	Unit 1118	
Unit 0602	Unit 0807	Unit 1003	Unit 1101	
Unit 0608	Unit 0808	Unit 1006	Unit 1203	

EXHIBIT B

(Attached to and forming a part of the Declaration of Condominium
for THE PARC AT GATEWAY CONDOMINIUM PROJECT)

Bylaws

A copy of the Bylaws of the
THE PARC AT GATEWAY CONDOMINIUM ASSOCIATION
follows this cover sheet.

BYLAWS
OF
THE PARC AT GATEWAY CONDOMINIUM ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is **THE PARC AT GATEWAY CONDOMINIUM ASSOCIATION, INC.**, hereinafter referred to as the "Association". The principal office of the Corporation in the State of Utah shall be located at 6440 South Wasatch Blvd., Suite 100, Salt Lake City, Utah 84121, but meetings of Members and Directors may be held at such places within the State of Utah, County of Salt Lake, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 2.1 "Association", "Association of Sub-Unit Owners", or "Sub-Unit Owners Association" shall mean and refer to The Parc at Gateway Condominium Association, Inc., a Utah nonprofit corporation, its successors and assigns.

Section 2.2 "Board of Directors" or "Board" shall mean and refer to the individuals elected by the Declarant and/or Sub-Unit Owners to conduct and oversee the affairs of the Association and shall have the powers and duties as set forth in the Declaration, the Articles of Incorporation, and these Bylaws.

Section 2.3 "Common Elements" shall mean and refer to that part of the Subject Property which is not included within the Sub-Units and which is owned by the Association for the common use and enjoyment of the Sub-Owners, together with all improvements thereon and all easements appurtenant thereto including, but not limited to, private utility lines and personal property owned by the Association when the context so requires, and as more particularly described in the Declaration.

Section 2.4 "Declarant" shall mean and refer to Parc Gateway Partners, L.C., a Utah limited liability company, its successors and assigns, if such successors or assigns should acquire from the Declarant all of its rights and obligations of development.

Section 2.5 "Declaration" shall mean and refer to the Declaration of Condominium applicable to the Subject Property recorded in the Office of the Recorder of Salt Lake County, State of Utah, and amendments thereto.

Section 2.6 "Member" shall mean and refer to those persons entitled to Membership as provided in the Declaration.

Section 2.7 "Sub-Unit" means a physical portion of the Condominium Project that:

- (1) consists of one or more rooms or spaces located in one or more floors or parts of floors located in the Subject Property;

- (2) is designated for separate ownership and independent use; and
- (3) is designated as a Residential Sub-Unit or Sub-Unit on Exhibit C of this Declaration and on the Plat.

The walls, floors or ceilings are designated as boundaries of a Sub-Unit, and all paneling, tiles, wallpaper, painting, finished flooring and any other materials constituting any portion of the finished surfaces thereof are part of the Sub-Unit, and all other portions of the walls, floors and ceilings are part of the Common Elements; further provided that each garage door (including but not limited to the exterior surfaces thereof and any automatic garage door opener) for a garage located upon Level One and adjacent to Parking Unit No. 7, as designated in the Project Declaration, shall also constitute a part of the Residential Sub-Unit to which it is affixed.

Section 2.8 "Sub-Unit Owner" means the Person who is the record holder of legal title to the fee simple interest in any Condominium Sub-Unit as reflected in the Salt Lake County Records. If there is more than one record holder of legal title to a Condominium Sub-Unit, each record holder shall be a Sub-Unit Owner. The term "Sub-Unit Owner" includes Declarant to the extent that Declarant is the record holder of legal title to the fee simple interest in a Condominium Sub-Unit. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term "Sub-Unit Owner" shall not mean or include a mortgagee or a beneficiary or trustee under a deed of trust unless and until such Person has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

Section 2.9 "Subject Property" shall mean and refer to that certain real property described in the Declaration of Condominium (the "Declaration"), as amended, and such additions thereto as may hereafter be brought within the jurisdiction of the Association, referred to in the Declaration as the "Subject Property."

ARTICLE III **MEETING OF MEMBERS**

Section 3.1 Annual Meetings. Annual meetings of the Members shall be held on the second Tuesday of October each year commencing 2005, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o'clock, p.m. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 3.2 Special Meetings. Special meetings of the Members may be called by or at the request of the president or by the Board of Directors, or upon written request of the Members holding one-fourth (1/4) of the Interests in Common Elements.

Section 3.3 Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each Member entitled to vote thereafter addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 3.4 Quorum. The quorum required for any action by the Members hereunder, unless otherwise specifically set forth in the Declaration, shall be as follows: At each scheduled meeting called the presence of Members or of proxies entitled to cast fifty percent (50%) of all outstanding votes shall constitute a quorum. If a quorum is not present at a scheduled meeting, such meeting may be adjourned pending notice of subsequently scheduled meeting at which a quorum shall be one-half of the quorum which was required at the immediately preceding meeting. No such subsequently scheduled meeting shall be held less than ten (10) or more than forty-five (45) days following the immediately preceding meeting.

Section 3.5 Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Sub-Unit.

Section 3.6 Voting. Since a Sub-Unit Owner may be more than one person, if only one of such person(s) is present at a meeting of the Association that person shall be entitled to cast the votes appertaining to that Sub-Unit. But if more than one of such persons are present, the votes appertaining to that Sub-Unit shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if any one of them purports to cast the votes appertaining to that Sub-Unit without protest being made forthwith by any of the others to the person presiding over the meeting. The votes appurtenant to any one Sub-Unit may not be divided between Owners of such Sub-Unit or with respect to matters before the Association; all such votes appurtenant to any one Sub-Unit shall be voted in one block. If more than the allocated votes are cast for any particular Sub-Unit, none of such votes shall be counted and all of such votes shall be deemed null and void other than to determine whether a quorum exists.

Section 3.7 Action Taken Without a Meeting. The Members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of Members in accordance with the requirements of Utah Code Annotated, Section 16-6a-707. Any action so approved shall have the same effect as though taken at a meeting of the Members.

ARTICLE IV **BOARD OF DIRECTORS: SELECTION AND TERM OF OFFICE**

Section 4.1 Number. The affairs of the Association shall be managed by a Board of Directors of not less than five (5) individuals; provided, however, that until (i) the expiration of three (3) years from the date that the Declaration (exclusive of amendments or supplements) is recorded in the official records of the County Recorder of Salt Lake County, State of Utah, or such shorter period as the Declarant may determine in its sole discretion, or (ii) a date not later than one hundred twenty (120) days after the date upon which Units representing seventy-five percent (75%) of the total Interests in the General Common Elements have been conveyed to purchasers, (the "Declarant Control Period") Declarant shall have the exclusive right to appoint and remove all Directors and Officers. The Board of Directors may consist of one (1) individual selected by the Declarant. Sub-Unit Owners who permanently occupy their Sub-Unit shall be eligible for Board membership. In addition to individual Sub-Unit Owners, spouses of Sub-Unit Owners, Mortgagees (or designees of Mortgagees), partners of partnerships owning a Sub-Unit, managers or members of limited liability companies owning a Sub-Unit, and trustees or officers of corporations owning a Sub-Unit, shall be eligible for Membership on the Committee.

Section 4.2 Term of Office. Subject to the provisions of Section 4.1 above, at the first annual meeting, the Members shall elect five (5) of the Directors, two (2) for a term of one year and three (3) for a term of two (2) years, and at each annual meeting thereafter the Members shall elect the number of Directors whose terms are to expire for a term of two (2) years each.

Section 4.3 Removal. Any Director who is appointed by the Declarant may be removed by the Declarant. Other Directors may be removed, with or without cause, by a sixty-seven percent (67%) or greater vote allocated to the Sub-Units as provided in the Declaration. In the event of death, resignation or removal of a Director, his or her successor shall be selected in accordance with the provisions of the Declaration.

Section 4.4 Compensation. Board members shall be reimbursed for all expenses reasonably incurred in connection with Association business. The Board may fix such compensation for any member as may be reasonable in light of the Association duties which that member is required to perform.

Section 4.5 Action Taken Without a Meeting. The Board of Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Board members. Any action so approved shall have the same effect as though taken at a meeting of the Board of Directors.

ARTICLE V **NOMINATION AND ELECTION OF BOARD MEMBERS**

Section 5.1 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. If no Nominating Committee has been appointed by the Board, the Board shall serve in that capacity. Nominations may also be made from the floor at the annual meeting of Members. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two or more Members of the Association or if such Members do not exist or decline appointment, the Declarant. The Nominating Committee shall be appointed by the Board 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 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 among Members or non-Members.

Section 5.2 Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI **MEETINGS OF THE BOARD OF DIRECTORS**

Section 6.1 Regular Meetings. Regular meetings of the Board shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board

members. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 6.2 Special Meetings. Special meetings of the Board shall be held when called by the president of the Association, or by any two Board members after not less than three (3) days notice to each Board member.

Section 6.3 Quorum. A majority of the number of Board members shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Board members present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII **POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 7.1 Powers. The Board of Directors shall have power to:

(a) adopt and publish Rules and Regulations governing the use of the Common Elements and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities, if any, 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 not to exceed sixty (60) days for infraction of published rules and regulations;

(c) 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, the Articles of Incorporation, or the Declaration;

(d) 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

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 7.2 Duties. It shall be the duty of the Board of Directors to:

(a) retain by written contract, a professional manager (the "Manager") who shall be responsible for the routine operation of the Condominium Project, unless Sub-Unit Owners holding two thirds (2/3) or more of all votes allocated to Sub-Units agree to the contrary. Each contract for professional management shall be subject to termination by either party on not more than ninety (90) days advance written notice and without the payment of any penalty for such termination; however, if the professional management contract is with the Declarant or its affiliate, such contract may be terminated without cause at such time as the Members (other than the Declarant) take control of the Association. Each

Manager (or its principal broker) shall be a licensed real estate broker or property manager in the State of Utah;

(b) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by Members owning one-fourth (1/4) of the Interests in Common Elements;

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

(d) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Unit at least fifteen (15) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least fifteen (15) days in advance of each annual assessment period; and

(3) foreclose the lien against any Unit for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(e) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors 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;

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

(h) cause the Common Elements to be maintained; and

(i) maintain the books and financial records of the Association, and, cause to be prepared within one hundred twenty (120) days of the end of each fiscal year of the Association, an audited financial statement of the Association for the preceding fiscal year and to make the same available to the holder, insurer or guarantor of any first mortgage secured by a Sub-Unit upon submission of a written request for it.

Section 7.3 The Board of Directors may not act on behalf of the Association to:

(a) amend the Declaration;

(b) terminate the Association, the Declaration or the Condominium;

- (c) elect Directors to the Board of Directors; or
- (d) determine the qualifications, powers and duties, or terms of office, of Directors.

ARTICLE VIII **OFFICERS AND THEIR DUTIES**

Section 8.1 Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 8.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members. At the initial meeting, the Board of Directors shall elect a President, Vice President, and other officers as shall be deemed appropriate.

Section 8.3 Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year or such longer period as the Board shall designate, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 8.4 Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may, from time to time, determine.

Section 8.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time giving written notice to the Board of Directors, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.6 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 8.7 Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 8.4 of this Article.

Section 8.8 Duties. The duties of the officers are as follows:

President The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors.

Secretary The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; if the Board deems appropriate, cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX **COMMITTEES**

The Board of Directors, may if it elects appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE XI **ASSESSMENTS**

As more fully provided in the Declaration, each Member is obligated to pay to the Association general, special, utility, and default assessments and other charges which are and will be 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 of delinquency at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the Sub-Unit Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Sub-Unit Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Sub-Unit.

ARTICLE XII **CORPORATE SEAL**

The Association may obtain a seal, in such form as the Association may elect, having the name of the corporation, the year of incorporation, and the words "Corporate Seal".

ARTICLE XIII
AMENDMENTS

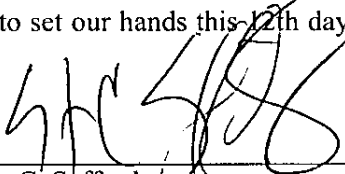
Section 13.1 These Bylaws may be amended, at a regular or special meeting of the Members, by Members holding two-thirds (2/3) of the Interests in Common Elements, in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments until such time as Units to which an aggregate of at least three-fourths (3/4) of the Interests in Common Elements than appurtenant to the Project have been conveyed by the Declarant to Unit purchasers.

Section 13.2 In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the Directors of THE PARK AT GATEWAY CONDOMINIUM ASSOCIATION, INC., have hereunto set our hands this 12th day of August, 2004.



Scot C. Safford (*print name*)

EXHIBIT C

(Attached to and forming a part of the Declaration of Condominium
for THE PARC AT GATEWAY CONDOMINIUM PROJECT)

Interest in General Common Elements

Total Units:		Parking Spaces		Storage Spaces		Total sf:	2,000.000000	100.00%
56						50,097		
#	Unit No.			Sq. Ft.		Par Value	Interest in Common Area	
1								0.00%
2								0.00%
3								0.00%
4								0.00%
5								0.00%
6	201	C1-6	S-001	1,303		43.866684		2.19%
7								0.00%
8								0.00%
9								0.00%
10	304	C1-92	S-078	1,041		38.636830		1.93%
11	305	C1-14	S-080	467		27.179058		1.36%
12								0.00%
13								0.00%
14								0.00%
15								0.00%
16								0.00%
17								0.00%
18	312	C1-122	S-102	1,095		39.714739		1.99%
19	502	C1-129, C1-130	S-128	1,275		43.307769		2.17%
20	503	C2-20	S-146	644		30.712204		1.54%
21	504	C2-94, C2-95	S-007	864		35.103685		1.76%
22	505	C2-92, C2-93	S-008	864		35.103685		1.76%
23	506	C2-96	S-062	643		30.692243		1.53%
24								0.00%
25	508	C1-150-C1-151	S-123	1,064		39.095940		1.95%
26	511	C2-13, C2-14	S-111	1,091		39.634894		1.99%
27								0.00%
28								0.00%
29								0.00%
30	516	C1-15	S-092	694		31.710268		1.59%
31								0.00%
32	518	C1-115	S-029	696		31.750190		1.59%
33	501	C2-31, C2-32	S-121	1,070		39.215707		1.96%
34								0.00%
35	603	C2-102	S-063	628		30.392824		1.52%
36	604	C2-100, C2-101	S-009	861		35.043801		1.75%
37	605	C1-44, C1-43	S-017	861		35.043801		1.75%
38	606	C2-29	S-066	643		30.692243		1.53%

39	607	C1-157, C1-156	S-039	1,285	43.507381	2.18%
40						0.00%
41	609	C1-109	S-041	681	31.450771	1.57%
42						0.00%
43						0.00%
44						0.00%
45	614	C1-148, C1-149	S-129	1,074	39.295552	1.96%
46						0.00%
47	616	C1-143	S-097	694	31.710268	1.59%
48						0.00%
49	618	C1-141	S-104	696	31.750190	1.59%
50						0.00%
51						0.00%
52	703	C2-19	S-002	628	30.392824	1.52%
53	704	C1-144, C1-145	S-082	861	35.043801	1.75%
54	705	C1-120, C1-121	S-069	861	35.043801	1.75%
55	706	C2-97	S-067	643	30.692243	1.53%
56						0.00%
57	708	C1-23, C1-24	S-117	1,069	39.195746	1.96%
58	709	C1-161	S-042	681	31.450771	1.57%
59						0.00%
60						0.00%
61						0.00%
62	714	C2-90, C2-91	S-125	1,074	39.295552	1.96%
63	715	C1-110, C1-111	S-108	1,067	39.155823	1.96%
64	716	C1-112	S-074	694	31.710268	1.59%
65						0.00%
66						0.00%
67						0.00%
68						0.00%
69						0.00%
70						0.00%
71						0.00%
72						0.00%
73						0.00%
74						0.00%
75	809	C1-8	S-043	681	31.450771	1.57%
76						0.00%
77	811	C1-20, C1-21	S-133	1091	39.627506	1.99%
78						0.00%
79						0.00%
80						0.00%
81						0.00%
82						0.00%
83						0.00%
84						0.00%
85						0.00%
86	903	C2-16	S-005	628	30.392824	1.52%
87	904	C1-131, C1-132	S-145	861	35.043801	1.75%

88	905	C1-138, C1-139	S-144	861	35.043801	1.75%
89	906	C2-15	S-006	643	30.692243	1.53%
90						0.00%
91	908	C1-152, C1-153	S-107	1,069	39.195746	1.96%
92	909	C1-35	S-050	681	31.450771	1.57%
93						0.00%
94						0.00%
95						0.00%
96	914	C1-98, C1-99	S-120	1,074	39.295552	1.96%
97						0.00%
98						0.00%
99						0.00%
100						0.00%
101						0.00%
102						0.00%
103						0.00%
104	1004	C1-113, C1-114	S-047	861	35.043801	1.75%
105	1005	C1-17, C1-18	S-048	861	35.043801	1.75%
106						0.00%
107						0.00%
108	1008	C1-116, C1-117	S-096	1,069	39.195746	1.96%
109	1009	C1-6	S-051	681	31.450771	1.57%
110						0.00%
111						0.00%
112						0.00%
113	1014	C1-87, C1-88	S-110	1,074	39.295552	1.96%
114						0.00%
115						0.00%
116	1017	C1-89	S-076	700	31.830035	1.59%
117	1018	C1-25	S-142	696	31.750190	1.59%
118						0.00%
119						0.00%
120						0.00%
121						0.00%
122						0.00%
123						0.00%
124						0.00%
125	1108	C2-42, C2-84	S-100	1,069	39.195746	1.96%
126	1109	C1-58	S-052	681	31.450771	1.57%
127	1110	C1-28, C1-29	S-037	1,461	47.020566	2.35%
128						0.00%
129						0.00%
130	1114	C1-154, C1-155	S-046	1,074	39.295552	1.96%
131						0.00%
132						0.00%
133						0.00%
134						0.00%
135						0.00%

136	1202	C2-73, C2-74	S-024	1,275	43.307769	2.17%
137						0.00%
138						0.00%
139						0.00%
140						0.00%
141						0.00%
142	1208	C1-127, C1-128	S-033	1,069	39.195746	1.96%
143	1209	C2-52	S-091	681	31.450771	1.57%
144	1210	C1-55, C1-95	S-055	1,461	47.020566	2.35%
145						0.00%
146						0.00%
147						0.00%
148						0.00%
149						0.00%
150						0.00%
151						0.00%
152						0.00%

2,000.000000

NOTE: Parking Spaces may be assigned by later Supplement to this Declaration.
Storage Spaces may be assigned by later Supplement to this Declaration.

EXHIBIT D

(Attached to and forming a part of the Declaration of Condominium
for THE PARC AT GATEWAY CONDOMINIUM PROJECT)

Additional Land

Future Sub-Units as Shown on the Plat

Unit 0101	Unit 0803	Unit 1104
Unit 0102	Unit 0804	Unit 1105
Unit 0103	Unit 0805	Unit 1106
Unit 0104	Unit 0806	Unit 1107
Unit 0105	Unit 0807	Unit 1111
Unit 0301	Unit 0808	Unit 1112
Unit 0302	Unit 0810	Unit 1115
Unit 0303	Unit 0812	Unit 1116
Unit 0306	Unit 0814	Unit 1117
Unit 0307	Unit 0815	Unit 1118
Unit 0308	Unit 0816	Unit 1101
Unit 0309	Unit 0817	Unit 1203
Unit 0310	Unit 0818	Unit 1204
Unit 0311	Unit 0801	Unit 1205
Unit 0507	Unit 0902	Unit 1206
Unit 0512	Unit 0907	Unit 1207
Unit 0514	Unit 0910	Unit 1211
Unit 0515	Unit 0911	Unit 1212
Unit 0517	Unit 0912	Unit 1214
Unit 0602	Unit 0915	Unit 1215
Unit 0608	Unit 0916	Unit 1216
Unit 0610	Unit 0917	Unit 1217
Unit 0611	Unit 0918	Unit 1218
Unit 0612	Unit 0901	Unit 1201
Unit 0615	Unit 1002	
Unit 0617	Unit 1003	
Unit 0601	Unit 1006	
Unit 0702	Unit 1007	
Unit 0707	Unit 1010	
Unit 0710	Unit 1011	
Unit 0711	Unit 1012	
Unit 0712	Unit 1015	
Unit 0717	Unit 1016	
Unit 0718	Unit 1001	
Unit 0701	Unit 1102	
Unit 0802	Unit 1103	