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(CORRECTED)

AMENDED AND RESTATED

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS**

FOR

LIBRARY SQUARE CONDOMINIUMS

Utah Residential Condominium Project

Salt Lake County, Utah

October 15, 2004

NOTE TO SALT LAKE COUNTY, UTAH RECORDER:

THE LEGAL DESCRIPTION OF THE PARCEL OF REAL PROPERTY AFFECTED BY THIS INSTRUMENT
IS SET FORTH IN EXHIBIT A.

CDCLibrarySquare/ccrv8/040802

BK 9049 PG 379

LEGAL DESCRIPTION
NOT ATTACHED
CO RECORDER

AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
LIBRARY SQUARE CONDOMINIUMS

This AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, hereinafter referred to as "Declaration", is made and executed in Salt Lake County, State of Utah, this 12th day of October, 2004, by MORTENSEN COURT CONDOMINIUMS, LC, designated and referred to hereinafter as "Declarant," pursuant to the provisions of the Utah Condominium Ownership Act, Sections 57-8-1 through 57-8-37, Utah Code Annotated (1953 as amended).

This Declaration is made for the purpose of amending and restating in its entirety that certain Declaration of Covenants, Conditions, Restrictions for Library Square Condominiums as recorded by the Salt Lake County Recorder on August 5, 2004, File No. 9138684, Book No. 9022, Pgs. 6745-6782 (the "Original Declaration"). The primary purpose for the recording of this amended and restated Declaration is to provide owners and prospective owners of condominium units within Library Square Condominiums with greater access to various government lending programs.

This amended and restated Declaration is made and recorded by Declarant pursuant to Section 13.1 of the Original Declaration.

WITNESSETH

WHEREAS, Declarant is the owner of certain real property located at 226 East 500 South, Salt Lake City, Salt Lake County, State of Utah, and more particularly described as set forth on **Exhibit "A"** attached hereto and incorporated by reference (the "Property").

WHEREAS, the Property is, or will be, so constructed as to contain separate individual units and certain other improvements heretofore constructed or hereafter to be constructed upon the Property which shall constitute a condominium project, known as Library Square Condominiums (the "Project"), under the terms of the provisions of the Utah Condominium Ownership Act (Title 57, Chapter 8, Utah Code Annotated, 1953), hereinafter referred to as the "act" or "Act", and it is the desire and the intention of the Declarant to develop the Project into condominiums and to sell and convey the individual units together with undivided ownership interests in the common areas and facilities to various purchasers subject to the covenants, conditions and restrictions herein reserved to be kept and observed; and

WHEREAS, Declarant has prepared, under the supervision of John W. Francom & Associates Land Surveyors, and previously filed, a Registered Utah Land Surveyor, a record of

survey map of the Library Square Condominiums, hereinafter referred to as "plat" or "Plat" which document is not modified or amended herein;

WHEREAS, Declarant desires and intends by filing this Amended and Restated Declaration to submit the Property and the buildings and other improvements constructed thereon together with all appurtenances thereto, to the provisions of the Act as a contractible condominium project and to impose upon the Property mutually beneficial restrictions under a general rule of improvement for the benefit of all of the said condominium units and the owners thereof;

WHEREAS, Declarant desires to record with this Amended and Restated Declaration, a true copy of the Articles of Incorporation and initial Bylaws of the Library Square Condominiums Owners' Association, Inc.;

WHEREAS, The Declarant desires to fully comply with the regulations and policies of the U.S. Department of Housing and Urban Development in seeking project approval qualifying the Project for various governmental financing programs, including, but not limited to, FHA, VA, FNMA and FHLMC lending programs;

WHEREAS, in Section 13.1 of the Original Declaration recorded by the Salt Lake County Recorder on August 5, 2004, File No. 9138684, Book No. 9022, Pgs. 6745-6782, the Declarant reserves the right to subsequently amend the Covenants, Conditions and Restrictions; and

WHEREAS, Declarant now desires to so amend and restate, the Covenants, Conditions and Restrictions for Library Square Condominiums.

NOW, THEREFORE, Effective as of the recording date hereof, the Original Declaration is released and terminated in full and the Declarant does hereby publish and declare that all of the Property is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the Act and the following covenants, conditions, restrictions, uses, limitations and obligations all of which are declared and agreed to be in furtherance of a plan for the improvement of the Property and the division thereof into condominiums and shall be deemed to run with the land and shall be a burden and a benefit to Declarant, its successors and assigns and any person or persons acquiring or owning an interest in the Property and improvements, their grantees, successors, heirs, executors, administrators, devisees, assigns, tenants, employees, and any other person who may in any manner use the Property or any part thereof.

ARTICLE 1 **Definitions**

All terms of art used in this Declaration (including the recitals and attachments thereto) shall have the meanings as defined in the Act; and, specifically for clarification, the following terms shall have the meaning indicated:

1.1. “Act” or “act” shall mean the Utah Condominium Ownership Act (Title 57, Chapter 8, Utah Code Annotated, 1953 as amended).

1.2. “Association” shall mean the **Library Square Condominiums Owners’ Association, Inc., a Utah nonprofit corporation.**

1.3. “Board” or “Board of Trustees” shall mean the Board of Trustees of the Association.

1.4. “Building” shall mean the Buildings containing the Units and comprising a part of the Property.

1.5. “Common Areas” shall mean:

1.5.1. Area. The Property, excepting those areas of the Property designated as Units and Limited Common Area.

1.5.2. Structural Elements and Common Areas. The foundations, columns, girders, beams, supports, main walls (including any bearing walls, even if the bearing wall is located within the interior of a Unit, and including common walls, floors and ceilings between Units or between a Unit and any part of the Property shown on the Map as being used in common or as Common Areas, other than the interior surfaces of such common elements, which interior surfaces form part of the Unit), floors, ceilings, exterior windows, exterior doors (excluding only partitions within any individual Unit and the interior surface of the walls, floors, ceilings, windows and doors forming the perimeter boundaries of each unit), roofs, halls, corridors, lobbies, common stairs, common stairways, common elevators and lifts, breezeways, courtyards, fire escapes, entrances and exits of the Building;

1.5.3. Landscaping and Parking Areas. The yards, gardens, outdoor lighting, fences, landscaping and sidewalks, and Parking Area provided for the use in common by the Unit Owners;

1.5.4. Janitorial Areas. The areas used for storage of janitorial supplies and maintenance equipment and materials;

1.5.5. Central Services and Equipment. Installations of central services such as power, light, gas, telephone, hot and cold water, heating, refrigerators, air fans, compressors, ducts, elevators, lifts, and in general all apparatus and installations, if any, existing for common use; any utility pipes, connections, lines or systems servicing more than a single Unit and all ducts, flues, chutes, wires, conduits and other accessories and utility installations to the outlets used therewith. Also, pipes, sprinklers, wires, ducts, flues, cables, conduits, public utility lines, transformers and switch gear vaults, electrical power lines, boxes and connections, natural gas lines, meters and connections, elevators, satellite dishes and feeds, telephone and cable television

connections and lines, sewer lines, storm drainage lines and systems, trash bins, trash chutes, and storage facilities and equipment, and other common connections to necessary utilities and services;

1.5.6. Community Facilities. Such community facilities as may be provided for in this Declaration or as a part of the Property;

1.5.7. General. All other parts of the Property necessary or convenient to its existence, maintenance and safety or normally in common use, including all parts of the Property other than the Units and the Limited Common Areas. Unless otherwise specifically provided in this Declaration, the Common Areas do not include the Units.

1.6. "Common Expense(s)" shall mean and includes:

1.6.1. Assessments. All sums lawfully assessed to the Owners for the operation, maintenance and use of the Common Areas by the Association in accordance with the provisions of the Act, this Declaration, the Bylaws or otherwise;

1.6.2. Operating Expenses and Reserves. Expenses of operation (including utilities and services), management, maintenance, repair or replacement of the Common Areas and Facilities and the Limited Common Areas, including a reasonable reserve for the periodic maintenance, repair and replacement of the Common Areas and the Limited Common Areas.

1.6.3. Insurance Premiums. Premiums for the insurance obtained for the Property as provided herein;

1.6.4. Other Expenses. Any other costs, expenses or fees properly declared Common Expenses by this Declaration, the Association or the Owners; and

1.6.5. Unrecovered Expenses. Common Expenses due but not paid to the Association which are determined by the Association not to be legally or practicably recoverable (after reasonable effort) from the responsible Owner, together with all interest on, and costs and attorneys fees incurred in connection with such unpaid Common Expenses.

1.7. "Declarant" shall mean Mortensen Court Condominiums, LC, or its successors and assigns to the rights and obligations of Declarant under this Declaration.

1.8. "Declaration" shall mean and refer to this Amended and Restated Declaration of Covenants, Conditions and Restrictions, and all amendments thereto.

1.9. "Eligible Holder" shall mean a holder, insurer or guarantor of a first mortgage on a Unit in which has requested notice in accordance with the provisions of Section 14.2.1.

1.10. “Emergency Repairs” shall mean any repairs which if not made in a timely manner will likely result in immediate and substantial damage to any Common Areas or to another Unit or Units.

1.11. “Governing Documents” shall mean the Act, this Declaration, the Plat, and the Articles of Incorporation, Bylaws and Rules and Regulations of Library Square Condominiums Owners’ Association, Inc.

1.12. “Live-Work Unit” shall mean a Unit which has been designated for combined uses to include restricted business uses as authorized in this Declaration as well as a residential living Unit as provided herein.

1.13. “Limited Common Areas” shall mean those portions of the Property reserved for the use, and in some instances maintenance, by a specific Unit, to the exclusion of other Units, including, but not by way of limitation, the storage areas, decks, terraces, balconies and/or patios that are immediately adjacent to and contiguous with certain Units, the parking spaces assigned to certain Units, and Units 105 and 106 designated on the Plat which are not dwelling Units but private parking garages.

1.14. “Mortgage” shall mean any mortgage, installment land purchase contract, deed of trust, or other security instrument by which a Unit or any part thereof is encumbered.

1.15. “Mortgagee” shall mean a beneficiary under or holder of a trust deed or seller under an installment land purchase contract as well as a mortgagee.

1.16. “Owner” shall mean the person or persons owning each Unit in fee simple, as shown on the Official Records, including any purchaser of a Unit under a long term installment sales contract. Declarant shall be deemed to be the Owner of each Unit that is created by the recording of the Plat and that has not yet been conveyed by Declarant. However, the term “Owner” does not mean a person obligated to purchase a Unit pursuant to a purchase agreement.

1.17. “Official Records” shall mean the official records of the County Recorder, Salt Lake County, Utah.

1.18. “Parking Area” shall mean the parking spaces as shown on the Plat, which comprise Limited Common Areas and which are utilized with and assigned to a Unit.

1.19. “Person” shall mean and include a legal entity as well as a natural person.

1.20. “Plat” or “plat” shall mean the Record of Survey Map Recorded in the Official Records concurrently with the recordation of this Declaration, entitled **Record of Survey Map of Library Square Condominiums, a Utah Residential Condominium Project** and any and all supplements and amendments thereto.

1.21. “Property” shall mean the real property described at Exhibit A, the Building and all other fixtures, structures and improvements constructed on the Property on or after the date of this Declaration and all easements, rights and appurtenances belonging thereto, and all articles of personal property (other than personal property owned by Owners) intended for use in connection with the Property, the Building or any other structures or improvements on the Property. By filing of the Plat and this Declaration, the Property is subdivided into the Units, the Common Areas, and the Limited Common Areas.

1.22. “Record” shall mean to file or record with the office of the County Recorder of Salt Lake County, State of Utah.

1.23. “Transferable Limited Common Area” shall mean those Limited Common Areas described herein which may be transferred between Owners under the conditions of this Declaration.

1.24. “Unit” shall mean the element of a condominium, and in particular the condominium constructed on the Property, which is independently owned, encumbered, or conveyed but not owned in common with the Owners of other condominiums in the Project as shown on the Plat, including those Units designated as Live-Work Units. The boundary lines of each Unit are the interior surfaces of its perimeter walls, bearing walls, floors, ceilings, all windows and window frames, doors, overhead doors, door frames, and trim and includes both the portions of the Building and grounds and improvements so described as a Unit, or as a part of a Unit, and the space so encompassed. A Unit may include portions of Limited Common Areas specifically assigned to and constituting a part of the Unit, including Parking Spaces. Notwithstanding their designation as Units, Units 105 and 106 are comprised of private parking garages and not dwelling units.

ARTICLE 2 Project Description

2.1 Name. The Project, as submitted to the provisions of the Act, shall be known as **Library Square Condominiums**.

2.2 Description of Project. The Project consists of the construction of residential Units and Live-Work Units on the Property which includes the Units, Limited Common Areas and Common Areas.

2.3 Ownership. The Project is hereby divided into the Units as described and as shown on the Plat recorded concurrently herewith, which Units, together with their appurtenant interests in the Common Areas and Limited Common Areas, shall constitute separate freehold estates for all purposes provided by this Declaration.

2.4 Use. The Units are intended and shall be utilized solely for residential purposes, except those Units designated in the Plat as Live-Work Units and except for Units 105 and 106 which may be used only for private parking garages. Live-Work Units shall be allowed restricted business uses described in this Declaration.

2.5 Division of Property. The Property is hereby divided into condominium units, each such condominium unit consisting of a Unit, and an appurtenant undivided interest in all Common Areas, and in such Limited Common Areas as may be designated for the Unit. The Common Areas shall remain undivided and no Unit Owner or any other person shall bring any action for partition or division of any part thereof unless the Property has been removed from the provisions of the Act.

ARTICLE 3 **Units**

3.1 Designation of Units. The building and the Units therein, the Unit numbers and their location are indicated on the Plat and on Exhibit B which is expressly incorporated herein by reference. Units 105 and 106 are herein limited for use as private parking garages to be owned solely by Owners of dwelling Units.

3.2 Initial Sales of Units. Original sales of Units by Declarant shall be restricted to at least 51% or more owner-occupied Units.

3.3 Exclusive Ownership and Possession by Owner. Each Owner shall be entitled to exclusive ownership and possession of their Unit, subject to the rights of the Association and other Owners in any Common Area which runs through, affects, or is affected by the Unit. Each Owner shall be entitled, for each Unit owned, to an undivided interest in the Common Areas in the percentage expressed in Exhibit B of this Declaration, subject to the provisions of the Governing Documents as they relate to said common areas. Accordingly, appurtenant to the ownership of each Unit, each Unit Owner shall have the perpetual right of ingress and egress to and from each Unit owned by such Owner. The percentage of the undivided interest of each Owner in the Common Areas as expressed in Exhibit B shall have a permanent character and shall not be altered without the consent of all Owners expressed in an amendment to this Declaration duly recorded. Each Owner may use the Common Areas in accordance with the purposes for which they are intended, without hindering or encroaching upon the lawful rights of other Owners. An Owner shall not be deemed to own the utilities running through their Unit or fixtures or appliances which are utilized for, or serve more than one Unit. Each Unit which is assigned Limited Common Area, as set forth on the Plat and at Exhibit B, shall have the sole use, possession and enjoyment of such Limited Common Area in connection with the Unit, subject to the rights of the Association to perform required maintenance and repairs and to perform maintenance and repairs not performed by the Owner of the Unit.

3.4 Conveyance. Each Unit shall for all purposes constitute real property, shall have

the same incidents as real property, may be individually conveyed, leased, encumbered, inherited or devised by will and shall be subject to all types of juridic acts *inter vivos* or *motis causa* as if it were entirely independent of all other Units, and the corresponding individual titles and interests in each Unit shall be recordable. The percentage of the undivided interest in the Common Areas and the Limited Common Areas, together with the associated perpetual right of ingress and egress, shall not be separated from the Unit to which it appertains and shall be deemed to be conveyed or encumbered or released from liens from the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument; provided, however, that a transfer by an Owner to the Association of their undivided interest in the Common Areas or Limited Common Areas shall not be deemed a violation of the provisions of this paragraph. Notwithstanding the designation of Units 105 and 106 as Units, pursuant to this Declaration they will be considered Limited Common Area, assigned to a Unit and owned solely by a Unit Owner.

3.5 Encumbrance. Any Unit may be held and owned by more than one person as joint tenants, as tenants in common or in any other real property tenancy relationship recognized under the laws of the State of Utah. Each Owner may separately mortgage or otherwise encumber such Owner's Unit, provided that each mortgage of a Unit shall be subordinate to this Declaration. No Owner may mortgage or otherwise encumber Common Areas, except to the extent of the undivided interest appurtenant to such Owner's Unit.

3.6 Improvement of Units. An Owner shall be deemed to own and shall have the exclusive right to paint, repair, tile, wax, paper, carpet or otherwise refinish or decorate the inner surfaces of the walls, floors, ceiling, windows and doors bounding their Unit, subject to the rules and regulations of the Association as set forth in this Declaration, or as adopted in Bylaws or other rules by the Association.

3.7 Structural Integrity. No Owner shall interfere with facilities necessary for the support or structural integrity of any part of the Property or any Building or other improvement thereon.

3.8 No Impairment. No Owner shall do any work or make any alterations or changes which would jeopardize the soundness or safety or the Property, impair its use or enjoyment, reduce its value (but the proposed use of a Unit and any construction activities, as detailed below, in the improvement of a Unit shall not be deemed in any event to reduce the value of the Property) or impair any easement without, in every such case, the consent of three-fourths (3/4) of the Owners being first obtained.

3.9 Utilities. No Owner shall be deemed to own any utilities running through their Unit which serve more than one (1) Unit except as a part of the Common Areas owned in common with the other Owners. The Project's water needs are served by City of Salt Lake. The right to water service runs with the Unit, not the Owner.

3.10 Approvals and Notice. Except as expressly set forth in this Declaration, no Owner shall be required to obtain the approval of any other Owner or the Board of Trustees for the improvement of, or the removal of improvements from, that Owner's Unit. However, if the improvement of, or the removal of improvements from, an Owner's Unit will require the temporary use of Common Areas or Facilities or any other encroachment of another Owner's Unit, then that Owner shall give the Association reasonable advance written notice of such pending improvements, and shall obtain permission from the Association and/or the Owner as the case may be, before engaging in any such work or encroachment. No such encroachment shall affect the use of another Unit or access to any Unit without the express written consent of the Owner of the affected Unit.

3.11 Maintenance/Remodeling of Units. Except for those portions of the Property which the Association is required to maintain and repair hereunder, each Owner shall at the Owner's expense keep their Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition. For purposes of maintenance, repair, alteration and remodeling, an Owner shall be deemed to own the windows, doors, overhead doors, interior walls, the materials (such as but not limited to plaster, gypsum dry walls, paneling, wallpaper, brick, stone, paint, wall and floor tile, ceiling tile,) and flooring making up the finished surfaces of the perimeter walls, ceilings and floors within the Unit and the Unit doors, overhead doors, and windows. Such right to repair, alter and remodel shall carry the obligation to replace any finishing materials removed with similar or other types or kinds of finishing materials of equal or better quality. All fixtures and equipment installed within the Unit commencing at a point where the utilities lines, pipes, wires, conduits or systems enter the Unit or Limited Common Area shall be installed and maintained according to good engineering practices and kept in good appearance and repair by the Owner thereof. Any repairs, alterations or remodeling affecting the exterior finish of the Unit must first be approved for quality, materials, style, color and finish by the Association.

3.12 HVAC Maintenance. Operation, maintenance and repair of heating, ventilation, and air conditioning (HVAC) systems for any Unit are the sole responsibility of the Owner. Other than as may exist at the time of purchase, no HVAC system or component may be installed or operated in a Unit without prior approval of the Association. No penetrations or fixtures will be allowed on the roof without prior approval of the Association. HVAC units should be kept to a minimum and must comply with good engineering practices and any applicable building code, ordinance or regulation.

3.13 Ownership Limitation. No more than two (2) Units shall be owned by any single Owner or entity at any given time.

3.14 Rental/Leasing of Units. The Rental and leasing of Units by Owners will be allowed subject to the following:

3.14.1 No Unit may be rented or leased for less than a six (6) month period;

3.14.2 No Unit shall be used for transient rental purposes, such transient rental being defined as a rental or lease for any period of time under six (6) months;

3.14.3 No Unit may be advertised or held out to the public as a place rented to transients, regardless of the occurrence of such rental or lease;

3.14.4 All rental or lease agreements shall contain a clause or clauses explicitly requiring that the tenant observe and agree to all covenants and rules of this Declaration and of the Association;

3.14.5 The tenant must acknowledge the occupancy limitations provided in this Declaration;

3.14.6 The Board of Trustees will have the right to review and approve all lease or rental agreements for purposes of determining the term and for such clause or clauses requiring observation of the covenants and rules of this Declaration and of the Association; and

3.14.7 Although designated as Units, except in connection with the lease or rental of another Unit, Units 105 and 106 may not be separately leased or rented.

3.15 Discharge of Lien. The Owner shall promptly discharge any lien which may hereafter be filed against their Unit and shall otherwise abide by the provisions of Section 57-8-19 of the Utah Condominium Act, relating to liens against Units. The Owner shall indemnify and hold harmless each of the other Owners from and against all liability arising from the claim of any lien against the Unit of any other Owner or against the common areas for construction performed or for labor, materials, services or other products incorporated in or otherwise attributable to the Owner's Unit at such Owner's request.

ARTICLE 4

Use of the Units and the Common Area and Limited Common Areas

4.1 Permitted Uses for Non-Live Work Units. The Units are intended exclusively for and restricted to residential use except Live-Work Units and except for Units 105 and 106. Owner shall occupy or use their non-Live-Work Unit, or permit the same or any part thereof to be occupied or used for any purpose other than for residential use, provided, however, that non-Live-Work Units may be used for incidental office purposes so long as:

4.1.1 such office purposes do not negatively impact the quiet enjoyment of any other Unit;

4.1.2 no appreciable increase in individual foot traffic or vehicular access and traffic is allowed in connection with such office purposes;

4.1.3 such office purposes are in compliance with relevant zoning ordinances;
and

4.1.4 the Owner obtains permission for such use from the Association, which permission may be conditional, temporary and can be withheld or withdrawn for any reason.

4.2 Permitted Uses for Live-Work Units. Live-Work Units are intended for dual use of restricted business uses and residential uses by the Owner or occupant of the Unit.

4.2.1 The residential uses of a Live-Work Unit shall be the same as for any Unit.

4.2.2 The intended business uses are for professional offices or similar uses which are not customer or client intensive and which do not require power, lighting, water, sewer or waste disposal not available generally to a residential Unit.

4.2.3 All business uses shall be restricted to such business purposes as allowed by Salt Lake City and this Declaration and shall be conditioned and must first be approved by the Association, which use can be terminated at any time by the Association upon failure of any such conditions. Authorization for restricted business use may be obtained only by the express written consent of the Association which may be withheld for any reason, and which consent shall not be given unless the proposed use is consistent with the intent and concepts of the uses set forth in this Declaration. Any such permitted use may be authorized on a temporary basis or on a conditional basis for limited periods of time, thereby allowing the Association to assess the impact of the permitted use and determine whether such use may continue. No Owner will have a vested right to any such restricted business use.

4.2.4 All Live-Work Units shall be subject to any applicable zoning ordinances in addition to the restrictions and uses set forth herein.

4.2.5 No restricted business use shall be allowed until the Owner provides a certificate of insurance to the Association with coverage and liability limits as the Association may reasonably require. All such insurance policies shall name the Association as an additional insured under the policy.

4.2.6 By purchasing a Live-Work Unit, the Owner of such Unit that conducts restricted business activities within the Unit agrees to indemnify, defend and hold harmless all other Owners and the Association from any claims, suits, judgments, actions, damages or award arising out of such use unless solely caused by the negligent or intentional acts of the Association or another Owner.

4.3 Prohibited Uses and Activities for Both Live Work and Non-Live Work Units. The following uses and activities shall not be permitted in any Unit:

4.3.1 No Owner shall do or permit anything to be done in such Owner's Unit which may do any of the following: (a) increase the existing rate of or violate the provisions of any insurance carried with respect to the Property; (b) create a public or private nuisance, commit waste or unreasonably interfere with, annoy or disturb any other Owner or occupant of the Property (improvements permitted under Section 3.6 shall not be deemed to constitute such unreasonable interference, annoyance or disturbance so long as conducted promptly and in a workman-like manner and with the least disruption to other Owners); (c) violate any present or future law, ordinance, regulation nor requirement including, without limitation, those relating to hazardous substances, hazardous wastes, pollutants or contaminants, those relating to access by disabled persons and the requirements of any insurance or underwriters or other similar body relating to the Property; or (d) otherwise detract from the appearance or value of the Property.

4.3.2 The Owner shall neither act nor do any work that will impair the structural soundness or integrity of the Building or safety of the property or impair any easement or hereditament without the written consent of all Owners. The Owner shall not paint, decorate or alter any portion of the exterior of the Building or other Common Area, Limited Common Area, or any other area contained therein without first obtaining written consent of the Association.

4.3.3 No Owner shall service vehicles on the property or use the Property for storage of inoperable or unregistered vehicles not being used on a regular basis. As used herein, a vehicle shall be considered "stored" and therefore in violation of this covenant if inoperable or unregistered and maintained at the Property in any area for more than ten (10) days.

4.3.4 No occupants of a Unit may have more than two (2) pets kept within the Unit at any time, whether temporarily or permanently. Any pets that comprise a nuisance, intimidate or endanger residents, guests or invitees of the Project, create smells, make excessive noise, damage or soil Common Areas or that are otherwise improperly cared for or restrained, shall be subject to removal by the act of the Association. Pets of any kind shall be maintained by privilege only and may not be maintained at a Unit as a matter of right. Pet owners shall be responsible to clean up and properly dispose of any urination, feces or other waste or damage committed by their pets. Any Owner or occupant of a Unit that fails to clean up waste from their pets shall immediately reimburse the Association for any costs incurred by the Association for cleaning or other waste removal and the pet shall thereafter be subject to removal from the Project on the order of the Association. In any actions relating to pets within the Project, the decision of the Board of Trustees of the Association shall be final and binding as the final arbitrators of such matters. The Board of Trustees of the Association shall have power to determine procedures, rules and regulations regarding maintenance of pets and the process of removal of pets, which procedure, rules and regulations may change at any time.

4.3.5 No sign, flag, lettering, display, or advertising device of any nature may be erected, displayed or maintained on any part of the Property (including placement of signs within a Unit or other location of the Property which are visible from the Common Areas) without prior

approval of the Association, except as may be necessary temporarily to caution or warn of danger or to advertise the sale of a Unit and except as may be adopted by rule or regulation from time to time for the Live-Work Units. The Association shall have the right to approve or withhold consent from any design, lettering, content and color of any sign, flag, lettering, display or advertising device displayed on the Property. If the Association consents to the erection of any such sign, flag, lettering, display or device, the same shall be removed promptly at the request of the Association. Nothing in this Section shall impair the Declarant's right to erect or maintain signs incident to the original construction, legal requirements, and original sale of Units.

4.3.6 All utilities must be installed underground. Any equipment installed on the roof of the Building must not be visible from the ground level within the Property. No satellite dish, antenna, tower or any other equipment shall be placed, attached, affixed or maintained on the exterior walls or roof of the Building without prior approval of the Association, which may be withheld for any reason.

4.3.7 There shall be no obstruction of the Common Areas. Nothing shall be stored in the Common Areas without the prior consent of the Association.

4.3.8 There shall be nothing stored in the balconies or terraces constituting Limited Common Areas excepting patio furniture, frequently used and operable bicycles, attractive decorations, and barbeque units legally operable from such balconies and terraces.

4.3.9 Nothing shall be altered or constructed in or removed from the Common Areas or Limited Common Areas except upon the written consent of the Association which may be withheld for any reason.

4.3.10 Except in areas designated on the Plat or by the Association, no rubbish, trash, garbage or other waste shall be stored, kept, deposited, or burned within the Project. All trash, rubbish, garbage or other waste within the boundaries of the Project shall be kept only in sanitary containers. Each Unit shall be kept free of trash and refuse by the Owner of such Unit. No person shall allow any unsightly, unsafe or dangerous conditions to exist on or in any Unit. The Association may provide a garbage chute and common dumpster for the Owners' use, to be kept in the area designated, and may assess the fees and costs incident to the dumpster and disposal of trash as Common Expenses. The following shall not be placed in the garbage chute or common dumpsters: toxins, paint, paint thinner, solvents, noxious chemicals of any type, unwrapped wet trash of any type, explosives, pressurized cans or bottles, recyclables which are regulated by ordinance, objects which are too large for the facilities, old carpets, floorings, construction debris, large containers of any type, hazardous substances, or any other object or matter which is unlawful to dispose of in unregulated public dumpsters or which would overflow and make the dumpster or chute unusable by other Owners.

4.3.11 The following uses are specifically prohibited: smoke shop, sales of

smoking or drug paraphernalia, sexually oriented businesses, tattoo parlor, massage parlor (other than licensed therapeutic massage), beauty and nail salon, video store.

4.3.12 Retail or wholesale sales operations of any type shall be prohibited except upon the consent, approval and conditions imposed by the Association.

4.3.13 No Live Work Unit may be leased or rented to any person, except where the entire Live-Work Unit, including the residential portion of such Unit, is leased to the Person.

4.3.14 Nothing herein will be construed to prohibit the use of a Live-Work Unit entirely for residential purposes.

4.4 Moving and Relocation Activities. Moving and relocation activities must be restricted so as not to interfere with the other Owners' use of their Units or the Common Areas. Furniture and equipment shall be moved in and out of the Building only through such access and only at such times of day as may be designated by the Association from time to time.

4.5 Limited Common Areas. The use and occupancy of designated Limited Common Areas shall be reserved for the Unit to which such Limited Common Area is assigned, and each Owner is hereby granted an irrevocable license to use and occupy said Limited Common Areas specific to their Unit. Notwithstanding the initial assignment of Limited Common Areas, certain Limited Common Areas may be transferable between Unit Owners. Transferable Limited Common Areas shall include only those parking stalls (with accompanying storage areas) designated at Exhibit B, and Parking Garages designated as Units 105 and 106. The areas designated as Storage Areas on the Plat will constitute a part of the parking stall facing or adjacent to the parking stall.

4.6 Parking. The Parking Area is part of the Common Areas. However, any parking stall is a part of the Limited Common Area and shall be specifically assigned to a Unit and is an appurtenance of that Unit for so long as it is assigned to that Unit. No parking stall can be separated from its assigned Unit except as provided herein. Parking stalls within the Parking Area will be assigned by Declarant as the Units are sold. Once the parking stalls are assigned, Declarant shall file an amendment to this Declaration which shall identify the parking stall as part of the Limited Common Area assigned to a Unit. Declarant reserves for such purpose a power of attorney to execute an amendment to the Declaration for such purpose. The Parking Area shall be available for the general use of the Owners and their tenants. Notwithstanding, no person shall use the Limited Common Area of an Owner without permission to do so. The costs associated with the Parking Area will be separately and specifically assessed only to those Owners assigned a parking stall.

4.6.1 Declarant shall administer the assignments and regulations of the Parking Area until the Declarant surrenders any right to the Association in writing. Thereafter, the Association shall administer all matters relating to the Parking Area.

4.6.2 From time to time, the Association may regulate the use of the Parking Area through issuing permits, cards or tags; placing restrictive and/or directional signage; and arranging for tow-aways.

4.6.3 The Association may limit parking permits, cards or tags to one (1) per Unit.

4.6.4 Parking permits, cards or tags are intended strictly for the use of Owners for their assigned stalls and Limited Common Area. The sale or transfer of parking permits, cards or tags to parties other than the Owner is prohibited. The Board of Trustees of the Association shall be the exclusive arbitrator of any disputes regarding parking, and any decision rendered by the Board of Trustees with respect to any parking dispute shall be final, binding and conclusive for all purposes and enforceable in a court of law. The Association may adopt, from time to time, rules and regulations for hearing any disputes of Owners.

4.6.6 No long-term parking is permitted in any designated parking places. No campers, boats, watercraft, RVs, ATVs, snowmobiles or trailers may be parked in a designated space for more than two (2) consecutive days or for more than five (5) days within any thirty (30) day period. No vehicle may be operated in Library Square Property except on designated streets, drives and roadways. No motorcycles except fully licensed "street legal" motorcycles may be parked in any designated parking place.

4.7 Occupancy Limitations. No Unit may be occupied by more than two (2) natural persons for each bedroom contained within the Unit, or as restricted by local zoning ordinances, if such ordinances are more restrictive. This restriction may be waived on a temporary basis (for no more than 5 days) by the Association upon application from an Owner.

4.8 Maintenance of Private Garages, Doorways (including Units 105 and 106). Owners of Live-Work Units and Owners of private garages within the Property (including Units 105 and 106) shall be responsible to maintain doors, doorways, and exterior surfaces and the interior of the garages, clean, sightly, well maintained and painted in order to maintain a sightly and well maintained appearance to the Property. Storage of non-hazardous, non-flammable materials may be allowed in such private garages, but otherwise all other rules and regulations herein and as adopted by the Association will apply to the private garages (including Units 105 and 106).

4.9 General. The Association may at any time create, amend, modify or revoke such reasonable rules and regulations for the Property and all business, activities or use of any Unit shall be subject to such rules and regulations as may be adopted by the Association. All Units will be subject to any requirement, uses or restrictions imposed upon Declarant by the State of Utah, Salt Lake County, or the City of Salt Lake as a condition to the issuance to Declarant of a building permit.

4.10 Transfer of Transferable Limited Common Areas. Transferable Limited Common Areas may be transferred between Unit Owners. However, no Unit Owner may own more than two (2) parking stalls (including Units 105 and 106 in this designation of parking stalls) at any time. No transfer of Transferrable Limited Common Area to any person or entity that is not an Owner of a dwelling Unit will be allowed. After the initial assignment of parking stalls and Units 105 and 106 by Declarant (and amendment to recognize such assignment), transfers of such parking stalls and garages will only be recognized upon the Owner thereof delivering to the Association such original documents as may be required by the Association to reasonably evidence the transfer of such Transferable Limited Common Area to the Owner. Such transfers must be reflected by proper recordings with the Salt Lake County Recorder, and the filing by the Association of an amendment to Exhibit B setting forth the new Owner of such Transferable Limited Common Area. To the extent any Transferable Limited Common Area is subject to any mortgage or encumbrance associated with a Unit, it shall remain so encumbered so long as the Unit is encumbered or until released by the mortgage holder or the party holding the encumbrance. Unless otherwise designated, once Transferable Limited Common Area is assigned to a Unit, it shall remain so until transferred in accordance with this Declaration, even if the Unit to which it is assigned is sold, conveyed or transferred without reference to the Transferable Limited Common Area. All recording fees, attorney fees or other costs associated with the transfer of Transferable Limited Common Area will be paid by the Owner requesting the transfer.

ARTICLE 5

Management of the Common Areas

5.1 Common Areas. The Common Areas have been defined and described in Section 1.5 above and are also designated on the Plat. Subject to the obligations of Owners to maintain Limited Common Areas appurtenant to their Units, the necessary work of operation, management, maintenance, replacement and improvement of the Common Areas and the Limited Common Areas shall be the responsibility of the Association only.

5.1.1 Maintenance. The Association shall provide for the operation, management, maintenance, replacement and improvement of the Common Areas reasonably necessary to keep them clean, safe, aesthetic in appearance, lighted as appropriate, functional and generally in good condition and shall pay for all utility services furnished to the Common Areas. The maintenance shall include the removal of weeds and debris and the removal of ice, snow and rubbish. The maintenance will also include re-striping and re-surfacing and otherwise maintaining the Parking Area to make the Parking Area appropriately usable. The Association shall separately assess the costs of maintenance of the Parking Area only to those Units having an assigned parking stall.

5.1.2 Improvements. Additions or capital improvements to the Property costing no more than Ten Thousand Dollars (\$10,000) may be authorized by the Board of Trustees

alone. Additions or capital improvements to the Property exceeding Ten Thousand Dollars (\$10,000) must be authorized by a majority vote of a quorum of the Owners at an annual meeting or any special meeting of the Owners.

5.1.3 Costs. The costs of compliance with this section shall be part of the Common Expenses.

ARTICLE 6

Assessments

Owners shall pay assessments in accordance with the following terms and provisions:

6.1 Assessment for Common Expenses. Annual assessments shall be made upon the Owners by the Association and shall be based on the cash requirements deemed to be such aggregate sum as the Board of Trustees of the Association shall from time to time determine is reasonably necessary and which is to be paid by all of the Owners to provide for the payment of all Common Expenses. The Common Expenses include, among other things, the following:

6.1.1 Insurance. Premiums relating to “master” or “blanket” casualty and property insurance protecting against fire and other perils which are customarily covered with respect to similar condominium projects including, but not limited to, extended coverage for vandalism, earthquake, casualty, public liability and malicious mischief with endorsements attached issued in the amount of the maximum replacement value of all of the Units.

6.1.2 Maintenance Expenses. Water charges, landscaping and care of grounds, common lighting and heating and cooling, repairs and renovations, painting, replacements, reserves for replacements, resurfacing and reserves for resurfacing, re-roofing and appropriate reserves therefore, garbage collections;

6.1.3 Management Expenses. Expenses of management, taxes and special assessments until separately assessed, wages, legal and accounting fees, management fees, expenses and liabilities incurred by Association under or by reason of this Declaration or the Bylaws; and

6.1.4 Miscellaneous. The payment of any deficit remaining from a previous period, the creation of a reasonable contingency or other reserve or surplus fund as well as any other costs and expenses relating to the Common Areas and Facilities and Limited Common Areas.

6.2 Regular Assessments. Prior to January 1 of each calendar year, the Association shall notify each Owner of the amount of such Owner’s share of the Common Expenses for the forthcoming calendar year as set forth in the relevant budget. Assessments shall be made to each Unit and each Owner in proportion to the fractional undivided interest apportioned to each Unit

in the Common Area.

6.3 Assessments for Parking Area. Assessments for the costs (either actual or estimated) for maintenance, repair, renovation, replacement, insurance and other miscellaneous expenses associated with maintenance of the Parking Area will be separately assessed only to those Units and the respective Owners having an appurtenant Parking Space attached to the Unit.

6.4 Assessments for Private Garage. Any expenses for maintenance, repair, renovation, replacement, insurance and other miscellaneous expenses relating to any private garage appurtenant to a Unit will be separately assessed only to the Unit and respective Owner. Any assessments or expenses incurred by the Association with respect to a private garage (except structural elements) may be immediately assessed to the Unit and Owner regardless of any other assessment and shall be paid by the Owner within fifteen (15) days of such assessment. Such assessments may include a fifteen percent (15%) charge for overhead by the Association.

6.5 Adjustments / Special Assessments. The Board of Trustees of the Association may at any time or from time to time during any calendar year revise the budget or make a special assessment and then alter the amount of the monthly payments or mandate a special payment to be made by the Owners.

6.6 No Exemption. All Owners shall be obligated to pay the assessments imposed by the Association to meet the Common Expenses. No Owner shall be exempt from assessment liability. No Owner may become exempt from liability by waiver of the use or enjoyment of any of the services, Common Areas, or by abandonment of the Unit. The liability for assessments shall be a personal expense and obligation of the Owner. In the event the Unit is occupied by a non-Owner, the liability for assessments shall be a personal expense and obligation of both the non-Owner occupant and the Owner. To the extent the Association performs maintenance on any Limited Common Area which is required to be performed by the Owner, the Association shall be entitled to make a special assessment to the Owner for the cost of such maintenance, plus an amount equal to fifteen percent (15%) of such expense. Such assessment will be payable within thirty (30) days of assessment, except as provided at Section 6.4 above.

6.7 Late Payments and Collection of Delinquent Assessments.

6.7.1 Late Fees. The Association may establish and assess reasonable charges for delinquent payments of such monthly or special payments. A late fee of five percent (5%) on the delinquent amount shall be deemed to be a reasonable penalty if not paid by the due date or within five (5) days thereof. Assessments not paid within thirty (30) days of the due date shall bear interest at the rate of eighteen percent (18%) per annum on all delinquent amounts, including late fees, attorney fees or special assessments.

6.7.2 Collection of Rent. If an Owner shall at any time lease or rent such Owner's Unit and shall default in the payment of assessments, then the Association may, at its

option, demand and receive from any tenant of the Owner the rent due or becoming due for so long as such default shall continue. Each Owner hereby consents to and authorizes the payment of such rent to the Board of Trustees. The payment of rent to the Association shall discharge such tenant for rent due and shall discharge the Owner for such assessments to the extent of the amount so paid. The Association shall be entitled to the appointment of a receiver, if necessary, to give effect to this Section 6.7.2.

6.7.3 Cessation of Services. If an Owner shall be in default for one (1) month in the payment of assessments, then the Association may, at its option, and for so long as such default shall continue, cease to provide any or all services to such Owner's Unit.

6.7.4 Lien for Nonpayment of Common Expenses. All sums assessed to any Unit, including interest thereon, shall constitute a lien on such Unit superior (prior) to all other liens and encumbrances except: (1) tax and special assessment liens on the Unit in favor of any assessment unit and special district, and (2) encumbrances on the Owner's Unit recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

6.7.4.1 To evidence such lien, the Association or its managing agent may, but shall not be required to, prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the Owner of the Unit and a description of the Unit. Such a notice shall be recorded in the office of the recorder of the County of Salt Lake, State of Utah. Such lien for assessments shall attach from the date of the failure of payment of the assessment, and may be enforced by the foreclosure on the defaulting Owner's Unit by the Association in like manner as a mortgage or deed of trust on real property upon the recording of a notice or claim thereof. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable attorney fees and any such expenses shall constitute a part of the lien on the Unit. The Owner shall also be required to pay over to the Association any rents received for the Unit during the period of foreclosure, and the Association shall be entitled to a receiver to collect the same. The Association shall have the power to bid on the Unit at foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

6.7.4.2 Any encumbrancer holding a lien on a Unit may pay any unpaid common expense payable with respect to such Unit, and, upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid of the same rank as the lien of their encumbrance.

6.7.5 Suit for Recovery. Suit to recover a money judgment for unpaid assessments is maintainable without foreclosing or waiving the lien securing it. The prevailing party in such action is entitled to recover its costs of suit and reasonable attorney fees.

6.7.6 Attorneys Fees for Enforcement. If the Association is required to engage the services of an attorney to enforce the provisions of this Declaration, all attorneys fees and costs incurred by the Association will be considered a special assessment against the Unit and payable as hereinabove described, with or without suit, and including any appeals of any decisions and proceedings to enforce any decision or judgment.

ARTICLE 7

Easements

7.1 Easements for Encroachments. None of the rights and obligations of the Owners created herein or by the deed creating the Unit shall be altered in any way by encroachment due to settlement or shifting or variations in structures, error in the original construction of the Building, error in the Plat, changes in position caused by repair or reconstruction of the Property, or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner if said encroachment occurred due to the willful conduct of said Owner.

7.2 Reservation for Access-Maintenance, Repair and Emergencies. The Association shall have the irrevocable right, to be exercised by an officer, Board member, managing agent, or their agents for the Association, to have access to each Unit from time to time with reasonable notice and during reasonable hours as may be necessary for the inspection, maintenance, repair or replacement of any of the Common Areas therein or accessible therefrom, or without notice for making emergency repairs therein necessary to prevent damage to the Common Areas or to another Unit or Units. This also includes the right to connect into and use in common such utility lines, water lines, sewer lines, gas lines, drainage, as well as driveways, roads and common parking within the Property.

7.3 Costs. Damage to the interior of any part of a Unit resulting from the maintenance, repair, emergency repair or replacement of any of the Common Areas or Facilities, or as a result of emergency repairs within another Unit performed by the Association shall be a common expense of all of the Owners; provided, however, that if such damage is the result of the negligence of an Owner, then such Owner shall be responsible for all of such damage. In taking or directing any action under this section, the Association shall not be liable for any loss or damage unless the same results from the Association's gross negligence. Restoration of the damaged improvement(s) shall be only as necessary to return the improvement(s) to substantially the same condition as prior to the damage. Temporary loss of use of a Unit as a result of the actions of the Association under this Section shall not be compensable to the Owner, nor shall any other costs or expenses to the Owner or their tenants be paid except for the actual costs of restoration of the Unit as provided herein. Any person purchasing, renting or using a Unit hereby waives and releases all claims for damages for loss of use, consequential or actual damages.

ARTICLE 8
The Association

8.1 Membership in the Association. An Owner of a Unit, upon becoming an Owner, shall be a member of the Association and shall remain a member for the period of ownership.

8.2 Administration and Management. The Association shall vest the administration and management of the Project in a Board of Trustees and in the officers of the Association as set forth the Governing Documents.

8.3 Duties and Powers of the Association. In addition to the duties and powers enumerated in the Articles of Incorporation and Bylaws, or as elsewhere provided for herein, and without limiting the generality thereof, the Association shall:

8.3.1 Own and/or maintain and otherwise manage all of the Common Areas, improvements, and landscaping thereon, including but not limited to any private streets or street fixtures, parking areas, fences, or any other property acquired by the Association.

8.3.2 Pay any real and personal property taxes and other charges assessed against the Common Areas.

8.3.3 Have the authority to obtain, for the benefit of all of the Common Areas, utility services, including all water, gas, sewer, electric services, and refuse collection.

8.3.4 Grant easements where necessary for utilities and sewer facilities over the Common Areas to serve the Common Areas, the Units, or adjoining properties.

8.3.5 Maintain such policy or policies of insurance as the Board of Trustees of the Association deems necessary or desirable in furthering the purposes of and protecting the interests of the Association and its members, all as more specifically set forth below.

8.3.6 Have the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or firm appointed as a manager or managing agent shall provide for the right of the Association to terminate the same upon reasonable notice to said manager or managing agent for cause.

8.3.7 Have the power to establish and maintain a working capital and contingency fund in an amount to be determined by the Board of Trustees.

8.3.8 Have the power to adopt and establish by resolution such Building management and operational rules as the Association may deem necessary, desirable and convenient for the maintenance, operation, management and control of the Property, and the

Association may, from time to time by resolution, alter, amend and repeal such rules. Owners shall, at all times, obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision, it being understood that such rules shall apply and be binding upon all Owners and/or occupants of the Property, their heirs and assigns.

8.4 Failure of the Association to Insist on Strict Performance and Waiver. The failure of the Association or its authorized agent to insist in any one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions contained in the Governing Documents, or to exercise any right or option, shall not be construed as a waiver or a relinquishment for the future of such terms, covenants, conditions or restrictions and they shall remain in full force and effect. In the event of the receipt by the Association or its agents of any assessment from an Owner, with knowledge of such a breach, no waiver by the Association or its agent of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Association or its agent.

8.5 Limitation of the Association's Liability. The Association and its agents shall not be liable for any failure of water supply or other services to be obtained and paid for by the Association hereunder or for injury or damage to person or property caused by the elements or by another Owner or person in the project, or resulting from electricity, water, rain, dust or sand which may leak or flow from outside or from any part of the Building, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place unless caused by gross negligence of the Association or its duly authorized employees or agents. No diminution or abatement of Common Expense assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas or from any action taken to comply with a law, ordinance or order of a governing authority.

8.6 Articles and Bylaws. The Association shall be governed by and operated in accordance with its Bylaws which may be amended or modified as provided in such Bylaws. A true copy of the Articles of Incorporation and the initial Bylaws of the Association are filed as a part of this Declaration. A true copy of the Bylaws of the Association is attached hereto as **Exhibit "C"**. A true copy of the Articles of Incorporation of the Association is attached hereto as **Exhibit "D"**. Recording of the Articles or Bylaws shall not thereby prevent the same from being amended in accordance with Utah law or provisions set forth in the Bylaws. Nothing herein shall require that any new Articles or Bylaws be recorded.

ARTICLE 9

Insurance

The Association shall obtain and maintain, at all times, a policy or policies issued by generally acceptable insurance carriers insuring the Association, the Unit Owners and their agents and employees against fire and other perils which are customarily covered with respect to similar condominium projects including, but not limited to the following:

9.1 Property Insurance. A “master” or “blanket” type policy of casualty and property insurance covering the Property. At a minimum, such policy shall provide for property and casualty, fire, with extended coverage and standard all-risk endorsements, and to include vandalism and malicious mischief on Common Area and Limited Common Area. In addition, if applicable, boiler, machinery and equipment breakdown insurance and elevator insurance shall be obtained. The total amount of insurance, after application of deductibles, shall be one hundred percent (100%) of the replacement value of the insured property exclusive of land, foundation and other items normally excluded from property and casualty policies.

9.2 Liability Insurance. The Board of Trustees shall maintain in force and pay the premiums for a policy providing commercial general liability insurance coverage for all of the Common Areas insuring against any liability to the public or the Owner(s) of the Units’ Common Areas, and its/their invitees, guests, or tenants, incident to the ownership and/or use of the Common Areas, issued by such insurance companies and with such limits of liability as determined by the Association. The policy will include coverage for the operation of automobiles or other vehicles or equipment on behalf of the Association. Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross-liability endorsement wherein the rights of named insureds under the policy or policies shall not be prejudiced with respect to any claims or actions against another named insured.

9.3 Supplemental Insurance. In addition, the Association shall obtain insurance for such other risks of a similar or dissimilar nature as are or shall hereafter customarily be covered with respect to common areas or other condominium projects similar in construction, design and use. These shall include, but shall not be limited to:

9.3.1 Workers compensation and employer’s liability insurance in the amounts and in the forms require by law if the Association has employees which would require such coverage.

9.3.2 Fidelity coverage against the dishonesty of employees, destruction or disappearance of money or securities and forgery, including coverage for those who serve the Association without pay.

9.3.3 Coverage of members of the Board and officers of the Association against errors and omissions, libel, slander, false, arrest, invasion of privacy and other forms of liability generally covered in officers and directors (or trustees as the case may be) liability policies.

9.3.4 Coverage of all other perils which are customarily covered with respect to condominiums similar in construction, location and use.

9.4 Named Insured. The name of the insured under such policy shall be “Library Square Owners Association, for the use and benefit of the individual Owners,” and the

Declarant, for so long as Declarant continues to own any interest in the Project. Any loss payable shall be in favor of the Association, as trustee for each Owner and such Owner's mortgagee. Each Owner and such Owner's mortgagee shall be beneficiaries of such policy in the percentage of such Owner's undivided interest in the Common Areas.

9.5 Notice of Termination. To the extent that such arrangements are possible with each insurer, and without additional costs, each policy shall provide that twenty (20) days written notice shall be given to each Owner, and to each entity listed as a scheduled holder of a first mortgage in such policy, prior to any cancellation of the policy.

9.6 Individual Property Insurance. Each Owner shall have the right to separately insure improvements within the Owner's Unit and the Owner's personal property against loss by fire or other casualty. Any insurance on improvements to the Unit should be limited to coverage of a type and nature commonly known as "tenant's improvements". All such insurance that is individually carried must contain a waiver of subrogation rights by the insurer as to all other Owners, the Association, Declarant, and Mortgagees. Such insurance carried by the Owner will also be primary and non-contributory to any other insurance maintained by the Association.

9.7 Qualified Insurance Carriers. The Association shall be restricted to generally acceptable insurance carriers for obtaining insurance coverage. Specific requirements regarding the qualifications of insurance carriers shall be obtained from the FNMA Conventional Home Mortgage Selling Contract Supplement and the FHLMC Seller's Guide.

ARTICLE 10

Taxes

10.1 Taxes. It is acknowledged that under the Act, each Unit and each of said Unit's undivided interest in the Common Areas of the Property is subject to separate assessment and taxation by each assessing authority and special district for all types of taxes authorized by law. Each Owner will, therefore, pay and discharge any and all taxes which may be assessed against any of said Units based upon the undivided interests in the Common Areas of any such Unit, to the extent not assessed to and paid for by the Association, and/or against the items of personal property located in or upon any Unit owned by the Owner.

ARTICLE 11

Condemnation

11.1 Consequences of Condemnation. If at any time or times during the continuance of the condominium ownership pursuant to this Declaration, all or any part of the Property shall be taken or condemned by any public authority, or sold or otherwise disposed of in lieu of or in avoidance thereof, the following provisions shall apply:

11.1.1 Proceeds. All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "condemnation award," shall be payable to the Association.

11.1.2 Complete Taking. In the event that the entire project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant thereto shall terminate. The condemnation award shall be apportioned among the Owners on the basis of each Owner's undivided interest in the Common Areas, provided that if a standard different from the value of the property as a whole is employed to measure the condemnation award in the negotiation, judicial decree, or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

11.1.3 Share of Condemnation Award. On the basis of the principle set forth in the last preceding paragraph, the Association shall as soon as practicable determine the share of the condemnation award to which each Owner is entitled. Such shares shall be paid into separate accounts and disbursed as soon as practicable in the following order:

11.1.3.1 For payment of the balance of the lien of any first mortgage;

11.1.3.2 For payment of taxes and special assessments liens in favor of any assessing entity;

11.1.3.3 For payment of unpaid common expenses;

11.1.3.4 For payment of junior liens and encumbrances in the order of and to the extent of their priority; and

11.1.3.5 The balance remaining, if any, shall be paid to the Owner.

11.1.4 Partial Taking. In the event that less than the entire project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the condemnation award to be determined in the following manner: As soon as practicable the Association shall, reasonably and in good faith, allocate the condemnation award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated among the Owners, as follows: (1) the total amount allocated to taking of or injury to the general common elements shall be apportioned among the Owners on the basis of each Owner's undivided interest in the Common Areas, (2) the total amount allocated to severance damages shall be apportioned to those Units, or portions thereof, which were not taken or condemned, (3) the respective amounts allocated to the taking of or injury to a particular Unit and/or improvements an Owner has made within their own Unit shall be apportioned to the particular Unit involved, and (4) the total amount allocated to consequential damages and any other taking

or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If an allocation of the condemnation award is already established in negotiation, judicial decree, or otherwise, then in allocating the condemnation award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be disbursed as soon as practicable in the same manner provided in the next preceding paragraph.

11.1.5 Reorganization. In the event a partial taking results in the taking of a complete Unit, the Owner thereof automatically shall cease to be a member of the Association. Thereafter the Association shall reallocate the ownership, voting rights and assessment ratio determined in accordance with this Declaration according to the same principles employed in this Declaration at its inception and shall submit such reallocation to the Owners or remaining Units for amendment of this Declaration as provided herein. The provisions of this subparagraph 11.1.5, shall be construed so as to comply with the provisions of Section 57-8-32.5, Utah Code Annotated, 1953 and as may be subsequently amended. In the event of conflict, the said statute shall control.

11.1.6 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified below.

11.2 Damage and Destruction. In case of fire, casualty or any other disaster, the insurance proceeds, if sufficient to reconstruct the Building, shall be used to reconstruct it. As used in this paragraph, "reconstruct" means restoring the Building to substantially the same condition in which it existed prior to the fire, casualty or other disaster, with each Unit and the Common Areas having the same vertical and horizontal boundaries as before. Such reconstruction shall be managed and accepted by the Association.

11.2.1 Insufficient Proceeds. If the insurance proceeds are insufficient to reconstruct the Building, damage to or destruction of the Building shall be promptly repaired and restored by the Association, using proceeds of insurance, if any, on the Building for that purpose, and the Owners shall be liable for assessments for any deficiency. However, if three-fourths (3/4) or more of the Building is destroyed or substantially damaged and if the Owners, by a vote of at least three fourths (3/4) of the voting power, do not voluntarily within one hundred (100) days after such destruction or damage make provisions for reconstruction, then after the Association has obtained the approval of the Eligible Holders as set forth in Section 14.2.2, the Association shall record, with the Office of the County Recorder of Salt Lake County, State of Utah, a notice setting forth such facts, and upon the recording of such notice (1) the property shall be deemed to be owned in common by the Owners; (2) the undivided interest in the Property owned in common which shall appertain to each Owner shall be the percentage of undivided interest previously owned by such Owner in the Common Areas; (3) any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the Owners of the property; and (4) the Property shall be subject to an action for partition at the suit of any Owner, in which event the net proceeds of sale, together with the net

proceeds of the insurance on the Property, if any, shall be considered as one fund and shall be divided among all the Owners in a percentage equal to the percentage of undivided interest owned by each Owner in the Common Areas, after first paying out of the respective shares of the Owners, to the extent sufficient for the purposes, all liens on the undivided interest in the Property owned by each Owner.

11.2.2 Election to Dispose of Property. Notwithstanding all other provisions hereof, in the event of a fire, casualty or other disaster which affects fifty percent (50%) or more of the Property, after the Association has obtained the approval of the Eligible Holders as set forth in Section 14.2.2, the Owners may, by an affirmative vote of at least three-fourths (3/4) of the voting power, at a meeting of Owners duly called for such purposes, elect to sell or otherwise dispose of the Property. Such action shall be binding upon all Owners and it shall thereupon become the duty of every Owner to execute and deliver such instruments and perform all acts as in manner and form may be necessary to effect the sale.

ARTICLE 12

Enforcement

12.1 Liens Against Units. Subsequent to the recording of this Declaration in the Official Records and while the Property remains subject to the Act, no new lien or encumbrance shall thereafter arise or be created against the Property as a whole excepting construction or other financing and liens incurred by Declarant that may be released by Unit upon the sale of each Unit. During such period, liens or encumbrances shall arise or be created only against each Unit in the same manner and under the same conditions in every respect as liens or encumbrances may arise or be created on or against any other separate parcel of real property subject to individual ownership. No labor performed or materials furnished with the consent or at the request of an Owner or such Owner's agent, contractor or subcontractor shall be the basis for the filing of a lien against the Unit of any other Owner not expressly consenting to or requesting the same, except liens filed for improvement to the Common Areas at the request of the Association.

12.2 Arbitration of Disputes. Any and all controversies, disputes, or disagreements relating to or arising out of this Declaration or relating in any way to the Property or involving a Unit and between the Association (or its managing agents, officers or Trustees) and any Owner or occupant of a Unit, or between Owners or occupants of Units, or otherwise between any of the parties who are bound by this Declaration (excepting actions for immediate temporary injunctive relief only, which may be pursued in the courts of Salt Lake County, Utah, with or without an election for arbitration, and except for enforcement of any arbitration decision), shall, at the election of any party, not later than thirty (30) days after legal action is initiated and service of process is accomplished, be submitted to binding arbitration in Salt Lake City, Utah, according to the Utah Arbitration Act, and shall be conducted in accordance with the rules and regulations of the American Arbitration Association, subject to the modifications herein; and binding judgment based on the decision of the arbitrator may be entered in any court of competent jurisdiction. Arbitrators selected shall be attorneys with experience in real estate and/or contract

law. Except as provided herein for actions for immediate injunctive relief, with respect to any claim or dispute arising out of this Declaration, once arbitration is elected, no suit at law or in equity based on such claim or dispute shall be instituted except to enforce the award of the arbitrators. In rendering a decision, the arbitrator shall be governed by the laws of the State of Utah (including the Utah Arbitration Act or successor provisions) the terms and conditions of this Declaration and the rules and procedures of the American Arbitration Association for commercial arbitration (as such rules are modified herein). In the event of a conflict between the terms and conditions of this Declaration, the rules of the Association, or the laws of the State of Utah, the terms and conditions of this Declaration shall govern (unless otherwise required under Utah law). In the event of conflict between the rules of the American Arbitration Association and the laws of the State of Utah (for matters not covered in this Declaration), the laws of the State of Utah regarding arbitration shall take precedence, then the rules of the American Arbitration Association. The substantive law of the State of Utah shall apply as to all disputes, including the law regarding mandatory arbitration provisions within contracts. No arbitrator shall have the ability to reform or amend or compromise this Declaration or any dispute regarding management or acts or omissions with respect to the Property, except for those reasons which would substantiate contract reformation under Utah law. The Arbitrator shall have the right to impose sanctions against any party to the extent of their violating any rules or procedures, which sanctions may include monetary damages, limitations in use of evidence, or dismissal of answer or claim and award in favor of the opposing party, depending on the severity of the violation. Upon the demand of either party, the Arbitrator shall conduct an in-person evidentiary hearing for purposes of hearing witnesses, taking evidence of all types, and presentation of argument and briefs. The Arbitrator shall give a written decision, setting forth Findings of Fact and Conclusions of Law supporting the final decision and order. Any arbitration brought under this Declaration shall take place within Salt Lake County, State of Utah. The Arbitrator shall have power to order a permanent injunction or other equitable remedy, which order may be enforced in a Court of law, if necessary, and shall have power to award costs and fees to the prevailing party.

12.3 Right to Cure. If any Owner fails to perform any obligation under this Declaration, then the Association may proceed to cure the default after thirty (30) days written notice and failure of the Owner to cure any failure, and the Association shall be entitled to a reimbursement of all costs incurred in effecting such cure, plus collection costs.

ARTICLE 13 Modifications

13.1 Amendments. In addition to the amendment procedure provided by law and elsewhere in this Declaration, the Owners shall have the right to amend this Declaration and/or the Plat upon the rate of approval and/or consent of the Owners of three-fourths (3/4) of the undivided interests in the Property, voting in accordance with each Owner's fractional undivided interest in the Common Areas, which amendment(s) shall be effective upon proper recordation with the Salt Lake County Recorder. Nothing herein shall diminish or take away the rights of

any Owner to vote, to utilize their Unit in a normal way or otherwise to materially affect or reduce the rights of any Owner in their Unit except as it affects all Units and Owners.

13.2 Rights of Declarant. Any amendment to this Declaration or the Plat which has the effect of diminishing or impairing any right, power, authority or control accorded to Declarant in its capacity as Declarant shall not be effective unless consented to in writing by Declarant. Declarant shall have the right to amend this Declaration at any time, without consent of the Owners, until Declarant has transferred more than one-third (1/3) of the Units, and so long as the amendment does not materially impair the rights or interests of any existing Unit Owner.

13.3 Transferable Limited Common Area. Declarant and the Association will have the right to amend this Declaration without approval of the Owners to (i) recognize the assignment of Transferable Common Area to a Unit and Unit Owner, and (ii) recognize the transfer of Transferable Limited Common Area from one Unit Owner to another Unit Owner.

ARTICLE 14 Mortgage Protection

Notwithstanding all other provisions hereof:

14.1 Association Liens Subordinate. The liens created hereunder upon any Unit shall be subject and subordinate to, and shall not affect the rights of the holder of the indebtedness secured by any recorded first mortgage (meaning a mortgage with first priority over other mortgages) upon such interest made in good faith and for value, provided that after the foreclosure of any such mortgage there may be a lien created pursuant to the provisions hereof on the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such purchaser as an Owner after the date of such foreclosure sale, which said lien, if any claimed, shall have the same effect and be enforced in the same manner as provided herein.

14.2 First Lien Holders' Rights.

14.2.1 Notices of Action. An Eligible Holder, upon written request to the Association, (such request to state the name and address of such Eligible Holder and the unit number), will be entitled to timely written notice of: (1) any proposed amendment of the Governing Documents effecting a change in: (i) the boundaries of any Unit or the exclusive easement rights appertaining thereto, (ii) the interests in the general or limited common elements appertaining to any Unit or the liability for Common Expenses appertaining thereto, (iii) the number of votes in the Association appertaining to any Unit, or (iv) the purposes to which any Unit the Common Areas, or the Limited Common Areas are restricted; (2) any proposed termination of the condominium regime; (3) any loss or any casualty loss which affects a material portion of the Project or which affects any Unit on which there is a first mortgage held, insured or guaranteed by such Eligible Holder; (4) any delinquency in the payment of

assessments or charges owed by an owner of a Unit subject to the mortgage of such Eligible Holder, insurer or guarantor, where such delinquency has continued for a period of 60 days; and (5) any lapse, cancellation or material modification of any insurance policy maintained by the Association pursuant to paragraph 14(a)(i) and (ii).

14.2.2 Other Provisions for First Lien Holders. To the extent possible under applicable law, the following protections for the benefit of first mortgage holders are legally binding: (1) any restoration or repair of the condominium after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the declaration and the original plans and specifications unless the approval of the Eligible Holders of first mortgages on Units to which at least 51% of the votes of units subject to mortgages held by such Eligible Holders are allocated, is obtained; and (2) any election to terminate the condominium regime after substantial destruction or a substantial taking in condemnation of the Project or the Property must require the approval of the Eligible Holders of first mortgages on Units to which at least 51% of the votes of Units subject to mortgages held by such Eligible Holders are allocated.

14.3 Modification or Amendments. Unless the Act otherwise provides or unless all holders of first mortgage liens on individual Units have given their prior written approval, the Owners of the Property or the Association shall not be entitled to:

14.3.1 Change the pro rata interest or obligations of any Unit for purposes of levying assessments and determining the undivided interest of an Owner in the Common Area (except for the Transferable Limited Common Area);

14.3.2 Partition or subdivide any Unit or the Common Areas; or

14.3.3 By act or omission, seek to abandon the condominium status of the Property except as provided by statute in case of substantial loss of the Units and Common Areas as set forth in Article 11.

14.4 No Affect on Mortgage. No amendment to this Article shall affect the rights of the holder of any such mortgage recorded prior to recordation of such amendment who does not join in the execution thereof.

14.5 Subordination Agreement Required for Non-First Mortgages. Only by subordination agreement executed by the Association can the benefits of the foregoing Sections be extended to mortgages not otherwise entitled thereto. Nothing herein shall require the Association to subordinate its liens to any other mortgages.

ARTICLE 15
Interpretation

15.1 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of operating the Property as a condominium project and as specified herein. Failure to enforce any provision hereof shall not constitute a waiver of the rights to enforce said provision or any other provision hereof. The provisions of this Declaration shall be in addition and supplemental to the Act and to all other provisions of law.

15.2 Priority over Act. In the event of any conflict between the provisions of this Declaration and the provisions of the Act (or any successor or substitute provisions), the provisions of this Declaration shall control to the extent permitted by applicable law.

15.3 Construction. This Declaration shall inure to the benefit of, and be binding on, Declarant, the Association, and each Owner and their respective heirs, personal representatives, successors and assigns. This Declaration shall be governed by, and construed and interpreted in accordance with, the laws, (excluding the choice of laws rules) of the State of Utah. The captions and headings for the Articles and Sections of the Declaration are for convenience only and shall in no way affect the manner in which any provisions hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include the other gender. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof.

15.4 Severability. Whenever possible, each provision of this Declaration which is determined to be invalid or prohibited under applicable law, such provision shall be ineffective to the extent of such invalidity or prohibition without invalidating the remainder of such provision or the remaining provision of this Declaration.

15.5 Exhibits. Each of the exhibits that is referred to herein and that is attached hereto is an integral part of this Agreement and is incorporated herein by reference.

15.6 Notices. The Association shall maintain records setting forth the names and mailing address of each Owner, as set forth in this Declaration and it shall be the responsibility of each Owner, and not the Association, to insure that such records are kept current as to such Owners. All notices, writings, information, documents or other communications that are required or permitted to be given hereunder shall be in writing, shall be addressed to any Owner in accordance with the Association's records and shall be deemed to be given and received either: (i) on the date of delivery if personally delivered; (ii) on the third business day following mailing, if delivered by regular first-class or certified mail, return receipt requested. All notices or demands intended to be served upon the Association shall be given by registered or certified mail or first-class mail, postage prepaid, to the address of the Association. All notices or demands to be served on mortgagees pursuant hereto shall be sent by either registered or

certified mail, or first-class mail, postage prepaid, addressed in the name of the mortgagee at such address as the mortgagee may have furnished to the Association in writing. Unless the mortgagee furnishes the Association such address, the mortgagee shall be entitled to receive none of the notices provided for in this Declaration.

15.7 Approvals. Unless provided in this Declaration, whenever approval or consent is required by any party hereto or the Association, such approval or consent shall not be withheld or delayed unreasonably. If any party hereto or the Association disapproves of some matter hereunder, then the reasons therefor shall be stated. If there is a dispute regarding the withholding of any approval or consent, then at the request of the party asking for the consent or approval, the party or the Association withholding such approval or consent shall join with the requesting party in binding arbitration proceedings as provided herein.

ARTICLE 16

Miscellaneous Provisions

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

16.2 Limited Liability. Neither the Declarant, the Association, the Board of Trustees, nor any person acting under the direction of the same, shall have any liability to any person for actions taken or directed in good faith pursuant to the provisions of this Declaration, the Bylaws, or other Governing Document.

16.3 Declarant's Rights Assignable. All or any portion of the rights of Declarant under this Declaration or in any way relating to the Property may be assigned.

16.4 Covenants. This Declaration and all provisions hereof shall constitute covenants to run with the land or equitable servitude, as the case may be, and shall be binding upon and shall inure to the benefit of the Declarant, and all parties who hereafter acquire any interest in a Unit shall be subject to the terms of this Declaration and the provisions of any rules, regulations, agreements, instruments, and determination contemplated by this Declaration; and failure to comply with any of the foregoing shall be grounds for an action by the Association or an aggrieved Owner for the recovery of damages, or injunctive relief, or both. By acquiring any interest in a Unit, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

16.5 Compliance with Provisions of Declaration and Bylaws. Each Owner shall comply strictly with the provisions of this Declaration, the provisions of the Articles of Incorporation and Bylaws of the Association, or other Governing Document, and the decisions and resolutions of the Association adopted pursuant thereto and as may be lawfully amended from time to time. Failure so to comply shall be grounds for an action to recover sums due and for damages or injunctive relief or both, maintainable by the managing agent or Board of

Trustees in the name of the Association on behalf of the Owners or, in a proper case, by an aggrieved Owner.

16.6 Rights of Owners to Enforce. Except under circumstances where the Association has expressly waived compliance with any provision of this Declaration or under circumstances where the Owners have waived such compliance by consent or at any duly called meeting of Owners, any Owner shall have the right to enforce the provisions of this Declaration, the Bylaws, or other Governing Document in their own name and as an Owner.

IN WITNESS WHEREOF, Declarant has duly executed this Amended and Restated Declaration of Covenants, Conditions and Restrictions.

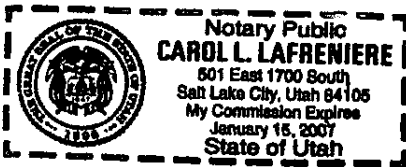
DECLARANT:

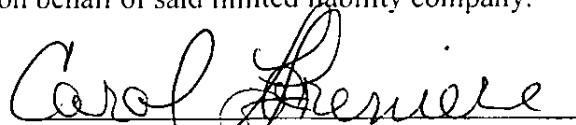
MORTENSEN COURT CONDOMINIUMS, LC

By: 
Bruce Quint, Executive Director, CDC
of Utah, Manager

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

The foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions of Library Square Condominiums, was acknowledged before me this ___ day of _____, 2004, by Bruce Quint, Executive Director of CDC of Utah, as Manager for Mortensen Court Condominiums, LC, and on behalf of said limited liability company.




NOTARY PUBLIC
Residing at: _____

My commission expires:

RECEIVED

SEP 09 2004

Utah Div. Of Corp. & Comm. Code



ARTICLES OF INCORPORATION

OF

LIBRARY SQUARE CONDOMINIUMS
HOMEOWNERS' ASSOCIATION, INC.

A Non-Profit Association

THE UNDERSIGNED, a natural person, the age of eighteen (18) years or more, acting as an incorporator of a nonprofit corporation under the Utah Revised Nonprofit Corporation Act, adopts the following Articles of Incorporation for such nonprofit corporation:

ARTICLE I

NAME

The name of the nonprofit corporation is LIBRARY SQUARE CONDOMINIUMS HOMEOWNERS' ASSOCIATION, INC. (the "Association").

ARTICLE II

DURATION

The period of duration of the Association is perpetual.

ARTICLE III

PURPOSES/POWERS

Section 3.1 General Purpose. The Association is organized exclusively under the laws of the State of Utah as a nonprofit association of condominium unit owners for the purpose of the administration and operation of Library Square Condominiums located in Salt Lake County, Utah, and to enforce the covenants, conditions, and restrictions on the lots within the Condominium as set forth in the Declaration of Covenants, Conditions and Restrictions for Library Square Condominiums (the "Declaration"), and to provide the other services, and perform all of the other functions set forth in the Declaration and as may become desirable or necessary for the benefit of the Members. The terms, conditions, restrictions and definitions contained in the Declaration are incorporated herein.

Section 3.2 Powers. Subject to the purposes set forth in Section 3.1 above and all other limitations set forth herein, the Association will have all of the powers, rights, and privileges available to non-profit corporations under the laws of the State of Utah.

ARTICLE IV

MEMBERSHIP

Section 4.1 Members. The Association will be composed of Members. The Members of the Association will be the owners of Units in the Library Square Condominiums located in Salt Lake County, Utah. Membership is deemed an appurtenance to the Unit, and will pass automatically to the owner of that Unit upon conveyance of title. The Association will not have stock or issue shares.

Section 4.2 Member Voting Rights. As fully set forth in the Bylaws of the Association, each Member is entitled to cast one vote for each Unit that the Member owns, with the vote being counted according to the Member's percentage interest in the condominium Common Areas as described in Exhibit B to the Declaration, for each Unit the Member owns on all matters presented to the Members for approval.

ARTICLE V

DISTRIBUTIONS

The Association is not organized for profit, and no part of the net earnings of the Association will inure to the benefit of, or be distributable to its Members, Trustees, Officers or other private persons, except that, as fully set forth in the Bylaws of the Association, the Association will be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III hereof.

ARTICLE VI

MEMBER ASSESSMENTS

Assessments of the Members, as called for in the Declaration, will be levied by the Association as set forth in the Bylaws of the Association.

Date: 09/09/2004
Receipt Number: 1245127
Amount Paid: \$22.00

ARTICLE VII

BOARD OF TRUSTEES

7.1 Board of Trustees. The Association will be governed by, and management of the Association will be vested in, a Board of Trustees. The Board of Trustees will have authority to manage and control the property and affairs of the Association.

7.2 Initial Trustees. The names and addresses of the persons who are to serve as the initial Trustees of the Association, until their successors are duly elected and qualified, are as follows:

| <u>Name</u> | <u>Address</u> |
|----------------|---|
| Bruce Quint | 501 East 1700 South, Salt Lake City, Utah 84101 |
| Mark Lundgren | 501 East 1700 South, Salt Lake City, Utah 84101 |
| Andrew Maizner | 501 East 1700 South, Salt Lake City, Utah 84101 |
| Dennis Glass | 501 East 1700 South, Salt Lake City, Utah 84101 |

7.3 Succession. The Board of Trustees will be continued, changed, modified, and appointed in accordance with the Bylaws of the Association.

ARTICLE VIII

PRINCIPAL PLACE OF BUSINESS AND INITIAL OFFICE

The principal place of business of the Association and its initial office is:

Library Square Homeowners' Association, Inc.
501 East 1700 South
Salt Lake City, Utah 84101

The Association may establish such other offices and locations as it deems appropriate for the operation of its business.

ARTICLE IX

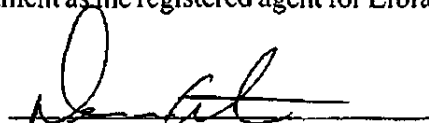
INITIAL REGISTERED AGENT AND OFFICE

Section 9.1 Initial Registered Agent and Office. The name and address of the initial registered agent of the Association is:

Dennis M. Astill
STRONG & HANNI
3 Triad Center, Suite 500
Salt Lake City, Utah 84180

Section 9.2 Acceptance of Appointment.

I, Dennis M. Astill, hereby accept the appointment as the registered agent for Library Square Condominiums Homeowners' Association, Inc.


Dennis M. Astill

ARTICLE X

INCORPORATOR

The name and street address of the incorporator is:

Dennis M. Astill
STRONG & HANNI
3 Triad Center, Suite 500
Salt Lake City, Utah 84180

ARTICLE XI

LIMITATION OF PERSONAL LIABILITY OF TRUSTEES AND OFFICERS

The Trustees and Officers of the Association will have no personal liability whatsoever to the Association or its Members for monetary damages for any action taken or any failure to take any action, as a Trustee or Officer, except for liability for:

- (a) Acts or omissions which involve intentional misconduct, fraud or knowing violation of the law;
- (b) The amount of a financial benefit received by a Trustee to which he or she is not entitled;
- (c) The payment of distributions in violation of Utah Code Ann. § 16-6a-824, and successor statutes; or
- (d) An intentional violation of criminal law.

ARTICLE XII

BYLAWS AND RULES AND REGULATIONS

The Board of Trustees may adopt, amend, repeal, and enforce Bylaws of the Association and reasonable rules and regulations governing the operation of the Association, to the extent that the same are not inconsistent with these Articles of Incorporation or the Declaration. The Bylaws of the Association may establish procedures and methods whereby these Articles, any Bylaws of the Association, or rules and regulations for the Association may be amended or modified.

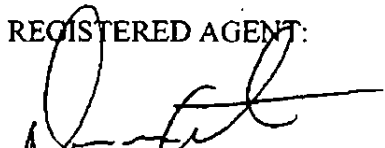
ARTICLE XII

AMENDMENT TO ARTICLES OF INCORPORATION

The Board of Trustees will have full power and authority to amend, repeal or modify these Articles of Incorporation at any time and from time to time.

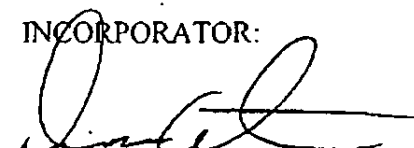
WHEREFORE, the Incorporator and Registered Agent have executed and verified these Articles this 24 day of September, 2004.

REGISTERED AGENT:



Dennis M. Astill

INCORPORATOR:



Dennis M. Astill

BYLAWS
OF
LIBRARY SQUARE CONDOMINIUMS HOMEOWNERS' ASSOCIATION, INC.
A Non-Profit Corporation of the State of Utah

Pursuant to the provisions of the Utah Non-Profit Corporations Act, the Board of Trustees of the LIBRARY SQUARE CONDOMINIUMS HOMEOWNERS' ASSOCIATION, INC. hereby adopt the following Bylaws of the LIBRARY SQUARE CONDOMINIUMS HOMEOWNERS' ASSOCIATION, INC., (the "Association"). These Bylaws serve to govern the powers, duties and actions of the Association of the LIBRARY SQUARE CONDOMINIUMS, and all terms, definitions and provisions are subject to and governed by the Declaration of Covenants, Conditions and Restrictions of the LIBRARY SQUARE CONDOMINIUMS, together with any amendments thereto or restatements thereof (the "Declaration").

ARTICLE I

NAME AND OFFICE

1.1 Name. The name of the corporation is LIBRARY SQUARE CONDOMINIUMS HOMEOWNERS' ASSOCIATION, INC.

1.2 Offices. The initial office of the Association will be located at 501 East 1700 South, Salt Lake City, Utah 84101.

1.3 Use of Terms. Except as otherwise provided herein, all of the terms which are used in the Declaration shall have the same meaning when used in these Bylaws.

ARTICLE II

MEMBERS AND MEETINGS

2.1 Membership. Upon purchasing a Unit at Library Square Condominiums (the "Condominiums"), each Owner shall promptly furnish the Association with a copy of the deed or other instrument under which the owner acquired title to the Unit. Ownership of a Unit at the Condominiums entitles the Owner to membership in the Association. Members of the Association shall be referred to herein as "Members". A Member of the Association shall remain a Member for the period of ownership.

2.2 Annual Meetings. The annual meeting of the Members of the Association shall be held on the first Tuesday in April at 6:00 p.m. at such place as may be determined by the Board of Trustees, and if no determination is made, at the initial office set forth above, with the first such meeting to be held in the year following the year in which the Association was incorporated. The Board of Trustees may designate some other time, date and place for the annual meeting by giving proper notice in advance of the meeting. The purpose of the annual meeting is the election of officers and Trustees, and to consider such other business that comes before the meeting. If the Trustees are not elected at the annual meeting, the existing Trustees shall continue to serve until their successors are named in a special meeting called for that purpose or until the next annual meeting. The Trustees may change the date, time and place of the annual meeting as they see fit by formal resolution.

2.3 Special Meeting. Special Meetings of the Members may be called by any member of the Board of Trustees or by the President as they see fit or by the Members of the Association representing not less than one-third (1/3) of the total votes of the Association. Any notice of Special Meeting shall state the time, place and date of the meeting, and the matters to be considered at that meeting. When a Special Meeting is called by the Members of the Association, the notice shall be in writing and delivered to the President. The President will then provide written notice to the Members of the Association.

2.4 Notice of Meetings. The Board of Trustees shall cause written or printed notice of the date, time, place and purposes of all meetings of the Members to be sent to each of the Members not more than sixty (60) but not less than ten (10) days prior to the meeting. In the case of the annual meeting, no purpose need be stated in the notice. All notices shall be deemed to be given and received either: (i) on the date of delivery if personally delivered; or (ii) on the third business day following mailing, if delivered by regular first-class or certified mail, return receipt requested. Each Member shall register such Member's address with the Association, and it shall be the obligation of the Member to provide notice of any change of address to the Association. If no address is registered, the Association may mail that Member's notice to the Unit owned by the Member. Only one notice will be mailed on each Unit, so if there are multiple owners, they must designate one of them to receive the notice of the meeting on their behalf.

2.5 Members of Record. For purposes of determining a quorum, determining the persons entitled to vote, and all other matters before a meeting of the Members, the Association may designate a record date, not more than sixty (60) days nor less than ten (10) days prior to the meeting date to determine the Members entitled to notice and to vote at the meeting. If no record date has been fixed, the record date is deemed to be the date on which notice of the meeting was mailed to the Members. The persons appearing as Members as of the record date are deemed entitled to notice and to vote at the meeting. Persons who become Members subsequent to the record date, or whose ownership is not registered with the Association until subsequent to the record date shall not be entitled to notice, shall not be counted in comprising a quorum and shall not be entitled to vote at the meeting. This shall not preclude a person who acquires such Member's Membership subsequent to the record date from voting the interest of such Member's predecessor under a written proxy.

2.6 Quorum. At any meeting of the Members, the presence of members, in person or by proxy, holding the right to cast more than 50% of the total votes of the Association shall constitute a quorum for the transaction of business. In the event that a quorum is not present at a meeting, the Members present, in person or by proxy, though less than a quorum, may adjourn the meeting to a later date set by those Members present. Notice of the rescheduled meeting will be sent to the Members providing at least ten (10) days' notice of the new meeting. At any rescheduled meeting, a quorum will be deemed to exist comprised of those Members present in person or by proxy at the reconvened meeting.

2.7 Proxies. At each meeting of the Members, each Member entitled to cast a vote shall be entitled to vote in person or by written proxy. All proxies must be in writing and signed by the Member as shown on the records of the Association. When a Unit is jointly held, the proxy must be signed by all of the joint owners of the Unit. Proxies must be presented to the Secretary of the Meeting at the beginning of the meeting for purposes of determining a quorum. The secretary will make an entry of proxies in the minutes of the meeting.

2.8 Voting Rights. With respect to each matter presented to the Members, including the election of Trustees, each Member will be entitled to cast one vote for each Unit that the Member owns. For purposes of counting votes, the vote cast by any Unit owner or proxy of a Unit owner shall be counted to the extent of that Unit owner's percentage interest in the Common Areas of the Project as described in Exhibit B to the Declaration, which is incorporated herein by reference. Units with multiple owners will be entitled to only one vote for that Unit, and in the event that the multiple owners of that Unit are not able to agree on how to cast the vote, no vote will be counted. In such event, notwithstanding that such vote will not be counted, the Unit may still be counted as for purposes of determining whether a quorum exists for the conduct of business of the Association. If only one of the multiple owners of a Unit is present at any meeting, the other owners are deemed to have consented to that owner voting the interests of the Unit. In the event of Units held subject to Trust Deeds or Mortgages, the Trustor or Mortgagor will be entitled to vote, and the Lender shall have no right to vote; provided however that when a Lender has taken possession of any Unit, the Lender shall be deemed to have succeeded to the interest of the Trustor or Mortgagor and shall then be entitled to cast that vote.

2.9 Simple Majority. Unless otherwise provided in Sections 3.8, 11.2.1, 11.2.2 and 13.1 of the Declaration, any matter placed before the Members for a vote shall pass if there is an affirmative vote of the majority of the Members present at the meeting (and there is a quorum present). Election of Trustees will be by secret ballot. Other matters may be voted by secret ballot or by show of hands or such other means as the officer conducting the meeting shall determine.

2.10 Waiver of Irregularities. Any inaccuracies, irregularities, or errors in any call for a meeting or notice of meeting, inaccuracies or irregularities in the determination of a quorum or acceptance of proxies are deemed waived unless there is an objection stated at the meeting prior to the vote being taken.

2.11 Informal Action. Any act which is required to be taken or approved at a meeting may be taken or approved without a formal meeting if a majority of the Members consent to the action in writing prior to the action being taken. The Members may hold meetings for which formal notice was not given if at least a majority of the Members waive notice prior to the conduct of the meeting. In any such case, notice of action taken without a meeting or without formal notice of any meeting shall then be given in writing to the Members who did not participate in the informal action, or who did not attend the meeting, within 10 days of the action or meeting.

ARTICLE III

BOARD OF TRUSTEES

3.1 General Powers. The Board of Trustees shall have authority to manage and control the property and affairs of the Association. The Board of Trustees may exercise all powers conferred upon them by law, by the Articles of Incorporation, or by these Bylaws, provided however that those powers which are specifically reserved to the Members by law, the Articles of Incorporation, the Declaration or these Bylaws shall be exercised only by the Members. The Board may delegate its powers to officers, managers, or others such of its powers as are appropriately delegated.

3.2 Number and Tenure. The initial Board of Trustees shall composed of: Bruce Quint, Mark Lundgren, Dennis Glass and Andrew Maizner (the "Initial Trustees"). The Initial Trustees shall serve until the next annual meeting in which Trustees are elected, and shall continue to serve until successors have been elected and assumed office. Immediately after the election of the first Board of Trustees by the Members, the Trustees shall, by drawing lots, divide themselves into terms of two years and terms of one year. Thereafter, at each annual meeting, only those Trustees whose terms have expired will stand for election. Trustees need not be residents of the State of Utah or be Members of the Association.

3.3 Board Meetings. The Board of Trustees shall have at least one meeting per year, which shall be within the ninety (90) days preceding the Annual Meeting of Members for the purpose of setting the agenda for that meeting. The Trustees may meet as often as they see fit, and as required by law or the Articles for purposes of approving annual reports, tax returns, and similar matters. Special Meetings may be called by the President, or by a majority of the Board by giving notice to the other Board members. Notice of Board meetings will be given in writing or by telephone not more than fifteen (15) days and not less than five (5) days prior to the date of the meeting.

3.4 Quorum. A quorum at a Board meeting will consist of a simple majority of the Board. Board members may be counted as present if they are participating in the meeting by telephone. No proxies will be given among Board members. Actions of the Board may be taken without meetings so long as a majority of the Board members consent to the action taken in writing,

and, within ten (10) days thereafter, notice of the action taken is given in writing to any Board member not in attendance or not consenting to the action taken.

3.5 Assessment. Assessments of the Members, as called for in the Declaration, shall be levied by the Association and shall be a personal expense and obligation of every Member. The Trustees shall prepare an annual budget for presentation to the Members. The Assessment will be deemed levied when approved by a majority of the Members at the annual meeting or a special meeting called for that purpose. If a majority of the Members are unable to approve an assessment, then the assessments shall continue at the same rate as the prior year, with an automatic increase by an amount equal to five percent (5%) of the prior annual assessment until a new assessment can be approved by the Members. If no new assessment is approved, then the annual assessment will continue with the five percent (5%) increase as set forth herein.

3.6 Deadlock. In the event of a deadlock by the members of Board, the President shall immediately call for a special meeting of the Members and, at the direction of the President, shall submit the matter to the Members for determination. A majority of the vote of the Members shall decide the action to be taken in such event.

3.7 Compensation. The Board of Trustees shall serve without compensation, provided that their reasonable out of pocket expenses for Association business, including the costs of attending Board meetings, if any, may be reimbursed by the Association.

3.8 Resignation or Removal. Any Trustee may resign at any time. If a Trustee is a Unit owner, the Trustee is deemed to have resigned when he or she sells (or otherwise is divested of) his or her Unit and therefore ceases to be Member of the Association. Any Trustee may be removed prior to the end of his or her term of office by an affirmative vote of sixty percent (60%) of the Members of the Association at a regular or special meeting called for that purpose.

3.9 Vacancies. Vacancies on the Board of Trustees will be filled by appointment of a successor by the remainder of the Board, provided that any such appointee will be confirmed or rejected at the next regular meeting of the Members. Any such Trustee is to fill the balance of the vacant term which he or she has filled, and will stand for election at the expiration of that term.

3.10 Informal Action by Trustees. The Trustees may take any action they could take in a formal meeting without a formal meeting, provided that the action is authorized in advance in writing signed by a majority of the Board. The Trustees may waive notice of meetings by signing written waivers at the time of the meeting or by participating in any such meeting. Minutes of all board meetings will be kept, and when a meeting is held without prior notice, the minutes will reflect the written waiver of notice or that the Trustees waived notice by attendance and participation.

3.11 Restrictions on Board of Trustees and Members. Neither the Board of Trustees nor the Members of the Association shall take any action which would in any way restrict, impair or

impede the Declarant from completing the sale of all Condominiums in the Library Square Condominiums, or which would restrict ownership in such a way as to make any Unit less saleable. No restriction adopted in these Bylaws will have the effect of restricting use of any Unit to the extent that any particular use was allowed under the Declaration.

ARTICLE IV

OFFICERS

4.1 Number. The officers of the Association shall consist of at least a President and a Secretary/Treasurer, all of which positions may be filled by the same person. The Board may establish a Vice President and such other officers as it deems appropriate.

4.2 Appointment and Tenure. The officers will be appointed by the Board of Trustees at their annual meeting, and all officers serve at the pleasure of the Board. All officers must be Members of the Association.

4.3 Resignation and Removal. Any officer may be removed from office with or without cause by a majority vote of the Board in a meeting called for that purpose. Any officer may resign at any time by giving written notice to the Board, 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.

4.4 Duties of the President. The President shall preside at meetings of the Board of Trustees and at meetings of Members. The President shall sign, on behalf of the Association, all legal documents approved by the Board, including deeds and mortgages and other contracts. The President shall supervise and be primarily responsible for the day to day operation of the Association's affairs, including the firing and termination of employees and subordinates. The President shall perform such other duties as assigned by the Board.

4.5 Duties of the Vice President. The Vice President, if any, shall generally assist the President and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him by the President of the Board.

4.6 Duties of the Secretary/Treasurer. The Secretary/Treasurer is responsible to keep accurate records of the Members of the Association and the transfer of their interests to others, to keep minutes at the meetings of the Association Members and the Trustees, and cause notice of any meetings to be issued as called for in these Bylaws, to file annual reports, to prepare financial reports, maintain adequate financial records for the Association, and to perform all other assignments of the Board.

4.7 Compensation. The Officers may be compensated for their services in the discretion of the Board. Reasonable out of pocket expenses incurred in the course of performing duties for the Association will be reimbursed according to policies approved by the Board. The Board may fix such other compensation as it finds appropriate given the responsibility of the officers.

4.8 Delegation. The duties of the day to day operation of the Association, and all duties of maintenance required of the Association may be delegated by the President, when approved by the Board of Trustees, to such companies or persons as may be determined in the discretion of the President, and as approved by the Board of Trustees.

ARTICLE V

INDEMNIFICATION

5.1 Indemnification Against Third Party Actions. The Association may defend and indemnify the officers and Trustees against all actions, claims, and suits brought by third parties against them individually which arise from the exercise of their obligations and duties as officers and Trustees. This shall include all civil, administrative, criminal, or investigative actions whether brought by an individual or a government agency. The indemnification shall extend to the payment of reasonable attorney's fees incurred in the defense of such action, including fees for independent counsel, and the payment of any fine, settlement, or judgment. This indemnity is limited in scope to those acts or omissions arising from the good faith exercise of the authority of the office held, or the discharge of the duties as a Trustee on behalf of the Association.

5.2 Indemnification Against Member Actions. The Association may defend and indemnify the officers and Trustees against all actions, claims, and suits brought by Members of the Association against them individually which arise from the exercise of their obligations and duties as officers and Trustees. This shall include all civil, administrative, criminal, or investigative actions whether brought by an individual or a governmental agency. The indemnification shall extend to the payment of reasonable attorney's fees incurred in the defense of such action, including fees for independent counsel, and the payment of any fine, settlement, or judgment. This indemnity is limited in scope to those acts or omissions arising from the good faith exercise of the authority of the office held, or the discharge of the duties as a Trustee on behalf of the Association.

5.3 Request for Indemnification. When any officer, Trustee or employee of the Association receives notice of any action referred to above, he or she must give notice to the President and to the Board of Trustees, stating the nature of the claim, the claimant, and providing all pertinent information about the claim. The Board, in the case of an action against an officer or employee, or against a single Trustee, may vote to indemnify the officer, employee or Trustee. In the event that the action is against the Board of Trustees as a whole, or names more than a single Trustee individually, and the claim is entirely covered by and within the policy limits of the Association's insurance coverage, the Board may vote to indemnify itself and the individuals named. In the event

that the claim exceeds the limits of any insurance coverage, or is not covered, the Board may not agree to indemnify itself without presenting the matter to the Association for a vote at a special meeting called for that purpose.

ARTICLE VI

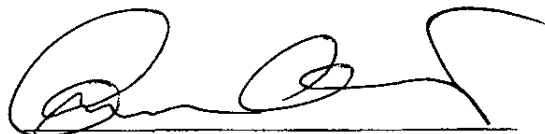
MISCELLANEOUS

6.1 Amendment. These Bylaws may be amended by the Board of Trustees from time to time as they may determine. The Members may, during any annual meeting, or special meeting called for that purpose, amend the Bylaws. Any amendment must be consistent with the Declaration and the Articles of Incorporation, must comply with Utah law, and may not restrict the use of Units to the extent that such use was expressly allowed under the Declaration.

6.2 Access to Books, Records and Governing Documents. The books and records of the Association shall at all times during reasonable business hours, be subject to inspection by any Member. The Association shall also make available to Members, to lenders and to the holders and insurers of the first mortgage on any Unit, upon request, the books and records of the Association and current copies of the Declaration, the Bylaws and other rules governing the Association and the Condominiums. The Association shall make available to prospective purchasers current copies of the Declaration, the Bylaws and any other rules governing the Association and the Condominiums.

6.3 Disclosure of Financial Statements. Upon written request from any local, state or federal agency, or any corporation or other organization with an interest or prospective interest in the Condominiums, the Association shall prepare and furnish, within a reasonable time, an audited financial statement of the owners association for the immediately preceding fiscal year.

Adopted this 9th day of September 2004.



President

Attest:

Secretary