

Entry No.	214224
REQUEST OF	WESTERN STATES TITLE
FEE	ALAN SPRIGGS, SUMMIT CO. RECORDER
\$ 69.50	By <i>[Signature]</i>
RECORDED	DEC 16 1983 at 3:18 M

DECLARATION OF CONDOMINIUM
OF THE EMPIRE HOUSE CONDOMINIUMS
INCLUDING COVENANTS AND RESTRICTIONS

THIS DECLARATION is made as of the date hereinafter set forth by DOMCOY INVESTORS III, a California limited partnership, (hereinafter the "Declarant"), pursuant to the provisions of the Utah Condominium Ownership Act.

R E C I T A L S:

A. Declarant is the owner of that certain tract of land, more particularly described in Appendix I hereof.

B. Declarant is in the process of constructing upon said tract a Condominium Project, including certain Condominium Units and other improvements (the "Project"). All of such construction has been performed in accordance with the Record of Survey Map filed for record simultaneously herewith.

C. Declarant by recording this Declaration, submits said tract and all improvements now or hereafter constructed thereon to the provisions of the Utah Condominium Ownership Act.

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D. Declarant intends to sell to various purchasers the fee title to each of the individual Units contained in the Project, together with the undivided ownership interest in the Common Areas and Facilities appurtenant to such Units, subject to the covenants, conditions, restrictions, limitations, and easements herein set forth.

E. In order to insure the efficient preservation of the values and amenities of the Condominium Project, an incorporated Owners Association for the Project is provided for in the Declaration to which is delegated and assigned the powers of the owners for managing, enforcing and administering the covenants, conditions and restrictions set forth in this Declaration.

F. The Project created hereby is a standard condominium project. Upon its filing and recording this declaration shall be the final and exclusive declaration of condominium for the Empire House Condominiums.

NOW THEREFORE, for the foregoing purposes, Declarant hereby declares and certifies as follows.

I. Definitions. The terms used herein shall have the meaning stated in the Utah Condominium Ownership Act and as follows unless the context otherwise requires.

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1. Act shall mean and refer to the Utah Condominium Ownership Act (Title 57, Chapter 8, Utah Code Annotated, 1953) as the same may be amended from time to time.

2. Declaration shall mean and refer to this Declaration of Condominium.

3. Articles and By-Laws shall mean and refer to the Articles of Incorporation and By-laws of the Empire House Condominium Owners Association made a part hereof by reference.

4. Map shall mean and refer to the Record of Survey Map filed herewith captioned "Record of Survey Map of Empire House Condominiums".

5. Property shall mean and refer to the tract of real property described in Appendix I, all improvements and the structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

6. CONDOMINIUM PROJECT OR PROJECT shall mean and refer to the EMPIRE HOUSE CONDOMINIUMS, the subject of this Declaration.

7. Condominium Unit or Unit means and refers to one of the Units intended for independent use as defined in the act and as shown (single cross - hatched) in the Map. Mechanical equipment and appurtenances located within any one

Unit or located without said Unit but designated and designed to serve only that Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, fixtures and the like, shall be considered part of the Unit, as shall all decorated interiors, all surfaces of interior structural walls, floors and ceilings, windows and window frames, doors and door frames, and trim, consisting of, inter alia and as appropriate, wallpaper, paint, flooring, carpeting and tile. All pipes, wires, conduits, or other public utility lines or installations constituting a part of the Unit and serving only the Unit, and any structural members of any other property of any kind, including fixtures and appliances within any Unit, which are removeable without jeopardizing the soundness, safety or usefulness of the remainder of the building within which the Unit is situated shall be considered part of the Unit.

8. Common Areas or the Common Areas and Facilities shall mean and refer to and include:

(a) The land on which the buildings and other improvements are constructed and submitted by this Declaration to the terms of the Act;

(b) Those Common Areas and Facilities specifically set forth and designated as such in the Map;

(c) That part of the project not specifically included in the respective Units as herein defined;

(d) All limited Common Areas and Facilities;

(e) All foundations, columns, girders, beams, supports, main walls, retaining walls, roofs, stairs, halls, stairways, entrances and exits of the buildings, exterior walkways, central services such as power, light, water, sewer, gas, air conditioning and heating units, all apparatus and installations existing for common use, and such recreational and community facilities as may be provided;

(f) All other parts of the Project normally in common use or necessary or convenient to its use, existence, maintenance, safety, or management;

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

9. Limited Common Areas and Facilities or Limited Common Areas shall mean the porches and patios, as shown on the map, and their associated facilities as reserved for use of the Unit to which they are adjacent to the exclusion of other Units, and those built or constructed in the future, provided such areas are built or attached only after approval of the Association according to the other provisions of this Declaration, subject to all Common Area uses and needs.

10. Unit Owner or Owner shall mean and refer to the Owner of the fee in a Unit, the appurtenant ownership of

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an undivided interest in the Common Areas, and appurtenant membership in the Owners Association. The Declarant shall be deemed to be the Owner of all unsold Units, whether or not completed. In the event a Unit is the subject of an executory contract of sale, the contract buyer shall, unless the seller and buyer have otherwise agreed and have informed the Association in writing of such agreement, be considered the unit Owner for all purposes.

11. Owners Association or Association shall mean and refer to the EMPIRE HOUSE CONDOMINIUM OWNERS ASSOCIATION, a Utah non-profit corporation.

12. Board of Trustees or Board shall mean and refer to the Board of Trustees of the Empire House Condominiums Owners Association.

13. Management Committee or the Committee shall mean and refer to the Board of Trustees of the EMPIRE HOUSE CONDOMINIUM OWNERS ASSOCIATION.

14. Common Expenses shall mean all costs necessary for use, maintenance, and repair of the Common Areas together with the replacement of those common elements that must be replaced on a periodic basis, together with all items, things and sums described in the Act which are lawfully assessed against the Unit Owners in accordance with the provisions of the Act, this Declaration, the Articles and By-laws, and such rules, regulations and other determinations and agreements, pertaining to the Project as the Association may from time to time adopt.

15. Mortgage shall mean any mortgage, deed of trust or other security instrument by which a Unit or any part thereof is encumbered.

16. Mortgagee shall mean any person named as a Mortgagee or beneficiary under or a holder of a deed of trust.

17. Unit Number shall mean and refer to the number which designates a Unit in the attached Appendix II and in the Map.

II. Submission to the Act. Declarant hereby submits to the provisions of the Act the real property described in Appendix I which is located in Park City, Summit County, Utah.

III. Covenants, Conditions and Restrictions. The foregoing submission is made under the following covenants, conditions and restrictions:

1. Description of Improvements. The improvements constituting the Project are located on the property described in Appendix I, as described in the Map, and together comprise the Empire House Condominiums. The Map indicates the number of stories, the number of Units which are to be contained in the buildings which comprise a part of the improvements, the dimensions of the Units, and other significant facts relating to the improvements. Empire House Condominiums is divided into twelve (12) residential Units

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contained in one building. The building is new construction and each Unit contains one floor only. There is a twelve (12) unit garage in the basement.

2. Description and Legal Status of Units. The Map shows the Unit number of each Unit, the location of each Unit, dimensions from which each Units' area may be determined, the Limited Common Areas which are reserved for the use of each Unit if any, and the Common Areas of the Project.

3. Undivided Ownership Interest in the Common Areas. Each Unit Owner owns an undivided interest in the Common Areas of the Empire House Condominiums constituting a one-twelfth (1/12) undivided interest. Each Unit Owner is a member of the Empire House Condominium Owners Association non-profit corporation. No Unit Owner may waive their right to the use and benefit of the Common Areas, or in any other way avoid the Unit Owner's obligation for payment of Common Expenses.

4. Common and Limited Common Areas. The Common Areas contained in the Project are described and identified in Article I hereof and in the Map. Neither the ownership of an undivided interest in the Common Areas, a membership in the Owners Association nor the right of exclusive use of a Limited Common Area shall be separated from the Unit to which it appertains; and even though not specifically mentioned in

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the instrument of conveyance, such percentage of undivided interest in the Common Areas, a membership in the Owners Association and such right of exclusive use of a Limited Common Area automatically accompany the conveyance of the Unit to which they relate.

5. Empire House Condominium Owners Association.

All Unit Owners shall, upon becoming Owners, automatically become members of the Empire House Condominium Association which shall maintain and administer certain facilities, maintain the Common Areas of the Project, and enforce the covenants and restrictions as imposed herein or the rules and regulations adopted by the Association, and collect and disburse the assessments and charges referred to herein or otherwise authorized by the Association. The Declarant shall be a member of the Association to the extent that the Declarant maintains ownership of one or more Units; provided, however, that until title to Units representing seventy-five percent (75%) of the votes of Unit Owners shall have been conveyed by Declarant to the purchasers thereof the Declarant alone shall have the Right to constitute and be the Association; such Right shall automatically terminate two years after the recording of this Declaration without regard to whether 75% of the Units have been sold. However, Declarant may waive the Right at any time prior to the

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conveyance of Units representing 75% of the votes of Unit Owners by (i) notifying Unit Owners in writing of such waiver of the Right, and (ii) filing for record in the office of the Summit County Recorder a written notice of waiver of the Right, whereupon the Owners Association shall promptly hold a meeting to elect officers, it being established hereby that the control of the Unit Owners in the Association shall automatically vest thirty (30) days following the date such waiver is recorded by Declarant.

6. Membership and Voting Rights in the Association.

(a) Membership. Membership in the Association shall be appurtenant to the Unit in which the Owner has the necessary fee interest. Neither membership in the Association nor the vote attributable to a membership shall be separated from the Unit to which it appertains.

(b) Voting Rights. The Association shall have one class of voting membership which shall be, with respect to each Unit in which the fee interest required for membership is held, one vote for each Unit owned. Neither the issuance nor the holding of membership certificates shall be necessary to evidence membership in the Association. However, the Association is authorized to issue membership certificates or to require other evidence of ownership if it

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deems such to be advisable or appropriate, and if the certificates or other evidence of ownership so required are uniform as to all owners, the possessor of any such certificate or evidence of ownership is the Unit Owner for purposes of voting.

(c) Multiple Ownership. In the event there is more than one Owner of a particular Unit, the vote relating to that Unit shall be exercised as its Owners may determine among themselves. A vote cast at any Association meeting by any of the Owners of a Unit, whether in person or by proxy, shall be conclusively presumed to be the vote attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. In the event such an objection is made, the vote attributable to such Unit shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

7. Holding Title. Except as provided herein, title to a Unit may be held or owned by an entity and in any manner in which title to any other real property may be held or owned in the State of Utah, including, but without limitation, joint tenancy or tenancy in common, but excluding any form of time period or time sharing form of ownership.

8. No Separation. No part of a Unit or of the legal rights comprising ownership of a Unit may be separated

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from any other part thereof during the period of Condominium Ownership described herein, so that each Unit, the undivided interest in the Common Areas appurtenant to such Unit, and the exclusive right to use and occupy the Limited Common Areas appurtenant to such Unit, shall always be conveyed, devised, encumbered, or otherwise affected only together and may never be separated from one another. Every gift, devise, bequest, transfer, encumbrance, or other disposition of a Unit or any part thereof shall constitute a gift, devise, bequest, transfer, encumbrance or conveyance, respectively, of the entire Unit, together with all appurtenant rights and obligations created by law or by this Declaration.

9. No Partition. The Common Areas shall be owned in common by all the owners of Units, and no Unit Owner may bring action for partition thereof.

10. Use of Common Areas and Limited Common Areas. Subject to the limitations contained in the Declaration, any Unit Owner shall have the non-exclusive right to use and enjoy the Common Areas and shall have the exclusive right to use and enjoy the Limited Common Areas designated herein and on the Map for exclusive use by such Unit Owner.

11. Restrictions of Use of Common Areas. Each Owner's right and easement of use and enjoyment concerning

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the Common Areas created hereby shall be subject to the following:

(a) The right of the Association to suspend an Owner's right to the use and enjoyment of any amenities included in the Common Areas for any period during which an assessment on such Member's Unit remains unpaid, and for a period not exceeding sixty (60) days for any infraction by such Member of the provisions of this Declaration or of any rules or regulations promulgated by the Association;

(b) The right of the Association to impose reasonable limitations on the number of guests per Member who at any given time are permitted to use the Common Areas;

(c) The right of Park City, a municipal corporation, the Snyderville Basin Sewer Improvement District, and any other governmental or quasi-governmental body having jurisdiction over the Common Areas to access and rights in ingress and egress over and across any parking area, walkway, or open area contained within the Common Areas for purposes of providing police and fire protection and providing any other governmental utility or municipal service; and

(d) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for such municipal,

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governmental and/or non-commercial purposes and subject to such conditions as may be agreed to by the Association, provided that no such dedication or transfer by the Association shall be effective unless written notice of the proposed agreement and action thereunder is sent to every Owner at least thirty (30) days in advance of any action taken and unless an instrument signed by every Owner has been recorded, agreeing to such dedication, transfer, purpose or condition.

(e) The right of the Association to borrow money for the purpose of improving the Common Areas and to mortgage the Common Areas, or any part thereof, subject to paragraph III 30 of this Declaration to carry out such improvements.

12. Unit Maintenance. Each Owner shall at the Owner's own cost and expense maintain, repair, paint, re-paint, tile, wax, paper or otherwise finish and decorate the interior surfaces of the walls, ceilings, floors, windows and doors (including replacement of windows and doors) forming the boundaries of their Unit and shall maintain, repair and replace all walls, ceilings, floors, windows and doors within such boundaries. In addition to decorating and keeping the interior of the Unit in good repair and in a clean and sanitary condition, each Owner shall be responsible for the

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maintenance, repair or replacement of any plumbing and plumbing fixtures, water heater, heating and air conditioning equipment, lighting fixtures, refrigerator, dishwasher, disposal equipment, range, or other appliances or fixtures that may be in, or connected with, the Unit, including all water and other utility lines leading to the Owner's individual Unit; the cost of repair of any other Unit, any Common Areas or limited Common Area which must be removed or replaced in conjunction with the repair or maintenance of a Unit and its associated electrical, plumbing and mechanical systems shall be borne by the Association unless the repair is the result of an act of negligence or intentional damage.

13. Maintenance of Common Areas. The Association, acting through the Management Committee, shall provide for such maintenance and operation of the Common Areas and Limited Common Areas as may be necessary to keep them clean, functional, attractive and generally in good condition and repair. In addition, each Owner shall at their own cost keep the Limited Common Areas designed for use in connection with their Unit clean and free of debris at all times.

14. Easement for Encroachment. If any part of the Common Areas encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance for the same shall and does exist. If any part

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of a Unit encroaches or shall hereafter encroach upon the Common Areas, or upon an adjoining Unit or Units, an easement for such encroachment and for its maintenance shall and does exist. Such encroachments shall not be considered to be encumbrances either to the Common Areas or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the building on the property, by error in the Map, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof or by addition of limited common areas as provided herein.

15. Access for Repair of Common Areas. Some of the Common Areas are or may be located within the Units or may be conveniently accessible only through the Units. The Owners of the other Units shall have the irrevocable right, to be exercised by the Association as their agent, to have access to each Unit and to all the Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Areas or to another Unit or Units. The Association shall also have such rights independent of the agency relationship. Damage to the interior of any part of a Unit or Units resulting from the maintenance, repair, emergency repair, or replacement of

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any of the Common Areas or as a result of emergency repairs within another Unit at the instance of the Association or of Unit Owners shall be fully repaired and compensated for by the Association; provided, that if such damage is the result of negligence of the Owner of a Unit, then such Owner shall be financially responsible for all such damage. Such damage shall be repaired and the property shall be restored substantially to the same condition as existed prior to damage. Amounts owing by Owners pursuant hereto shall be collected by the Association by assessment pursuant to paragraph III 21 of this Declaration.

16. Right of Ingress, Egress, Lateral Support.

Each Owner shall have the right to ingress and egress over, upon and across the Common Areas necessary for access to the Owner's Unit, and to the Limited Common Areas designated for use in connection with the Owner's Unit, and each Owner shall have the right to the horizontal and lateral support of a Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

17. Easement to Management Bodies. The

Association and the Committee shall have non-exclusive easements to make such use of the Common Areas as may be necessary or appropriate to perform the duties and functions which they are obligated or permitted to perform pursuant to this Declaration.

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18. Easement for Utility Services. There is hereby created a blanket easement upon, across, over and under the Property for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to, water, sewers, gas, telephones, electricity, and other utility services.

19. Legal Description of a Unit. Every conveyance or contract for the sale of a Unit and every other instrument affecting title to a Unit may describe that Unit by the number shown on the Map with the appropriate reference to the Map and to this Declaration, as each shall appear on the records of the County Recorder of Summit County, Utah, and in substantially the following form:

Unit No. _____, of the Empire House Condominiums together with its 8.33 percent undivided ownership interest in the Common Areas and Facilities, which are actually appurtenant to said Unit, and subject to such Declaration which is filed for record in the office of the County Recorder of Summit County, Utah, on the _____ day of _____, 1983, in Book _____, Page _____ of Plats, as Entry No. _____ and the record of Survey Map of Empire House Condominiums, dated the _____ day of _____, 1983, and recorded as Entry No. _____, in Book _____, Page _____ of Official Records, subject to and together with all easements

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and rights of way as shown as described in said Record of Survey Map and as set forth in said Declaration and all amendments thereto.

20. Status and General Authority of Association.

(a) Except as hereinafter provided, the Project shall be managed, operated, and maintained by the Empire House Condominium Owners Association as agent for the Unit Owners. The Association shall meet at least once each year, and in connection with its exercise of any of the powers hereinafter provided, shall take such action and execute those instruments in the Association's name as may be necessary for Association purposes. The Association shall have, and is hereby irrevocably granted, by the Unit Owners as their agent and on their behalf the following authority and powers:

(1) The authority and responsibility to manage the business, property and affairs of the Association and enforce the provisions of the Declaration, Articles of Incorporation, the By-laws and any and all rules and regulations adopted by the Association governing the Property.

(2) The authority to establish a Board of Trustees which shall serve as a Management Committee and to delegate to it the power and

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authority to manage any delegated portion of the business, property and affairs of the Association.

(3) The authority, without the vote or consent of the Unit Owners or of any other person(s), to grant or create on such terms as it deems advisable, utility and similar easements over, under, across, and through the Common Areas.

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

(5) The power to sue and be sued in the name of the Association.

(6) The authority to enter into contracts relating to the Common Areas and other matters over which it has jurisdiction, so long as any vote or consent of the Unit Owners necessitated by the subject matter of the agreement has been obtained.

(7) The power and authority to convey or transfer any interest in real property, so long as the vote or consent necessary under the circumstances have been obtained.

(8) The power and authority to purchase, or otherwise acquire, and accept title to, in the name of the

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Association, any interest in real property, so long as such action has been authorized by any vote or consent which is necessary under the circumstances.

(9) The power and authority to add any interest in real property obtained pursuant to subparagraph (8) above to the Project, so long as such action has been authorized by the necessary vote or consent.

(10) The authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Association in carrying out its functions and to insure that the Project is maintained and used in a manner consistent with the interests of the Unit Owners, including the authority to assess one or more Units for its portion of Common Area charges or maintenance of the individual Unit or Limited Common Areas.

(11) The power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Association to perform its functions as agent for the Unit Owners. Any instrument executed by the Association relating to the Common Areas of the Project that recites facts which, if true, would establish the Association's power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and

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authority in favor of any person who in good faith and for value relies upon said instrument.

(12) The power and authority to elect officers, establish By-laws, and take any and all other actions necessary for the purposes of the Association.

(b) Right of Delegation to Board of Trustees. The Association may carry out through the Board of Trustees any of its functions which are capable of delegation. The Board of Trustees shall be responsible for managing the Common Areas and shall, to the extent permitted by law and the Association, be authorized to perform any of the functions or acts required or permitted to be performed by the Association itself.

(c) Board of Trustees; Management Committee, Election, Vacancy. The Board of Trustees which shall be the Management Committee shall be composed of three members, each serving for a one-year term except that at the first election one (1) Board member shall be elected for a one-year term, one (1) member for a two-year term, and one (1) member for a three-year term. Members shall serve on the Board until their successors are elected. Only Unit Owners or spouses of Unit Owners, and officers or directors of Owners other than individuals, shall be eligible for Board membership. At the annual meeting of the

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Association each Unit Owner may cast one vote in favor of as many candidates or Board memberships as there are seats on the Board to be filled; provided, however, that until title to Units representing seventy-five percent (75%) of the votes of Unit Owners shall have been conveyed by Declarant to the purchasers thereof, or the waiver described in paragraph III 5 has been recorded, the Declarant alone shall have the right to select the Board of Trustees or act as the Board. Such right shall automatically terminate two years after the recording of this Declaration without regard to whether seventy-five percent (75%) of the Units have been sold. In the event a Board seat which was filled by the Declarant becomes vacant Declarant shall have the right to select a replacement member to sit on the Board for the balance of the term associated with the vacant seat. In all other cases of vacancy the remaining Board members shall elect a replacement to sit on the Board until the expiration of the term for which the member being replaced was elected.

(d) Payment for Services, etc. The Association may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable

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for the proper operation of the Project. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration.

(e) Maintenance. The Association, through the Management Committee, shall arrange for snow removal, garbage removal, ground maintenance and other common services to the Project.

(f) Personal Property Ownership and Use. The Association may acquire for the use and the benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interests in the Common Areas. Such interest shall not be transferrable except with the transfer of a Unit. A transfer of a Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference by the transferor of a Unit. Each Owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Unit under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosed Unit

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to the extent permitted and subject to the requirements of applicable laws.

(g) Rules and Regulations. The Association, through the Board of Trustees, may make reasonable rules and regulations governing the operations and use of the Common Areas and of other matters over which it has jurisdiction, which rules and regulations shall be consistent with the rights and duties established in this Declaration. The Association may suspend any Owner's voting rights at the meeting of the Unit Owners during any period or periods during which such Owner fails to comply with such rules and regulations, or with any other obligations of such Owners under this Declaration. The Association may also take judicial action against any Owner to enforce compliance with such rules and regulations or other obligations or to obtain damages for noncompliance, all to the extent permitted by law.

(h) Capital Improvements. There shall be no structural alterations, capital additions to, or capital improvements of, the Common Areas requiring expenditure in excess of \$3,000.00 without the prior approval of Unit Owners holding a majority of the unit ownership.

21. Assessments.

(a) Agreement to Pay Assessments. Each Owner of a Unit by the acceptance of a deed or contract therefore,

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whether or not it be so expressed in the deed or contract, shall be deemed to covenant and agree with each other owner and the Association to pay annual assessments made by them or either of them for the purposes provided in this Declaration, and special assessments for capital improvements and other matters as provided in this Declaration, including individual assessments against a particular Unit for repairs or maintenance of said Unit, where the Owner of said Unit after written notice of not less than fifteen (15) days, fails to perform his duties in maintaining his Unit as required by this Declaration, or Rules and Regulations adopted by the Association. Such assessments shall be fixed, established and collected from time to time in the manner provided hereunder.

(b) Basis of Assessments. The total annual assessments against all Units shall be based upon advance estimates of cash requirements by the Association to provide for the payment of all estimated expenses growing out of or in connection with the maintenance and operation of the Common Areas, which estimates shall include among other things, expenses of management; taxes and special assessments levied by governmental authorities until the Units are separately assessed as provided herein; premiums for all insurance which the Association is required or permitted to

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maintain pursuant hereto; common lighting; water charges; replacements, repairs and maintenance of the Common Areas; wages for employees of the Association; legal and accounting fees; any deficit remaining from a previous period; the creation of a reasonable contingency reserve; reserve fund for major replacements and improvements, and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration.

(c) Apportionment of Expenses. Expenses attributable to the Common Areas and to the Project as a whole shall be apportioned among and assessed against all Units in proportion to their respective undivided interest in the Common Areas.

(d) Payment of Assessments, Method, Etc. Annual assessments shall be made on a calendar year basis and shall commence at the time the first Unit is sold by Declarant to a third party. The Association shall give written notice to each Owner as to the amount of the annual assessment with respect to his Unit not less than thirty (30) days nor more than sixty (60) days prior to the beginning of the next calendar year; provided, however, that the first annual assessment shall be for the balance of the calendar year remaining after the day of the sale of such first Unit. Each

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annual assessment shall be due and payable in monthly installments. Each monthly assessment shall bear interest at the rate of eighteen percent (18%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date. Upon sale of a Unit, whether by conveyance of title or entering into a contract of sale, the monthly assessments attributable to the Unit will be apportioned to the date of sale by the seller and purchaser on a pro rata basis and thereafter each monthly payment by the new purchaser shall be due and payable on the first day of each and every month in advance.

(e) Special Assessment. In addition to the annual assessments authorized hereunder, the Association, may levy in any assessment year, special assessments, payable over such a period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Common Areas of the Project or any other part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration. This paragraph shall not be construed as an independent source of authority for the Association, or the Committee as its agent, or either of them, to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other

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paragraphs hereof. Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to their respective undivided interest in the Common Areas. Notice in writing of the amount of such special assessment and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. A special assessment shall bear interest at the rate of eighteen percent (18%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date.

(f) Lien for Unpaid Assessments. All sums assessed to any Unit pursuant to this section, together with interest thereon as provided herein, shall be secured by a lien on such unit in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Unit, except only for: (a) valid tax and special assessment liens on the Unit in favor of any governmental assessing authority; and (b) encumbrances on the interest of the Unit Owner recorded prior to the date notice of the lien provided for herein is recorded which by law would be a lien prior to subsequently recorded encumbrances. All other lienors acquiring liens on any Unit after this Declaration shall have been recorded shall be deemed to consent that such liens

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shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

To evidence a lien for sums assessed pursuant to this section, the Association may prepare a written notice of lien setting forth the amount of the assessment, the due date, the amount remaining unpaid, the name of the Owner of the Unit and a description of the Unit. Such a notice shall be signed by the President of the Association and may be recorded in the office of the County Recorder of Summit County, Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced at the sole option of the Association by foreclosure in the same manner in which mortgages or trust deeds on real property may be foreclosed in Utah. In any such foreclosure the Owner shall be required to pay the cost and expenses of such proceeding, the cost and expenses of filing the notice of lien and all reasonable attorney's fees. All such costs, expenses and fees shall be secured by the lien being foreclosed. The lien shall also secure, and the Owner shall also be required to pay to the Association any assessments against the Unit which shall become due during the period of foreclosure. The Association or its representative shall have the right and the power to bid an

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amount equal to its then existing lien at the foreclosure sale or other legal sale to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof.

A release of notice of lien shall be executed by the Association and recorded in the office of the County Recorder of Summit County, Utah, upon payment of all sums and secured by a lien which has been made the subject of a recorded notice of lien.

Any encumbrancer holding a lien on a Unit may pay, but shall not be required to pay, any amounts secured by the lien created by this section, and upon such payments such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

The Association shall report to any encumbrancer of a Unit any unpaid assessments remaining unpaid for longer than sixty (60) days after the same shall have become due; provided, however that such encumbrancer first shall have furnished to the assessing body written notice of such encumbrance.

(g) Assessments - Personal Obligation. The amount of any annual or special assessment against any Unit shall be the personal obligation of the Owner thereof to the Association. Suit to recover a money judgment for such

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personal obligation, including costs of court and reasonable attorney's fees, shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any personal obligation by a waiver of the use and enjoyment of any of the Common Areas or by abandonment of said Owner's Unit.

(h) Information Concerning Unpaid Assessments. Upon payment of a reasonable fee not to exceed thirty dollars (\$30.00) and upon written request of any Owner or Mortgagee, prospective Mortgagee or prospective purchaser of a Unit, the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Unit; the amount of the current yearly assessment and the portion thereof which has theretofore been paid; credit for advance payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums; and such statement of account shall be complied with within ten (10) days, all unpaid assessments which to the date of making such request shall be subordinate to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligations of the purchaser shall be released automatically if the statement is not furnished within a ten (10) day period provided herein and thereafter

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an additional written request is made by such purchaser and is not complied with within ten (10) days, and the purchaser subsequently acquires the Unit.

(i) Purchaser's Obligation. Subject to the provisions of subparagraph (h) and this paragraph, a purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments. The foregoing notwithstanding, purchasers of Units at foreclosure or trustees sales held by Mortgagees or their trustees shall not be responsible for unpaid assessments which were assessed prior to the time of sale.

22. Use of Condominium.

(a) Housing Use. Each of the Units in the Project shall be used for single family housing.

(b) Restrictions on Renting. All persons occupying a Unit who are not members of the Unit Owner's immediate family or guests of the Unit Owner, shall do so only under a written lease which shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and By-laws and that any failure by

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the lessee to comply with the terms of such documents shall be a default under the lease.

(c) Restrictions Concerning Common Areas.

There shall be no obstructions of the Common Areas by the Owners, their tenants, guests or invitees without the prior written consent of the Association. The Association may by rules and regulations prohibit or limit the use of the Common Areas as may be reasonably necessary for protecting the interests of all the Owners or protecting the Units or the Common Areas. Nothing shall be kept or stored on any part of the Common Areas without the prior written consent of the Association, except as specifically provided herein. Nothing shall be altered on, constructed in or removed from the Common Areas except upon the prior written consent of the Association.

(d) Appearance of Condominium Project. No

change may be made to the exterior or interior of any Unit which would affect the appearance of the Unit from the outside without first obtaining the written approval of the Association. The Association may in its discretion prohibit any change which in its opinion would change the overall appearance of the Project or create a disunity in appearance of the Project.

(e) Miscellaneous Restrictions. Nothing

shall be done or kept in any Unit or in the Common Areas or

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any part thereof which would result in the cancellation of the insurance on the Project or any part thereof or increase of the rate of the insurance on the Project or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by them or their invitees; provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee of any other Owner. No noxious, destructive or offensive activity shall be carried on in any Unit or in the Common Areas or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project.

(f) Animals. No livestock or poultry of any kind shall be raised, bred, or kept in any Unit or in the Common Areas, but household pets may be kept in the Units and

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the Limited Common Areas reserved for the exclusive use of such Unit, subject to strict observance of rules and regulations adopted by the Association.

(g) No Violation of Rules and Regulations.

No Owner shall violate the rules and regulations for the use of the Units and of the Common Areas as adopted from time to time by the Association.

(h) Restrictions in Alterations. No structural alterations to any Unit shall be made by any Owner without the prior written consent of the Association.

(i) Nuisance. The result of every act or omission, whereby any provision, condition, restriction, covenant, easement or reservation contained in this Declaration is violated in whole or in part, is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result, and may be exercised by the Association.

j. Declarant's Right to Sell Units. Notwithstanding anything contained herein to the contrary, until the Declarant of the Project has completed and sold all of the Units, neither the Unit Owners who have purchased Units from the Declarant, the Association, nor the Board of Trustees, shall interfere with the completion of the contemplated

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improvements and sale of the remaining Units. The Declarant may make such use of the unsold Units and the Common Areas as may facilitate such completion and sale, including but not limited to, the maintenance of a sales office, the showing of the Units, the recreational facilities and the display of signs.

23. Insurance and Bond. The Association in behalf of the Unit Owners shall secure and maintain at all times the following insurance and bond coverages:

(a) A multi-peril type policy covering the entire Project, providing as a minimum fire and extended coverage and all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location and use on a replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value, based upon replacement cost.

(b) Fidelity bond coverage against dishonest acts on the part of directors, managers, trustees, employees or volunteers responsible for handling funds belonging to or administered by the Association. The fidelity bond or insurance must name the Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than one and one-half times

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the insured's estimated annual operating expenses and reserves. In connection with such coverage an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

(c) If at any time the Project is located in an area identified by the Secretary of HOusing and Urban Development as an area having special flood hazards, a "blanket" policy of flood insurance on the Project must be maintained in the amount of the aggregate of the outstanding principal balances of the mortgage loans on the Condominium Units comprising the Project or the maximum limit of coverage available under the National Flood Insurance Act of 1968, as amended, whichever is less.

(d) The Association shall have a comprehensive policy of public liability insurance covering all of the common area, commercial spaces and public ways in the Project. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Condominium Unit Owner because of negligent acts of the Association or other Unit Owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage

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investors for projects similar in construction, location and use.

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

(1) The name of the insured under each required policy must be stated in form and substance similar to the following: "Empire House Condominium Owners Association for use and benefit of the individual owners" (designated by name, if required).

(2) Each such policy must contain the standard mortgagee clause which must be endorsed to provide that any proceeds shall be paid to the Empire House Condominium Owners Association for the use and benefit of Mortgagees as their interest may appear, or must be otherwise endorsed to fully protect the Mortgagee's interest.

(3) Policies are unacceptable where:
(i) under the terms of the carrier's charter, by-laws or policy, contributions or assessments may be made against the Unit Owner or his Mortgagee or its designees, or (ii) by the terms of the carrier's charter, by-laws or policy, loss payment are contingent upon action by the carrier's board of directors, policyholders, or members; or (iii) the policy includes any limiting clauses (other than insurance condi-

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tions) which could prevent the Unit Owner or his Mortgagee or its designees from collecting insurance proceeds.

(4) All policies of hazard insurance must contain or have attached the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the Project is located. The mortgagee clause must provide that the insurance carrier shall notify the first Mortgagee named of reduction in or cancellation of the policy.

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

(6) The Association shall have the authority to adjust losses.

(7) Insurance secured and maintained by the Association shall not be brought into contribution with insurance held by the individual Unit Owners or their mortgages.

(8) Each policy of insurance obtained by the Association shall, if possible, provide: a waiver of the insurer's subrogation rights with respect to the Committee,

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the Manager, the Unit Owners, and their respective servants, agents, and guests; that it cannot be cancelled, suspended, or invalidated due to the conduct of any member officer, or employee of the Association or of the Manager without a prior written demand that the defect be cured; that any "no other insurance" clause therein shall not apply with respect to insurance held individually by the Unit Owners.

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

(10) All policies shall be written by a company licensed to write insurance in the State of Utah and all hazard insurance policies shall be written by a hazard insurance carrier holding financial rating by Best's Insurance Reports of Class VI or better.

(11) Notwithstanding anything herein contained to the contrary, insurance coverage must be in such amounts as requested by and meet other requirements of the Federal National Mortgage Association.

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24. Damage to Project. In the event of damage to or destruction of part or all of the improvements in the Condominium Project, the following procedures shall apply:

(a) If proceeds of the insurance maintained by the Association are alone sufficient to repair or reconstruct the damaged or destroyed improvement, such repair or reconstruction shall be carried out.

(b) If less than 75% of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Association are not alone sufficient to accomplish restoration, restoration shall be carried out and all the Unit Owners shall be assessed for any deficiency on the basis of their respective percentages of undivided interest in the Common Areas and Facilities.

(c) If 75% or more of the project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Association are not alone sufficient to accomplish restoration, and if the Unit Owners within 100 days after the destruction or damage by a vote of at least 75% elect to restore the affected improvements, restoration shall be accomplished in the manner directed under subparagraph (b) above.

(d) If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of

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the insurance maintained by the Association are insufficient to accomplish restoration, and if the Unit Owners do not, within 100 days after the destruction or damage, by a vote of at least 75% elect to repair or reconstruct the affected improvements, the Association shall promptly record with the Summit County Recorder a notice setting forth such facts. Upon the recording of such notice the provisions of subsections (1) through (4) of Section 57-8-31, Utah Code Annotated (1953) shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units.

Any restoration which is required to be carried out by this paragraph shall be accomplished at the instance and direction of the Association. Any determination which is required to be made by this paragraph 24 regarding the extent of damage to or destruction of Project improvements shall be made by three (3) MAI appraisers selected by the Association. The decision of any two such appraisers shall be conclusive.

25. Rules and Regulations. The Association, acting at times by and through the Board of Trustees, shall have authority to promulgate and enforce such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Association in carrying out any of its functions.

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26. Amendment. Any amendment to the Covenants shall require the affirmative vote of at least two thirds of all votes which Members present in person or represented by proxy are entitled to cast at a meeting of the Association duly called for such purpose. Written notice setting forth the purpose of the meeting and the substance of the amendments proposed shall be sent to all members at least seven (7) but not more than thirty (30) days prior to the meeting date. No such subsequent meeting shall be held more than sixty (60) days following the immediately preceding meeting. Any amendment authorized pursuant to this Section shall be accomplished through the recordation of any instrument executed by the Association. In such instrument an officer of the Association shall certify that the vote required by this paragraph for amendment has occurred.

27. Consent Equivalent to Vote. In those cases in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for the authorization or approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who collectively total at least the necessary percentage of Owners.

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28. Service of Process. Wallace Buchanan, Western States Title Co., Park City, Utah is the person to receive process in cases authorized by the Act. The Association shall, however, have the right to appoint a successor or substitute process agent. Such successor or substitute agent and his address shall be specified by an appropriate instrument filed in the office of the County Recorder of Summit County, State of Utah.

29. Mortgagee Protection. Notwithstanding anything to the contrary contained in this Declaration:

(a) An adequate reserve fund for maintenance, repairs and replacement of the Common Areas must be established and shall be funded by regular monthly payments rather than by special assessments.

(b) There shall be established a working capital fund for the initial months of operation of the Project equal to a minimum amount of two (2) months' estimated Common Area charge for each Unit.

(c) Any "right of first refusal" contained in the condominium constituent documents shall not impair the rights of a first Mortgagee to foreclose or take title to a Condominium Unit pursuant to the remedies provided in the mortgage, or accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor, or interfere

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with a subsequent sale or lease of a Unit so acquired by the Mortgagee.

(d) The holders of first mortgages shall have the right to examine the books and records of the Association and to require annual reports or other appropriate financial data.

(e) Any management agreement for the Project, or any other contract providing for services of the developer, sponsor or builder shall be terminable by either party without cause and without payment of a termination fee on sixty (60) days' written notice thereof and the term of any such agreement shall not exceed three (3) years.

(f) In the event of substantial damage to or destruction of any Unit or any part of the Common Areas, the institutional holder of any first mortgage on a Unit shall be entitled to timely written notice from the Association as to any such damage or destruction. No Unit Owner or other party shall be entitled to priority over such institutional holder with respect to the distribution to such Unit of any insurance proceeds.

(g) If any Unit or portion thereof or the Common Areas or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority,

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the institutional holder of any first mortgage of a Unit shall be entitled to timely written notice from the Association of any such proceeding or proposed acquisition and no Unit Owner or other party shall have priority over such institutional holder with respect to the distribution to such Unit of the proceeds of any award or settlement.

(h) The provisions in paragraph III 22(b) restricting leases of Units shall not apply to a lender in possession of a Unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure.

(i) Each holder of a first mortgage lien (including any purchaser from such holder) on a Unit who comes into possession of or title to a Unit by virtue of foreclosure of the purchaser at a foreclosure sale, shall take the Unit free of, and shall not be liable for, any unpaid claims, assessments and charges against the Unit which accrue prior to the time of such possession or acquisition of title.

(j) Any holder of a first mortgage, upon request, is entitled to written notification from the Association of any default by the mortgagor of such Unit in the performance of such mortgagor's obligation under the Declaration which is not cured within sixty (60) days.

(k) Any lien which the Association may have on any Unit in the Project for the payment of Common Expense assessments attributable to such Unit will be subordinate to the lien or equivalent security interest of any first mortgage on the Unit recorded prior to the date any such Common Expense assessments become due.

(l) Unless all first Mortgagees of Units have given their prior written approval, the Association of Unit Owners shall not:

(1) By act or omission, seek to abandon or terminate the Project;

(2) Change the pro rata interest or obligations of any Unit for (i) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards and for (ii) determining the pro rata share of ownership of each Unit in the appurtenant Common Areas;

(3) Partition or subdivide any Unit;

(4) Make any material amendment to the insurance provisions (paragraph III 23) or to these Mortgagee protection provisions (paragraph III 29) contained in this Declaration;

(5) By act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer, the Common

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Areas. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas of the Project shall not be deemed a transfer within the meaning of this subparagraph;

(6) Use hazard insurance proceeds for losses to any condominium property, whether to Units or to the Common Areas, for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the Units and/or the Common Areas of the Project.

(m) Upon the written request of any first Mortgagee, the Association agrees to provide such Mortgagee with a letter wherein the Association agrees to notify the Mortgagee or its designee whenever: (i) damage to a Condominium Unit covered by a mortgage purchased in whole or in part by such Mortgagee or its successors or assigns exceeds \$3,000, or (ii) damage to Common Areas and related facilities exceeds \$10,000.

30. Duty of Owner to Pay Taxes on Unit Owned. It is understood that under the Act each Unit (and its percentage of interest in the Common Areas) in the Project is subject to separate assessment and taxation of each taxing authority and the special district(s) for all types of taxes and assessments authorized by law, and that as a result

thereof no taxes will be assessed or levied against the Project as such. Accordingly, each Unit Owner shall pay and discharge any and all taxes and assessments which may be assessed against said Owner's Unit.

31. Enforcement. Each Unit Owner shall comply strictly with the provisions of this Declaration and with the administrative rules and regulations drafted pursuant thereto as the same may be lawfully amended from time to time and with the decisions adopted pursuant to this Declaration and the administrative rules and regulations, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Association or manager on behalf of the Unit Owners, or in a proper case, by an aggrieved Unit Owner.

32. Indemnification of the Association and the Board of Trustees. Each member of the Association and the Board of Trustees shall be indemnified and held harmless by the Unit Owners against all costs, expenses, and liabilities whatsoever, including, without limitation, attorney's fees, reasonably incurred by that member in connection with any proceeding to which that member may become involved by reason of his being or having been a member of the Association or Committee.

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Not
Used

33. Completion of Common Areas. All Common Area improvements as shown on the Map shall be completed by Declarant within two (2) years from the date hereof at Declarant's expense.

34. Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of either gender shall include both genders.

35. Severability. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

36. Topical Headings. The headings appearing at the beginning of the paragraphs of this Declaration are only for convenience of reference and are not intended to describe, interpret, define or otherwise affect the content, meaning or intent of this Declaration or any paragraph or provision hereon.

37. Effective Date. This Declaration shall take effect upon recording in the office of the County Recorder of Summit County, Utah.

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IN WITNESS WHEREOF, the undersigned, being the Declarant, has caused this instrument to be executed and its seal be affixed hereto on the 2nd day of November, 1983.

DOMCOY INVESTORS III, a California Limited Partnership, by Domcoy Enterprises, Inc. a Utah corporation, General Partner

By Eugene E. Doms
General Partner

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

On the 2nd day of November 1983, personally appeared before me Eugene E. Doms who being by me duly sworn did say that he is an officer of DOMCOY ENTERPRISES, INC., a Utah corporation, general partner in Domcoy Investors III, and is authorized to execute this Declaration on behalf of such partnership.

My Commission Expires:
6-18-85

[Signature]
NOTARY PUBLIC
Residing At: S. 6th

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APPENDIX I

All of Lots 23, 24, 25 and 26, Block 21, SNYDER'S ADDITION TO PARK CITY, according to the official plat thereof on file and of record in the office of the Summit County Recorder

ALSO the following:

A portion of the vacated formerly platted Norfolk Avenue adjoining Lots 23-26, Block 21, Snyder's Addition to Park City described more particularly as follows:

BEGINNING at the Southwest corner of Lot 26, Block 21, SNYDER'S ADDITION TO PARK CITY; and running thence South $54^{\circ}01'$ West 25.00 feet; thence North $35^{\circ}59'$ West 99.48 feet to a point on a curve to the left on the Easterly right of way line of Empire Avenue as actually in use, the radius point of said curve and is South $69^{\circ}56'14''$ West 525.00 feet; thence Northerly along the arc of said curve and said Easterly line 0.54 feet through a central angle is $0^{\circ}03'33''$; thence North $54^{\circ}01'$ East 24.85 feet to the most Westerly corner of Lot 23, Block 21, Snyder's Addition to Park City; thence South $35^{\circ}59'$ East 100.00 feet to the point of BEGINNING.

CONTAINING APPROX .228 ACRES

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APPENDIX II

<u>Unit #</u>	<u>Common Area</u>
1 A	8.333 %
1 B	"
1 C	"
1 D	"
2 A	" *
2 B	" *
2 C	" *
2 D	" *
3 A	"
3 B	"
3 C	"
3 D	"

* Includes Limited Common Area

BYLAWS OF EMPIRE HOUSE CONDOMINIUM OWNERS ASSOCIATION,
a Non-profit Corporation of the
State of Utah, for the Owners of
Empire House Condominiums, Park City, Utah

I

IDENTITY

These are the Bylaws of the Empire House Condominium Owners Association as duly made and provided in accordance with the Utah Condominium Act, the Declaration of Condominium of the Empire House Condominiums, and the Articles of Incorporation of the Empire House Condominium Owners Association. Any term used herein which is defined in the Declaration to which these Bylaws are appended shall have the meaning ascribed therein.

II

APPLICATION

All present or future members of the Empire House Condominium Owners Association, their tenants, guests or any other persons who might use the facilities of the Empire House Condominiums in any manner are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of

the Units or parts thereof, or the mere act of occupancy or use of any of said Units or part thereof or the Common Areas and Facilities will signify that these Bylaws are accepted, ratified, and will be complied with by said persons.

III

BOARD OF TRUSTEES; MANAGEMENT COMMITTEE

1. Powers. The business, property and affairs of the Empire House Condominium Owners Association shall be managed and governed by the Board of Trustees which shall also be and is the Management Committee.

2. Election. The Board of Trustees shall be elected as provided in paragraph III-20-(c) of the Declaration.

3. Vacancies. Vacancies on the Board of Trustees shall be filled by appointment by the remaining trustees for the unexpired term of the previous trustee. All other vacancies shall be filled by election as provided in paragraph III-2 above.

4. Regular Meetings. A regular annual meeting of the Board of Trustees shall be held immediately after the adjournment of each annual meeting of the members. Regular meetings, other than the annual meeting, shall or may be held at regular intervals at such places and at such times as either the president or the Board may from time to time designate.

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5. Special Meetings. Special meetings of the Board shall be held whenever called by the president, vice president, or by two or more members. By unanimous consent of the Board, special meetings may be held without call or notice at any time or place.

6. Quorum. A quorum for the transaction of business at any meeting of the Board shall consist of a majority of the trustees of the Association then in office.

7. Waiver of Notice. Before or at any meeting of the Board, any trustee may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by trustee at any meeting thereof shall be a waiver of notice by him of the time and place thereof.

8. Adjournments. The Board may adjourn any meeting from day to day or for such other time as may be prudent or necessary, provided that no meeting may be adjourned for longer than thirty (30) days.

IV

OFFICERS

1. Designation and Election. The principal officers of the Association and of the Board of Trustees shall be a president, a secretary and a treasurer, all of whom shall be elected by and from the Board of Trustees. The Board may

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appoint an assistant secretary and an assistant treasurer and such other officers as in their judgment may be necessary or desirable. Such election or appointment shall regularly take place at the first meeting of the Board immediately following the annual meeting of the Association; provided, however, that election of officers may be held at any other meeting of the Board.

2. Other Officers. The trustees may appoint such other officers, in addition to the officers hereinabove expressly named, as they shall deem necessary, who shall have authority to perform such duties as may be prescribed from time to time by the Board, but membership on the Board shall not exceed three (3) members.

3. Removal of Officers and Agents. All officers and agents shall be subject to removal, with or without cause, at any time by the affirmative vote of a majority of the Board.

4. President. The president shall be the chief executive of the Association and shall exercise general supervision over its property and affairs. The President shall sign on behalf of the Association all conveyances, mortgages and contracts of material importance to its business, and shall do and perform all acts and things which the Board of Trustees may require, preside at all meetings of the Association and the Board. The President shall have all of the general powers and

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duties which are normally vested in the office of the president of a corporation, including, but not limited to, the power to appoint committees from among the members (or otherwise) from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

5. Secretary. The secretary shall keep the minutes of all meetings of the Board and of the Association, have charge of the books and papers as the Board may direct; and shall in general perform all the duties incident to the office of secretary; in the absence of the President, the Secretary shall act as chief executive officer of the Association.

6. Treasurer. The treasurer shall have responsibility for the funds and securities of the Board of Trustees and shall be responsible for keeping full and accurate accounts of all receipts of all disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and all other valuable effects in the name, and to the credit of, the Association in such depositories as may from time to time be designated by the Board.

7. Compensation. No compensation shall be paid to the officers for their services as officers. No remuneration shall be paid to an officer for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously

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adopted by the Board before the services are undertaken. Nothing herein shall be construed to preclude any officer from serving the Association in any other capacity and receiving compensation therefore.

V

ADMINISTRATION OF CONDOMINIUM PROJECT

1. Place of Meetings. Meetings of the members shall be held at such place within the State of Utah as the Board may specify in the notice of meeting, except as herein otherwise specified.

2. Annual Meetings. The annual meeting of the Association shall be held at the Empire House Condominiums during the month of December; provided that the Board of Trustees may by resolution fix the date of the annual meeting on such date or at such other place it may deem appropriate.

3. Special Meetings. Special meetings of the Association may be called at any time by the Board or by members who collectively hold at least thirty percent (30%) of the total votes. Notice of said meetings shall be delivered not less than ten (10) days prior to the date fixed for said meeting. Such meeting shall be held at the Empire House Condominiums or such other place as the Board may specify. The notice thereof shall state the date, time and matters to be considered.

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4. Notices. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by registered mail. If delivery is by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States Mail, postage prepaid, addressed to the member concerned.

5. Quorum. At meetings of the Association, members holding more than fifty percent (50%) in the aggregate of votes in the Association shall constitute a quorum for any and all purposes, except in situations in which express provisions require a greater vote. In this event a quorum shall be the percentage of the total membership vote required for such action. In the absence of a quorum of members or proxies, the meeting shall be adjourned for twenty-four (24) hours, at which time it shall reconvene and any number of members present at such subsequent meeting, in person or by proxy, shall constitute a quorum. At any such adjourned meeting held as set forth above, any business may be transacted which might have been transacted at the meeting as originally noticed.

6. Voting. When a quorum is present at any meeting of the Association, including elections of trustees, all questions of business or policy brought before such meeting shall be decided by a vote of no less than 51% of the members or their proxies present, unless the question is one upon which, by

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express provision of the Declaration, Articles or these Bylaws, a greater vote is required, in which case such express provision shall govern and control the decision of such question. All votes may be cast either in person or by proxy. All proxies shall be in writing, and must be of record with the secretary at least two (2) days prior to the meeting at which they are used.

7. Waiver of Notice. Any member may at any time waive any notice required to be given under these Bylaws, or by statute or otherwise. The presence of a member in person at any meeting of the Association shall be deemed a waiver.

8. Time of Meeting. All meetings shall be held at 7:30 p.m. unless a notice of such meeting is provided specifying a different time.

VI

ACCOUNTING

1. Books and Accounts. The books and accounts of the Association shall be kept under the direction of the treasurer and in accordance with reasonable standards and accounting procedures.

2. Report. At the close of each accounting year, the books and records of the Association shall be reviewed by a person or firm approved by the Board of Trustees. A report of such review shall be prepared and submitted to the members at or

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before the annual meeting of the Association. Provided, however, that a certified audit by a certified public accountant approved by the members shall be made if at least seventy-five percent (75%) of the members in the Association determine to require the same.

3. Inspection of Books. Financial reports, such as are required to be furnished shall be available at the principal office of the Association for inspection at reasonable times by any member.

VII

RULES

The Board of Trustees shall have the power to adopt and establish, by resolution, such management and operational rules and regulations as it may deem necessary for the maintenance, operation, management and control of the Condominium Project, and the Board may from time to time, by resolution, alter, amend and repeal such rules and regulations. Members, tenants and guests shall at all times obey such rules and regulations and use their best effort to see that they are faithfully observed by their lessees and the persons over whom they have or may exercise control or supervision, it being clearly understood that such rules and regulations shall apply and be binding upon all members of the Association. Provisions

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of the Act pertaining to the rules and regulations are incorporated herein by reference and shall be deemed a part hereof. Copies of all rules and regulations adopted by the Board shall be mailed or delivered to all Unit Owners at least ten (10) days prior to the effective date thereof.

VIII

AMENDMENT OF THE BYLAWS

These Bylaws may be altered or amended in the same manner and subject to the same conditions as apply with respect to amendment of the Declaration of Condominium of the Empire House Condominiums.

IX

OPERATION AND MAINTENANCE OF CONDOMINIUM PROJECT

The Board of Trustees shall be responsible for the maintenance, control, operation and management of the Condominium Project in accordance with the provisions of the Act, the Declaration under which the Condominium Project was established and submitted to the provisions of the Act, these Bylaws and such rules and regulations as the Association of the Unit Owners may adopt from time to time as herein provided, and all agreements and determinations lawfully made and entered into by the Association of Unit Owners.


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X

INSPECTION OF PERTINENT DOCUMENTS

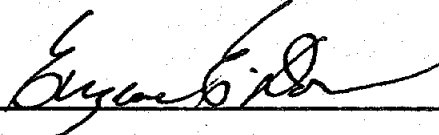
The books and records of the Association, names and addresses of trustees, officers, committee members, and Unit Owners, minutes of Association, Board and committee meetings, and other pertinent documents, shall be available at the office of the Association for inspection or copying by any Unit Owner.

Adopted by the Board of Trustees and the Declarant this 2nd day of Nov., 1983.



DOMCOY INVESTORS III,
a California Limited Partnership

DOMCOY ENTERPRISES, INC.,
a Utah Corporation,
its General Partner



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CONSENT TO RECORD

At the December 15, 1983 meeting of the City Council of Park City, the following plat was approved. Empire House Condominium Plat Park City Municipal Corporation gives its consent to record this plat.

