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ENTRY NO. 01097525

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Declaration PAGE 1/60
SUMMIT COUNTY, UTAH RECORDER
FEE 272.00 BY CANYONS TWO LLC



Tax Parcel Nos.

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**DECLARATION OF CONDOMINIUM
FOR
RC 14 CONDOMINIUMS**

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**DECLARATION OF CONDOMINIUM
FOR
RC 14 CONDOMINIUMS**

THIS DECLARATION OF CONDOMINIUM (as amended from time to time, this "Declaration") is made as of August 28, 2018, by CANYONS TWO LLC, a Delaware limited liability company (together with its successors and assigns, "Declarant").

Recitals

A. Declarant owns the land located in the County of Summit, State of Utah that is more particularly described on Exhibit A hereto.

B. Declarant desires to create a condominium project on such land pursuant to the Utah Condominium Ownership Act, Utah Code Sections 57-8-1 through 57-8-58, as the same may be amended from time to time. The condominium project shall be known as the "RC 14 Condominiums".

C. Declarant deems it necessary and desirable to subject such property, and all improvements now or hereafter constructed on such property, to the covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth in this Declaration.

Declaration

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

ARTICLE I: DEFINITIONS

1.01 **Basic Definitions.**

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

(a) "Act" means the Utah Condominium Ownership Act, Utah Code Annotated §§57-8-1 through 57-8-58 (2017), as the same may be amended from time to time.

(b) "Area" when reference is made to a Unit or Units, means the total number of square feet of the ground or floor surface thereof, rounded to the nearest whole number ending in zero, and computed and determined as follows on the basis of dimensions shown on the Plat. The measurements used in determining Area shall run from the interior surfaces of the walls surrounding the Unit concerned and each separate level, story, or floor contained within or making up the Unit shall be taken into account and, subject to the following provisions, shall augment the Area thereof. So long as it substantially complies with the provisions of this Section 1.01(c) and is not arbitrary, Declarant's determination of the Area of a Unit, as set forth in this Declaration, the Plat, or in any amendment hereto or thereto, shall be conclusive.

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

(d) "Assessment" means a General Assessment, a Special Assessment or a Default Assessment levied and assessed pursuant to Article VII below.

(e) "Assessment Lien" has the meaning given to that term in Section 7.08 below.

(f) "Association" means the association of Owners known as RC 14 Condominiums Association, Inc., a Utah nonprofit corporation, and its successors and assigns.

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

(h) "Basic Services" means those services provided by the Owner of the Commercial Unit to the Association generally and to the Owners of the Residential Units specifically, the cost of which shall be included in the Common Expenses. The Basic Services initially included are front desk, check-in and check-out, concierge service, telephone switchboard, valet parking, and ski valet service. The amount charged for providing the Basic Services will be charged by the Association to the Unit Owners as part of the Residential Assessment.

(i) "Building" means a structure containing or to contain one or more Units or Common Elements, as shown on the Plat.

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

(k) "Canyons Master Association" means The Canyons Resort Village Association, Inc., a Utah non-profit corporation.

(l) "Canyons Master Association Declaration" means that certain Amended and Restated Development Agreement for The Canyons Specially Planned Area, Snyderville Basin, Summit County, Utah, dated November 15, 1999, recorded on November 24, 1999 as Entry No. 553911 in Book 1297 of the Summit County Records, together with that certain Canyons Resort Village Management Agreement recorded on December 15, 1999, as Entry No. 00555285 in Book 01300 of the Summit County Records, as both of the foregoing documents may be amended from time to time pursuant to the terms thereof.

(m) "Canyons Master Association Documents" means the Implementing Ordinance, Development Agreement, Canyons Master Association Declaration and the Articles of Incorporation, the Bylaws and all Rules and Regulations of the Canyons Master Association, including, without limitation, those of the Design Review Committee, as the same may be adopted and amended from time to time.

(n) "Commercial Unit" means each Unit designated as a Commercial Unit on the Plat, or any amendment thereto, and includes, but is not limited to, Unit 140 as identified on the Plat.

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

(p) "Common Expenses" means:

(i) any and all costs, expenses and liabilities incurred by or on behalf of the Association, including, without limitation, costs, expenses and liabilities for (A) managing, operating, insuring, improving, repairing, replacing and maintaining the Common Elements, including, without limitation, such improvements, repairs, replacements and maintenance as are required to maintain the Common Elements to the Resort Quality Standard; (B) providing facilities, services and other benefits to Owners; (C) administering and enforcing the covenants, conditions, restrictions, reservations and easements created hereby including, but not limited to, the Rules and Regulations; (D) levying, collecting and enforcing the Assessments, charges and liens imposed pursuant hereto; (E) regulating and managing the Condominium Project; and (F) operating the Association;

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

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

(iv) reserves for any such costs, expenses and liability.

(q) "Common Furnishings" means all furniture, furnishings, appliances and other personal property from time to time owned, leased or held for use in common by the Association and does not include any property owned by individual Unit Owners.

(r) "Condominium Project" means the real estate condominium project created on the Land by this Declaration, consisting of the Units and the Common Elements, known as RC 14 Condominiums.

(s) "Condominium Unit" means a Unit together with:

(i) the Interest in General Common Elements appurtenant to that Unit;

(ii) the right to the exclusive or nonexclusive use of the General Common Elements and Limited Common Elements appurtenant to that Unit, if any; and

(iii) the membership in the Association appurtenant to that Unit.

(t) "Declarant" means Canyons Two LLC, a Delaware limited liability company, and its successors and assigns.

(u) "Declarant Control Period" has the meaning given to that term in Section 6.03 below.

(v) "Declaration" means this Declaration of Condominium for RC 14 Condominiums, as the same may be amended from time to time.

(w) "Default Assessment" has the meaning given to that term in Section 7.07 below.

(x) "Design Review Committee" shall mean the Design Review Board appointed pursuant to the provisions of the Canyons Master Association Declaration.

(y) "Development Agreement" means that certain Amended and Restated Development Agreement for the Canyons Specially Planned Area, dated November 15, 1999, and recorded on November 24, 1999 as Entry No. 553911 in Book 1297 of the Summit County Records.

(z) "Director" means a duly elected or appointed member of the Management Committee.

(aa) "First Mortgage" means any Mortgage which is not subordinate to any other monetary lien or encumbrance, except liens for taxes or other liens which are given priority by statute.

(bb) "First Mortgagee" means a Mortgagee under a First Mortgage.

(cc) "Fiscal Year" means the twelve (12) month period commencing on September 1 and ending on August 31, or such other fiscal year as may be adopted by the Management Committee at any time or from time to time.

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

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

(i) the Land;

(ii) all Improvements, including, without limitation, the foundations, columns, girders, beams, supports, perimeter and supporting walls, utility systems, mechanical systems, elevators, sprinkler systems, exhaust, heating and ventilation systems, garbage chutes, storage areas, roofs, halls, corridors, lobbies,

stairs, stairways, fire escapes, chimneys, drainage facilities, yards, gardens, parking areas, patios, balconies, decks, porches, courtyards, stoops, exits and entrances, tanks, pumps, motors, fans, compressors, ducts, and in general all apparatus and installations existing for common use, and all other parts of the Land and Building necessary or convenient to the existence, maintenance and safety of the Condominium Project, or normally in use by two or more Units, except for those Improvements that are designated by the Act, by this Declaration or by the Plat as Units or Limited Common Elements; and

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

(ff) "Guest" means any family member, employee, agent, independent contractor, lessee, customer or invitee of an Owner.

(gg) "Hotel" means the Commercial Unit and all Residential Units that are, from time to time, then subject to a rental agreement with the Owner of the Commercial Unit pursuant to which the Owner of the Commercial Unit is authorized to rent the subject Residential Unit pursuant to the Hotel Management Agreement.

(hh) "Hotel Management Agreement" means an agreement between the Owner of the Commercial Unit and Hotel Operator providing for the management for the Hotel.

(ii) "Hotel/Lodging Unit" means a Unit containing attributes of a hotel or facility established for similar purposes and which may be available for short term occupancy by the Unit Owner or its Guests. Attributes shall include those attributes of "Hotel/Lodging Units" set forth in the Canyon Master Association Declaration.

(jj) "Hotel Operator" means the managing agent engaged by the Owner of the Commercial Unit to manage the Hotel pursuant to the Hotel Management Agreement (which Hotel Operator may be the Commercial Owner or an affiliate of the Commercial Owner).

(kk) "Implementing Ordinance" means Summit County Ordinance 334, an Ordinance Approving and Adopting the Development Agreement for the Canyons SPA Plan, dated July 6, 1998 and recorded on July 28, 1998 as Entry No. 513499 in Book 1168 of the Summit County Records.

(ll) "Improvement" means the Building, together with any other building, structure or other improvement (including, without limitation, all fixtures and improvements contained therein) located on the Land and within which one or more Units or Common Elements are or will be located.

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

(nn) "Land" means the real property which Article II of this Declaration submits to the terms of the Act.

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

(i) Any physical portion of the Condominium Project depicted on the Plat as Limited Common Elements, Limited Common Residential or Limited Common Commercial.

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

(iii) patios, decks, storage spaces or gear lockers, specifically designated parking spaces, entrances, exits and walkways and other areas and improvements that are designed to serve fewer than all of the Units in this Declaration or on the Plat; and

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

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

(pp) "Limited Common Commercial" means the Limited Common Elements designated in this Declaration or the Plat for the exclusive use of one or more Commercial Unit but not any Residential Unit.

(qq) "Limited Common Residential" means the Limited Common Elements designated in this Declaration or the Plat for the exclusive use of one or more Residential Units but not any Commercial Unit.

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

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

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

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

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

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

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

(yy) "Plat" means the Plat of Condominium filed herewith, entitled "Condominium Plat of RC 14 Condominium", executed and acknowledged by Declarant, consisting of [] sheets, and prepared by [], a duly

registered Utah Land Surveyor holding Certificate No. [], as such Plat of Condominium may be amended or supplemented in accordance with law and the provisions hereof from time to time.

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

(aaa) "Record", "Recording", "Recorded" and "Recorder" each have the meaning stated in Utah Code Annotated §57-3-101 through §57-3-109, as the same may be amended from time to time.

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

(ccc) "Resort Quality Standard" means the highest of the following standards: (1) the standard required to maintain and operate the Hotel in a condition and a quality level no less than that which existed at the time that the Hotel was initially completed (ordinary wear and tear excepted), (2) the standard required under the Hotel Management Agreement or any franchise or license agreement entered into by and between the Owner of the Commercial Unit and a third party franchisor or licensor of a hotel or other hospitality brand (whether a four star luxury brand or otherwise), or, if no Hotel Management Agreement exists, (3) a four-star physical and service standard consistent with (i) the four-star quality brands and with the physical standard of quality of the Hotel as a four-star hotel (i.e., a four-star hotel as understood in the hotel industry as having the development, construction, operating, service and maintenance standards at least equal to those of other similar resort hotel facilities in North America which may at any time be managed under the name "Yotel") and in a fashion which shall not interfere with the operations of or diminish the status or reputation of the Hotel, and (ii) four-star quality luxury service standards and comparable with the standard of services provided in four-star quality residential ski resort properties in Utah and Colorado, which standard shall include, at a minimum, (A) the types of services provided at other residential ski resort properties of the four-star quality in Utah and Colorado and (B) whether or not typically provided at such other residential projects, the Basic Services.

(ddd) "Residential Unit" means any Unit, other than a Commercial Unit.

(eee) "Resort Village" shall mean the real property located in Summit County, Utah which is burdened and benefitted by the Canyons Master Association Declaration.

(fff) "Restrictive Covenants" shall mean, collectively, that certain Restrictive Covenants Agreement [Parcel RC 14, dated May 30, 2018, and recorded on May 31, 2018 as Entry No. 01092530 in Book 2464 at Page 1107 of the Summit County Records, and that certain Restriction and Development Agreement [Parcel RC14], dated May 31, 2018 and recorded on May 31, 2018 as Entry No. 01092532 in Book 2464 at Page 1133 of the Summit County Records.

(ggg) "Road Maintenance Agreement" means that certain Access Easement and Road Maintenance Agreement, recorded on May 18, 2016 as Entry No. 01041111 in Book 2342 at Page 1742 of the Summit County Records, which Road Maintenance Agreement was recorded against the Land together with other property described therein and provides for the "development, construction, and maintenance of roads, utility infrastructure, facilities and improvements within and around Canyons Village and the assessment of road maintenance fees.

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

(iii) "Summit County Records" means the Official Records for Summit County, Utah.

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

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

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

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

(nnn) "Unit" means a physical portion of the Condominium Project that:

(i) consists of one or more rooms or spaces located in one or more floors or parts of floors located in a Building;

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

(iii) is designated as a Unit in Exhibit C of this Declaration and on the Plat.

The walls, floors or ceilings are designated as boundaries of a Unit, and all paneling, tiles, wallpaper, painting, finished flooring and any other materials constituting any portion of the finished surfaces thereof are part of the Unit, and all other portions of the walls, floors and ceilings are part of the Common Elements.

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

1.02 Gender and Number.

Wherever the context of this Declaration so requires:

- (i) words used in the masculine gender shall include the feminine and neuter genders;
- (ii) words used in the neuter gender shall include the masculine and feminine genders;
- (iii) words used in the singular shall include the plural; and
- (iv) words used in the plural shall include the singular.

ARTICLE II: SUBMISSION

2.01 Submission

There is hereby submitted to the provisions of the Act, as the Land associated with RC 14 Condominiums, the following-described parcel of real property situated in Summit County, State of Utah:

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

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

ALL OF THE FOREGOING IS SUBJECT TO: all liens for current and future taxes, assessments, and charges imposed or levied by governmental or quasi-governmental authorities; all patent reservations and exclusions; any mineral reservations of record and rights incident thereto; all instruments of record which affect the above-described Land or any portion thereof, including, without limitation, any mortgage or deed of trust, the Restrictive Covenants and the Canyons Master Association Declaration; all visible easements and rights-of-way; all easements and rights-of-way of record; any easements, rights-of-way, encroachments, or discrepancies shown on or revealed by the Plat or otherwise existing; an easement for each and every pipe, line, cable, wire, utility line, or similar facility which traverses or partially occupies

the above-described Land at such times as construction of all improvements is complete; and all easements necessary for ingress to, egress from, maintenance of, and replacement of all such pipes, lines, cables, wires, utility lines, and similar facilities.

RESERVING UNTO DECLARANT, however, such easements and rights of ingress and egress over, across, through, and under the above-described Land and any improvements now or hereafter constructed thereon as may be reasonably necessary for Declarant or for any assignee or successor of Declarant (in a manner which is reasonable and not inconsistent with the provisions of this Declaration): (i) To construct and complete the Building and all of the other improvements described in this Declaration or in the Plat recorded concurrently herewith, and to do all things reasonably necessary or proper in connection therewith; and (ii) To improve portions of the Land with such other or additional improvements, facilities, or landscaping designed for the use and enjoyment of all the Owners as Declarant or as such assignee or successor may reasonably determine to be appropriate. If, pursuant to the foregoing reservations, the above-described Land or any improvement thereon is traversed or partially occupied by a permanent improvement or utility line, a perpetual easement for such improvement or utility line shall exist. With the exception of such perpetual easements, the reservations hereby effected shall, unless sooner terminated in accordance with their terms, expire five (5) years after the date on which this Declaration is filed for record in the Summit County Records.

2.02 Covenants Running with the Land.

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

2.03 Statement of Intention.

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

ARTICLE III: BUILDING, UNITS AND COMMON ELEMENTS

3.01 The Building

(a) The Improvements included in the Condominium Project are now or will be located on the Land. The significant Improvements contained in the Condominium Project include one (1) Building, One Hundred Forty-Four (144) Residential Units, One (1) Commercial Unit, One Hundred Sixteen (116) parking spaces in two (2) below-grade parking levels, storage areas, asphalt or concrete driveways, and the Common Elements. The location and configuration of the Improvements referred to in the foregoing sentence are depicted on the Plat. The Condominium Project also contains other improvements of a less significant nature, which are not depicted on the Plat, such as a swimming pool, outdoor lighting, fencing, area landscaping and concrete sidewalks and walkways. The Plat shows the number of stories and the number of Units contained in the Building included in the Condominium Project.

(b) The principal materials used or to be used in the construction of the Building are as follows: all load bearing and non-load bearing walls are concrete or lumber; the two parking levels are comprised of reinforced concrete; the above-grade floors are of lumber; the roof is of lumber covered with a membrane roofing system; interior walls are surfaced with sheetrock or gypsum board; and exterior walls are surfaced with stone, metal siding, wood siding and fiber cement siding.

3.02 Units.

(a) Declarant hereby creates One Hundred Forty-Four (144) Residential Units and One (1) Commercial Unit within the Condominium Project. The Plat shows the Unit Number of each Unit, its location, dimensions from which its Area may be determined, and the General Common Elements and Limited Common Elements to which it has access. Each Unit shall be capable of being separately owned, encumbered and conveyed. Each Owner of a Unit shall be entitled to the exclusive ownership and possession of such Owner's Unit, subject to the terms and conditions of this Declaration.

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

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

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

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

(ii) an Owner may grant its rights to use any General Common Element or any Limited Common Element appurtenant to the Owner's Unit to the Owner's Guests; and

(iii) the Owner of the Commercial Unit may construct partitions within the Commercial Unit if otherwise permitted by the Act or applicable law.

3.03 Interests in General Common Elements.

(a) The Interests in General Common Elements shall be allocated among the Units as set forth in this Section 3.03. The Interest in Common Elements appurtenant to a Unit shall be equal to the ratio between the Area of such Unit and the aggregate Area of all Units included in the Condominium Project. In determining the Interests in General Common Elements, Declarant may have made minor adjustments in some or all of the Interests in General Common Elements which result from a strict application of the formula described in the immediately foregoing sentence for the purpose of assuring that the total Interests in General Common Elements equals 100.00%. The Interests in General Common Elements which are appurtenant to the Units and which are set forth on Exhibit C have been computed in the aforesaid manner.

(b) The Interest in General Common Elements appurtenant to each of the Units of the Condominium Project are set forth on Exhibit C attached hereto and made a part hereof.

(c) The Interest in General Common Elements shall have a permanent character and shall not be altered without the express consent of all Owners expressed in an amendment to this Declaration adopted as provided in Section 15.07 or Section 18.03 hereof. If any Units are added to or withdrawn from the Condominium Project, or if the Area of one or more Units is increased or decreased, the Interest in General Common Elements for all Units within the Condominium Project after such addition or withdrawal, increase or decrease shall be recalculated in accordance with the formula set forth in paragraph 3.03(a) above.

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

3.04 Limited Common Elements.

Except as expressly provided to the contrary in this Declaration, the allocation of the Limited Common Elements to the Units as shown on the Plat may not be altered without the consent of all Owners whose Units would be affected by such reallocation.

3.05 Separate Taxation of Condominium Units.

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

3.06 Description of Condominium Units.

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

Residential Unit [/]Commercial Unit [], contained within RC 14 Condominiums as the same is identified in the Record of Survey Plat recorded in Summit County, Utah, on January ___, 2018 as Entry No. _____ (as said Record of Survey Plat shall have heretofore been amended or supplemented) and in the Declaration of Condominium for RC 14 Condominiums, recorded in Summit County, Utah on January ___, 2018 as Entry No. _____, in Book No. _____ at Page _____ (as said Declaration may have heretofore been amended or supplemented). TOGETHER WITH the undivided ownership interest in said Project's Common Elements that is appurtenant to said Unit as more particularly described in said Declaration.

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

3.07 Interpretation. In interpreting this Declaration, the Plat or any deed or other instrument affecting the Building or a Unit, the boundaries of the Building or Unit constructed or reconstructed in substantial accordance with the Plat shall be conclusively presumed to be the actual boundaries rather than the description expressed in the Plat, regardless of settling or lateral movement of the Building and regardless of minor variance between boundaries shown on the Plat and those of the Building or Unit.

ARTICLE IV: THE ASSOCIATION

4.01 Formation of the Association.

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

4.02 Purposes and Powers.

(a) The Association's purposes are:

(i) to manage, operate, insure, construct, improve, repair, replace, alter and maintain the Common Elements to the Resort Quality Standard;

(ii) to provide certain facilities, services and other benefits to the Owners;

(iii) to administer and enforce the covenants, conditions, restrictions, reservations and easements created hereby;

(iv) to levy, collect and enforce the Assessments, charges and liens imposed pursuant hereto;

(v) to enter into agreements with other Persons, including, without limitation, easements, licenses (including a license or licenses with the Hotel Operator to utilize the brand, trademark or tradename of the Hotel Operator), leases and other agreements with one or more condominium associations or the Canyons Master Association, with or without the vote or consent of the Owners, Mortgagees, insurers or guarantors of Mortgages, or of any other Person, including, but not limited to, those which contemplate the sharing of expenses among the Association and the other condominium associations or the Canyons Master Association, for facilities and services that serve the Association and the other condominium associations or the Canyons Master Association;

(vi) to take any action that it deems necessary or appropriate to protect the interests and general welfare of Owners;

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

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

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

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

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

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

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

(i) to the extent not provided by a public, quasi-public or private utility provider, provide certain facilities and services to the Owners, such as (A) recreational facilities and services, (B) water, sewer, natural gas, electric, cable television and other utility services, (C) parking facilities, and (D) trash collection facilities and services;

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

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

and

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

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

(d) In the exercise of its power to adopt Rules and Regulations, the Association shall not adopt any Rule or Regulation that interferes with:

(i) the use of the Commercial Unit for usual and customary purposes otherwise permitted by law or any of the Association Documents;

(ii) the pedestrian access provided for in Section 11.07 hereof; or

(iii) snow removal, maintenance and repair for the Building.

4.03 Association Documents.

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

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

4.04 Books and Records.

The Management Committee, or manager, if any, shall keep detailed, accurate records in chronological order, of receipts and expenditures affecting the Common Elements, specifying and itemizing the Common Expenses and any other expenses incurred. Upon request, the Association shall allow Owners and Mortgagees and their respective agents to inspect current copies of the Association Documents and the books, records, budgets and financial statements of the Association during normal business hours and under other reasonable circumstances. The Association may charge a reasonable fee for copying such materials.

ARTICLE V: VOTING

5.01 Voting.

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

(b) The votes allocated to the Units of the Condominium Project are equal to the Interests in General Common Elements set forth on Exhibit C attached hereto and made a part hereof.

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

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

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

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

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

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

ARTICLE VI: MANAGEMENT COMMITTEE

6.01 Number and Election of Directors.

The Management Committee shall consist of at least three (3) but not more than five (5) Directors. The initial number of Directors shall be three (3) and shall hold office until the election or appointment of their successors at the first annual meeting. Thereafter, subject to the terms and conditions of Sections 6.03 and 6.04 below, each Director will hold office for a term of one (1) year and the Owners shall elect the Directors at the annual meetings.

6.02 Powers of the Management Committee.

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

(b) The Management Committee may not act on behalf of the Association to:

- (i) amend this Declaration;
- (ii) terminate the Association, this Declaration or the Condominium;
- (iii) elect Directors to the Management Committee;
- (iv) increase the number of Directors comprising the Management Committee; or
- (v) determine the qualifications, powers and duties, or terms of office, of Directors.

6.03 Declarant Control Period.

(a) Subject to the terms and conditions of paragraphs 6.03(b) and (c) below, but notwithstanding anything else to the contrary contained in this Declaration or in any other Association Document,

Declarant shall have the exclusive right to appoint and remove all Directors and Officers during the Declarant Control Period. The phrase "Declarant Control Period" means the period commencing on the date on which this Declaration is Recorded, and ending on the first to occur of the following:

- (i) three (3) years from the date that the Declaration is Recorded; or
- (ii) the date upon which Units representing seventy-five percent (75%) of the total Interests in the General Common Elements have been conveyed to Purchasers.

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

(c) During the thirty (30)-day period immediately preceding the date on which the Declarant Control Period expires, the Owners shall elect the Directors of the Management Committee as set forth in Section 6.01 above, at least a majority of whom must be Owners other than Declarant or designated representatives of Owners other than Declarant. Such Directors shall take office upon election.

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

6.04 Removal of Directors.

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

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

6.05 Replacement of Directors.

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

(b) A vacancy on the Management Committee created by the removal, resignation or death of a Director appointed or elected by the Owners shall be filled by a Director elected by the Owners.

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

6.06 Management Committee Liability.

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

ARTICLE VII: ASSESSMENTS, COMMON EXPENSES, BUDGETS AND LIENS

7.01 Obligations for Assessments.

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

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

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

(b) Notwithstanding the definition of the term "Owner":

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

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

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

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

(e) Each Assessment or other charge, together with interest and penalties thereon and all costs and expenses incurred by the Association to collect such Assessment or other amount, including all fees and disbursements of attorneys, accountants, appraisers, receivers and other professionals engaged by the Association in connection therewith, may be recovered by a suit for a money judgment by the Association without foreclosing or waiving any Assessment Lien securing the same.

7.02 Shares of Common Expenses.

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

(b) Until the Association levies an Assessment, Declarant shall pay all Common Expenses.

7.03 Budgets.

(a) Prior to the first levy of a General Assessment, and thereafter on or before the date occurring sixty (60) days before the commencement of the next Fiscal Year, the Management Committee shall adopt a proposed annual budget for the Association for the next Fiscal Year that sets forth:

(i) the Management Committee's estimates of Common Expenses for the next calendar year, taking into account any default or surplus realized for the current calendar year and any amounts as may be necessary to fund the reserve provided for in Section 7.11 of this Declaration;

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

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

(b) Within thirty (30) days after adopting a proposed annual budget, the Management Committee shall deliver a summary of the proposed annual budget to the Owners and set a date for a meeting of the Owners to consider ratification of the proposed annual budget. The date of such meeting shall not be less than fourteen (14) days nor more than sixty (60) days after the delivery of the summary of the proposed annual budget to the Owners. Unless at that meeting a Majority of the Owners present at such meeting, whether or not a quorum is present, rejects the proposed annual budget, the proposed annual budget shall be deemed ratified. If the proposed annual budget is rejected, the annual budget last ratified by the Owners shall be deemed renewed for the next calendar year and shall remain in full force and effect until such time as the Owners ratify a subsequent annual budget proposed by the Management Committee.

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

7.04 General Assessments.

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

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

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

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

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

(d) If the Management Committee fails to adopt an annual budget for any Fiscal Year prior to the commencement of that Fiscal Year, the Owners shall continue to pay periodic installments of the General

Assessment to the Association at the rate payable during the prior Fiscal Year until such time as the Management Committee adopts a new annual budget for the then current Fiscal Year. Once the Management Committee adopts a new annual budget, the Association shall levy against each Unit the General Assessment for the then current Fiscal Year and each Owner's periodic installments shall be adjusted as necessary to pay the new General Assessment in equal periodic installments over the remainder of such Fiscal Year, giving the Owners credit, in such manner as the Management Committee deems necessary or appropriate, for any installments that the Owners have previously paid to the Association during such Fiscal Year.

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

7.05 Special Assessments.

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

(b) Notwithstanding anything to the contrary contained in Section 7.04 above, if the Association determines that an Assessment is required to immediately fund any Common Expense attributable to the Common Elements, the Association may levy an Assessment for such Common Expense against the Units in proportion to the Interests of General Common Elements.

(c) The Association shall levy an Assessment and shall collect from each Owner the Annual Member Assessment (as defined in the Canyons Master Association Declaration) assessed against such Owner's Condominium Unit pursuant to the Canyons Master Association Declaration and shall remit in a timely manner all Annual Member Assessments so collected to the Canyons Master Association. Annual Member Assessments assessed against each Owner's Condominium Unit pursuant to the Canyons Master Association Declaration shall in all events remain a personal liability of the applicable Condominium Unit Owner. In addition, notwithstanding anything to the contrary in this Declaration, (a) the Association shall collect and remit to the Canyons Master Association all Transient Occupancy Assessments (as defined in the Canyons Master Association Declaration) due in connection with any rentals of Residential Units conducted through a rental program managed by the Association or a manager engaged by or on behalf of the Association, and (b) any Retail Assessments due in connection with the operation of any Commercial Unit or other commercial or retail space owned or operated by or on behalf of the Association. Notwithstanding the foregoing, nothing contained herein shall be construed so as to deprive CVMA of any remedies for nonpayment of assessments provided to the Canyons Master Association under the Canyons Master Association Declaration or otherwise.

(d) Each Special Assessment levied against any Unit shall be shown on an annual budget, or an amendment to an annual budget, adopted by the Management Committee pursuant to Section 7.03 above and shall be paid as and when required by the Association.

7.06 Residential Assessments. The Association shall levy an Assessment and shall collect from each Owner of a Residential Unit the amount assessed against such Owner's Condominium Unit for the Basic Services.

7.07 Default Assessments.

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

(i) the negligence or misconduct of an Owner or an Owner's Guest; or

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

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

(c) With respect to any Default Assessment, or portion thereof, levied other than as a late charge, the Owner of the Unit against which the Association seeks to levy the Default Assessment shall be provided notice and an opportunity to be heard as provided by the Act. Owners of Units against which Default Assessments have been levied shall pay such Default Assessments as and when required by the Association subject to any limitations imposed by the Act.

7.08 Assignment of Assessments.

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

7.09 Assessment Lien.

(a) The Association shall have a lien on each Unit for any Assessment levied against that Unit and for any fines, late charges, penalties, interest and attorneys' fees, disbursements and costs of collection imposed against the Owner of such Unit under any Association Document (the "Assessment Lien"). The Assessment Lien shall secure all of the foregoing obligations of an Owner from the time such obligations become due. If an Assessment is payable in installments, the Assessment Lien shall secure each installment from the time it becomes due, including the due date set by any valid Association acceleration of installment obligations.

(b) An Assessment Lien shall constitute a lien upon the Owner's Unit, and, upon the Recording of a notice of lien by the Management Committee or manager, if any, it is a lien prior to all other liens and encumbrances on a Unit, recorded and unrecorded except:

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

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

(c) Notwithstanding the terms and conditions of subparagraph 7.09(b) above, an Assessment Lien is prior to a First Mortgage recorded before the date on which the Assessment sought to be enforced became delinquent to the extent permitted by the Act.

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

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

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

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

(h) Declarant, the Association and each Owner hereby appoint Park City Title Company as trustee for the purpose of exercising the power of sale in connection with any non-judicial foreclosures as provided in the Condominium Act; provided, however, the Association reserves the right to substitute and appoint a successor trustee as provided for in the Condominium Act. Declarant hereby conveys and warrants pursuant to U.C.A. Sections 57-1-20 and 57-8-45 to Trustee, with power of sale, the Units and all improvements to the Units for the purpose of securing payment of assessments under the terms of the Declaration. Further, each Owner hereby conveys all of its right, title and interest in its Unit to Trustee, in trust, with a power of sale, for the sole purpose of securing each Owner's obligations under the Declaration, including but not limited to the obligation to pay all assessments.

7.10 Waiver of Homestead Exemptions.

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

7.11 Estoppel Certificates; Notices to Mortgagees.

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

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

7.12 Reserve Fund.

(a) The Association shall have the right to maintain a reserve fund for Common Expenses, The reserve fund shall include such amounts as the Management Committee may deem proper for general working capital, for a general operating reserve, and for a reserve fund for replacements and major maintenance or capital replacement (including repair and maintenance required in accordance with the Resort Quality Standard), and will be funded as follows. At the closing of the sale of a Unit by Declarant to a Purchaser, the Purchaser shall pay to the Association an amount equal to the Association's estimate of three (3) months of Common Expenses for the Fiscal Year in which the sale of the Unit occurs. Thereafter, the Association may increase the reserve fund or replace funds withdrawn from the reserve fund with funds collected through Assessments.

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

(c) Upon the sale of a Unit from one Owner to another, the Association shall not be obligated to return to the transferor any funds held in reserve, but the transferor shall be entitled to an appropriate credit from its transferee.

7.13 Reserve for Replacement of Improvements.

In addition to any reserve fund established pursuant to Section 7.12, each Annual Assessment shall include a portion for reserves in such amount as the Board of Directors, in its discretion and in accordance with Section 57-8-7.5 of the Act, considers appropriate to meet the cost of the future repair, maintenance, restoration, and replacement of improvements to those portions of the General Common Areas and Limited Common Areas that the Association is required to maintain. Such reserves shall be maintained out of the Annual Assessments. At least once every six years, the Board of Directors will cause a reserve analysis to be conducted in accordance with Section 57-8-7.5 of the Act. At least once every three years, in accordance with Section 57-8-7.5 of the Act, the Board of Directors shall cause a review and, if necessary, update a previously conducted reserve analysis. The Board of Directors shall also review this analysis annually and shall consider and implement necessary adjustments to the Board of Directors' analysis of the reserve account requirements for the Project as a result of that review. Such reserve analysis shall include:

- (a) Identification of those portions of the General Common Areas and Limited Common Areas that the Association is required to maintain that have a remaining useful life of less than thirty (30) years;
- (b) Identification of the probable remaining useful life of those portions of the General Common Areas and Limited Common Areas identified pursuant to Section 9.03(a) above;
- (c) An estimate of the cost of repair, replacement, restoration, or maintenance of each portion of the General Common Areas and Limited Common Areas identified in Section 7.13(a) above during and at the end of its useful life;
- (d) An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain each portion of the General Common Areas and Limited Common Areas identified in Section 7.13(a) above during and at the end of its useful life; and
- (e) A reserve funding plan that recommends how the Association may fund the annual contribution described in (d) above.

ARTICLE VIII: UTILITY AND OTHER SERVICES

8.01 Water, Sewer, Natural Gas, Electric and Trash Removal Services.

(a) The Association shall be responsible for obtaining water, sewer, natural gas, electric and trash removal services for all Residential Units and the Commercial Unit and the Limited Common Elements appurtenant to such Units.

(b) All water, sewer, natural gas and electric services furnished to the Condominium Project which are separately metered and billed to an individual Unit by the utility company or other party furnishing such services shall be paid for by the Owner of the Unit to which such utility is metered. All other water, sewer, natural gas and electric services shall be a part of the Common Expenses and shall be allocated by the Association among the Units and charged to the Owners in accordance with their Shares of Common Expenses.

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

8.02 Cable/Satellite Television.

(a) The Association shall be responsible for obtaining internet, cable or satellite television services for the Units and the Limited Common Elements appurtenant thereto.

(b) All internet and cable or satellite television services furnished to the Condominium Project which are separately metered and billed to an individual Unit by the internet/cable/satellite company or other party furnishing such services shall be paid for by the Owner of the Unit to which such services are metered and billed. All other internet and cable or satellite television services shall be a part of the Common Expenses and shall be allocated by the Association among the Units and charged to the Owners in accordance with their Shares of Common Expenses.

8.03 Telephone.

(a) The Association shall be responsible for obtaining telephone services for all Residential Units and the Commercial Unit and the Limited Common Elements appurtenant to such Units. Such telephone service may be provided pursuant to a switchboard that provides for individualized telephone usage charges to be tracked and billed to an Owner or such Owner's Guests by the Hotel Operator.

(b) The Association shall determine what, if any, telephone services are necessary for the Limited Common Elements that serve all of the Residential Units and shall be responsible for obtaining those services.

(c) All telephone services furnished to the Condominium Project which are separately metered, billed or charged to an individual Unit by the utility company or other party furnishing such services, including the Hotel Operator, shall be paid for by the Owner of the Unit to which such utility is metered or such Owner's Guests. All other telephone services shall be a part of the Common Expenses and shall be allocated by the Association among the Units and charged to the Owners in accordance with their Shares of Common Expenses.

8.04 Other Utilities.

If the Association incurs Common Expenses for any utility service not described above, or if the manner of providing or metering any utility service described above changes from the manner in which such service is provided or metered as of the date of this Declaration, the Association may allocate the Common Expenses incurred for such new utility service or changed utility service in any reasonable and equitable manner consistent with the Act.

ARTICLE IX: MAINTENANCE OF COMMON ELEMENTS AND UNITS

9.01 Maintenance of Common Elements.

Except as otherwise provided in this Declaration, the Association, or its duly designated agent, shall maintain the Common Elements and the other Association property in good order and condition and shall otherwise manage and operate the Common Elements as it deems necessary or appropriate, but in all instances, consistent with the Resort Quality Standard. The Management Committee shall have the irrevocable right to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of the Common Elements or for making emergency repairs necessary to prevent damage to the Common Elements or to another Unit or Units. In addition, the Association shall ensure that all interior Common Elements (including without limitation, the below-grade parking level) are sufficiently heated to prevent the freezing of water and sewer lines serving the Condominium Project. Without the limiting the foregoing, the Association may:

(a) construct, modify, add to, repair, replace or renovate any improvements that are located on or constitute a part of any Common Element;

- (b) plant and replace trees, shrubs and other vegetation on any Common Element;
- (c) place, maintain and replace signs upon any Common Element;
- (d) adopt and enforce Rules and Regulations regulating the use of Common Elements; and
- (e) take any other actions as the Association deems necessary or advisable to protect, maintain, operate, manage or regulate the use of the Common Elements.

9.02 Maintenance of Units.

Each Owner, at such Owner's sole cost and expense, shall maintain in good order and repair its Unit and all utility facilities, lines, ducts, and other such apparatus (including all fixtures located therein) serving solely such Unit in accordance with the Resort Quality Standard. Each Owner shall keep the Limited Common Elements serving solely its Unit, if any, in a clean and orderly condition. The Association shall have no obligation regarding maintenance or care which is required to be accomplished by any Owner.

9.03 Mechanic's Liens and Indemnification.

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

9.04 Canyons Master Association.

The rights and obligations of the Association and the Owners under this Article IX are subject to the rights of the Canyons Master Association and the Design Review Committee. The Canyons Master Association Documents grant certain easement and other rights that benefit the Project. The Canyons Master Association also imposes certain assessments and fees on the ownership, use, and transfer of the Condominium Units. Each Owner by accepting a deed or conveyance to a Condominium Unit agrees to be bound by all of the terms and provisions of the Canyons Master Association Documents and agrees to pay, as and when due, its applicable assessments, costs and fees arising under the Canyons Master Association Documents. The Canyons Master Association Assessments for membership in the Canyons Master Association for each Condominium Unit shall be assessed to the Owner of each Condominium Unit as a Special Assessment and upon payment thereof from such Owner shall be paid by the Association to the Canyon's Master Association on the Owners' behalf. Each Owner acknowledges that certain Canyon Master Association Assessments under the Canyons Master Association Documents, including but not limited to the Retail Assessment, Transient Occupancy Assessment and the Real Estate Transfer Assessment assessed by the Canyon Master Association, shall not constitute Common Expenses or be passed through by the Association as a Special Assessment, and the Canyons Master Association will assess each Owner individually for all such assessments. Each Owner is deemed to covenant and agrees to directly pay to the Canyons Master Association, as applicable, all such other assessments levied against such Owner or such Owner's Unit under the Canyons Master Association Declaration.

ARTICLE X: COVENANTS, CONDITIONS AND RESTRICTIONS

10.01 Applicability of Covenants, Conditions and Restrictions.

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

10.02 Association Documents.

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

10.03 Canyons Master Association Documents; Restrictive Covenants.

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

10.04 Notice of Conveyance, Assignment or Encumbrance.

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

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

10.05 Use of Residential Units.

(a) Except as otherwise expressly permitted by this Declaration, an Owner of a Residential Unit may use such Residential Unit only as a vacation multi-family residence (as "family" is defined from time to time in the zoning ordinances of Summit County, Utah) for itself and its Guests, including, without limitation, use as a Hotel/Lodging Unit. No Owner of a Residential Unit shall conduct any business, profession, occupation or trade from its Unit, including, without limitation, the operation of a so-called "bed and breakfast" or "chalet"; provided that this Declaration does not prohibit an Owner from leasing or renting such Owner's Unit to others as a Hotel/Lodging Unit so long as the use of such Unit complies with the provisions of this Declaration, the Canyon Master Association Documents, the Act and other applicable laws and ordinances. No Residential Unit shall be used for conducting the business of the rental of other Units. Any lease of a Unit shall be in writing and shall be subject to this Declaration and the Bylaws.

(b) Each Owner (other than Commercial Owner, whose rights are set forth in Sub-Section (c) below) may rent out to members of the general public such Owner's Residential Unit, provided such Owner strictly complies with the terms and conditions relating thereto in the Resort Rules and Regulations and the other Association Documents and the Canyons Master Association Documents, specifically including, but not limited to, rules and provisions regarding mandatory check-in at the Front Desk, and provided the Owner maintains his or her Residential Unit to the Resort Quality Standard. For further clarity, the foregoing authorization for the rental by Owners of their Residential Units shall refer solely to rentals to the general public conducted by Owner directly or through a rental agent, in strict accordance with the Resort Rules and Regulations and the other Association Documents and the Canyons Master Association Documents. Such rights shall not include the use or occupancy of Residential Units under timeshare, fractional ownership, interval exchange (whether the exchange is based on direct exchange of occupancy rights, cash payments, reward programs or other point or accrual systems) or other membership plans or arrangements (collectively, "Occupancy Plan") through which a participant in the plan or arrangement acquires an ownership interest in the Residential Unit with attendant rights of periodic use and occupancy or acquires contract rights to such periodic use and occupancy of the Residential Unit or a portfolio of accommodations including the Residential Unit. Use of any Residential Unit for or under an Occupancy Plan is "commercial use" of that Residential Unit and therefore is strictly prohibited. However, the foregoing prohibition shall not apply, and use in connection with any such Occupancy Plan shall be permitted for any Units owned by the

owner or operator of the Hotel or their respective affiliates, or any Units in which ownership is held as part of a timeshare, fractional ownership or membership regime established by the owner or operator of the Hotel or any of their respective affiliates, so long as, in each case, the Occupancy Plan is managed by the Hotel Operator or any of its affiliates. The Hotel Operator shall collect and pay to the Canyons Master Association in a timely manner all Transient Occupancy Assessments due under the Canyons Master Association Declaration in connection with rentals of Residential Units under any rental program operated by the Hotel Operator.

(c) The Owner of the Commercial Unit may rent Residential Units to the general public, both on its own account and for the account of Residential Unit Owners who have executed a rental agreement with the Owner of the Commercial Unit in the form acceptable to the Owner of the Commercial Unit. The Owner of the Commercial Unit, on behalf of itself and its successors, assigns, agents, employees, contractors, subcontractors and other authorized personnel, reserves the right in, over and through the Residential Units for the purpose of conducting rental activities under this Section 10.05(c); provided, however, the exercise of such right shall not unreasonably interfere with the Association's use of the Residential Units as necessary to perform its duties and obligations pursuant to this Declaration and the Rules and Regulations or the rights of Residential Unit Owners to use and occupy their respective Residential Units or use the Common Furnishings. The Owner of the Commercial Unit shall collect and pay to the Canyons Master Association in a timely manner all Transient Occupancy Assessments due under the Canyons Master Association Declaration in connection with rentals of Residential Units under any rental program operated by the Owner of the Commercial Unit.

(d) Each Residential Unit that is rented or leased, as well as any improvements therein, may be subject to compliance with the Americans With Disabilities Act (42 U.S.C. 12101 et seq.) as well as other laws, ordinances, building codes, rules, regulations, orders and directives of any governmental authority having jurisdiction now or in the future applicable to such Residential Unit (collectively, "Applicable Laws"). Each Owner of a Residential Unit that elects to rent or lease a Residential Unit shall be responsible at such Owner's sole cost and expense, prior to renting or leasing such Residential Unit, to take all actions required to cause such Residential Unit to comply in all respects with all Applicable Laws.

(e) Notwithstanding the restrictions set forth in paragraph 10.05(a) above, the Association and, during the Declarant Control Period, Declarant may use four (4) or less Residential Units owned or leased by it as a management or sales office, or a combined management and sales office and residence for a resident manager, for the Condominium Project.

(f) Notwithstanding the restrictions set forth in paragraph 10.05(a) above, the Owner of the Commercial Unit, Hotel Operator or their respective designees may use four (4) or less Residential Units owned or leased by it for business meeting space or other uses ancillary to or supportive of approved uses of the Commercial Unit.

10.06 Use of Common Elements.

All Owners and their Guests may use the General Common Elements and the Limited Common Elements designed to serve their Units for the purposes for which such Common Elements are intended. Notwithstanding the preceding sentence, neither an Owner nor a Guest may use any Common Element in any manner that unreasonably interferes with, hinders or encroaches upon the rights of other Owners in and to the Common Elements. Without limiting the generality of the foregoing, no Owner shall cause, or permit its Guests to cause, waste to any Common Element.

10.07 Alterations.

(a) Except as otherwise expressly provided in this Declaration, an Owner of a Unit may not make (i) any improvement or alteration to a Common Element, or (ii) any improvement or alteration to its Unit that affects any Common Element or any other Unit, without the prior written consent of the Association. No Owner shall do any work or make any alterations or changes that would jeopardize the soundness or safety of the Condominium Project, reduce its value or impair any easement or hereditament, without in every case first obtaining the unanimous written consent of all Owners.

(b) No new Improvement shall be constructed on the Land and no construction, alteration, installation or other work affecting the exterior surface of any existing Improvement shall be made, except as required or approved by the Design Review Committee, and then only in strict accordance with the terms and conditions of the Canyons Master Association Documents.

(c) Without limiting the generality of paragraphs 10.07(a) through (c) above, an Owner of a Unit may not, without the prior written consent of the Association, install or erect any improvement, mechanical system or fixture that either:

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

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

(d) The Association shall perform or make, or cause to be performed or made, any Improvement, construction, alteration, installation or other work on, to or affecting the exterior of any Improvement on the Land which the Canyons Master Association requires, in writing, be performed or made.

10.08 Nuisances, Hazardous Activities and Unsightliness.

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

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

(c) No unsightliness shall be permitted at the Land.

(d) Normal construction activities and activities typical of over-night rentals shall not be considered to violate the terms and conditions of this Section 10.08. By accepting a deed to a Unit, an Owner acknowledges that the Condominium Project is a part of the Resort Village and that noises, lights and odors common to recreational and commercial activities, as well as construction activities, may exist on or near the Land, at any time and from time to time, none of which shall be considered to violate the terms of this Section 10.08. Such activities include activities typical to a public skiing facility and year-round recreation area (the "Ski Facility"), which area may generate an unpredictable amount of visible, audible and odorous impacts and disturbances from activities relating to the construction, operation, use and maintenance thereof. The activities associated with the Resort Village and related Ski Facility include, without limitation: (a) vehicular and residential traffic, including, without limitation, (i) buses, vans, snowcats, snowmobiles, helicopters and other vehicles which transport residents and guests around and through the Ski Facility, and (ii) construction vehicles and equipment; (b) activities relating to the construction, operation and maintenance of ski trails, skiways and skier bridges and tunnels relating to the Ski Facility, including, without limitation, (i) construction, operation and maintenance of access roads serving the Ski Facility, snow-making equipment (and related noise), chair lifts, gondolas and other skier transportation systems, and (ii) operation of snow-grooming vehicles and equipment, and safety, supervision and emergency response vehicles; and (c) activities relating to the use of the Ski Facility, including, without limitation, skiing, snowboarding, hiking, horseback riding, bicycling and other recreational activities.

10.09 Signs.

(a) No signs whatsoever shall be erected or maintained on the Land, except signs required by legal proceedings and those permitted or approved by the Canyons Master Association.

(b) Without limiting the generality of paragraph 10.09(a) above, no "For Sale" or "For Rent" signs shall be displayed on the exterior or interior of a Unit.

10.10 Compliance with Laws.

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

10.11 Compliance with Insurance.

Except as may be approved in writing by the Association, nothing shall be done or kept at the Land that may result in the cancellation of any insurance maintained by the Association or may result in an increase in the rates of any such insurance. Activities incident to or necessary for the conduct of commercial operations shall not violate the terms of this Section 10.11 even if such activities result in an increase in rates of insurance. Any such increase in the rates of insurance shall be charged to the Owner of the Commercial Unit whose uses create such increases as Special Assessments.

10.12 Subdivision, Rezoning and Timesharing.

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

(b) No application for rezoning any portion of the Land, and no applications for variances or use permits, shall be filed with any governmental or quasi-governmental authority, unless the proposed rezoning, variance or use has been approved by 100 percent of the votes allocated to all Units at a duly convened meeting of the Association and the uses that would be permitted under the rezoning comply with this Declaration and the other Association Documents.

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

(d) The covenants, conditions and restrictions set forth in paragraphs 10.12(a) and (b) above shall not apply to Declarant's development of the Land or to Declarant's exercise of any Special Declarant Right.

10.13 Vehicles and Parking.

(a) No motor vehicle classed by manufacturer rating as exceeding three-quarter ton and no mobile home, trailer, detached camper or camper shell, boat, snowmobile, all-terrain vehicle or other similar equipment or vehicle may be kept or parked at the Condominium Project.

(b) No motor vehicle shall be constructed, repaired or serviced at the Condominium Project.

(c) Subject to paragraph 10.13(f), each Owner of a Residential Unit or its Guests may have one (1) car parked in the Condominium Project's parking facility during any period during which the Owner or one or more of its Guests are staying in the Owner's Unit. At no time may an Owner of a Residential Unit or its Guests use more than one parking space in the Condominium Project's parking facility, and an Owner or its Guests may not park a car in the Condominium Project's parking facility except during such periods as the Owner or Guest is occupying such Owner's Unit. Depending upon parking demand, as such demand may fluctuate from time-to-time, the Association may require some or all parking in the parking facility to be accomplished pursuant to a valet or similar parking arrangement so as to facilitate the use of tandem parking spaces within the parking facility.

(d) Owners of the Residential Units shall have no right to use, and shall not permit their lessees and other Guests to use, any parking space located in the Condominium Project's parking facility designated as Limited Common Element to the Commercial Unit. Owners of the Commercial Unit shall have no right to use, and shall not permit their lessees and other Guests to use, any parking space located in the Condominium Project's parking facility designated as Limited Common Residential; provided that an Owner of the Commercial Unit shall have the right of ingress and egress through the parking facility to the extent necessary for access to Limited Common Elements appurtenant to such Commercial Unit, and shall have the right to use in common with all other Owners any parking spaces designated as a General Common Element on the Plat.

(e) An Owner shall not sell, lease or otherwise convey all or any part of the parking rights it has by virtue of its ownership of a Unit (other than in connection with the sale, lease or other conveyance of such Owner's Unit).

(f) Any of the parking spaces in the Condominium Project's parking facility designated as General Common Element may be used by the Owners of Residential Units as set forth in paragraph 10.13(c). Parking is available on a first come first-parked basis, subject to the restrictions set forth in this Declaration. The Management Committee may, from time to time and at any time, require all Owners and their guests to utilize a valet parking service in order to utilize the Condominium Project's parking facility.

10.14 Deliveries, Trash Removal and Other Services.

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

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

10.15 Exterior Storage.

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

10.16 Animals.

No animals of any kind shall be raised, bred or kept on the Land or within any Unit, except as expressly provided in the Rules and Regulations.

10.17 Solid-Fuel Burning Devices.

No solid-fuel burning devices, such as charcoal grills and wood burning stoves or fireplaces shall be used, kept or stored on the Land.

10.18 Commercial Unit.

(a) The Commercial Unit may be used and occupied for commercial purposes only, which commercial purposes shall include, without limitation, the operation of overnight rentals, reservation services, a grocery/retail area, and such other services as are consistent with the operation of one or more Residential Units as a Hotel/Lodging Unit. An Owner of the Commercial Unit may lease all or any portion of the Commercial Unit for such purpose.

(b) Except in connection with the operation of overnight rentals, the Owner of the Commercial Unit shall not use, and shall not permit their Guests to use, any waiting area, library, stairway, elevator, patio, walkway, hallway, spa, storage area, restroom or other portion of the Condominium Project which is designated on the Plat as Limited Common Elements for exclusive use by Owners of Residential Units, including, without limitation, the parking spaces in the Condominium Project's parking facility.

(c) Notwithstanding anything to the contrary contained in this Declaration, an Owner of the Commercial Unit may make improvements or alterations to its Commercial Unit or the Limited Common Elements designed to serve only its Commercial Unit, including without limitation, the erection of partitions as permitted under subparagraph 3.02(d)(iii) above, without the consent of any Owner or the Association, on the conditions that:

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

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

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

If any such improvement or alteration will impair any other Unit or any Limited Common Element assigned to serve any other Unit, the Owner of the Commercial Unit shall not make the improvement or alteration without the prior written consent of the Majority of the Owners of the Units, or the Owners of the Units served by the Limited Common Elements that will be impaired thereby, as the case may be.

(d) Notwithstanding anything to the contrary contained in this Declaration, and in addition to the rights of an Owner of the Commercial Unit under paragraph 10.18(c) above:

(i) the Owner of the Commercial Unit shall have the right to install, operate, maintain, repair and replace machinery, equipment, utility lines, wires, circuits, cables and conduits serving such Commercial Unit, along, across and through any and all General Common Elements, Limited Common Residential and through the parking facility within the Condominium Project without the consent of any Owner or the Association, on the conditions that (A) the Owner of the Commercial Unit, at its sole cost and expense, shall repair, replace and restore any damage to the Common Elements and the parking facility, and (B) such installation, maintenance, repair or replacement does not interfere with the use of such area and complies with all applicable requirements of the Canyons Master Association Documents, the Act and all laws, ordinances, regulations and rules of governmental and quasi-governmental authorities with jurisdiction; and

(ii) the Owner of the Commercial Unit shall have the right to alter that portion of the Condominium Project's building facade that serves as the boundary of that Commercial Unit and other General Common Elements located immediately adjacent to that Commercial Unit (including, without limitation, the creation, removal and relocation of entrances, exits, windows, window boxes, signage and other architectural features), without the consent of any Owner or the Association, on the conditions that (A) the Owner of the Commercial Unit repairs any damage to any General Common Element caused thereby at its expense, and (B) such alteration complies with all applicable requirements of the Canyons Master Association Documents and all applicable laws, ordinances, regulations and rules of governmental and quasi-governmental authorities with jurisdiction.

(e) Notwithstanding anything to the contrary in this Article X, the Owner of the Commercial Unit and/or the Hotel Operator, as the case may be, may:

(i) perform such activities within its Commercial Unit as are lawfully permitted and are common to or necessary for the conduct of commercial operations, including, without limitation, restaurant and retail operations, including the sale of alcoholic beverages pursuant to such licenses as may be required pursuant to

Utah State law, and any lights, sounds and odors which result from such activities shall not violate the terms of this Article X;

(ii) erect and attach signs, banners, window boxes, decorations and other similar items on the exterior of the Condominium Project or projections from the exterior of the Condominium Project on the condition that such signs, banners, window boxes, decorations and other similar items and their locations are approved by the Design Review Committee or such other approving body as is designated pursuant to the Canyons Master Association Documents;

(iii) apply for and obtain special use permits and licenses (e.g., liquor licenses) which are necessary or appropriate for the conduct of commercial activities in the Commercial Unit or in any Common Element in accordance with this Declaration and the other Association Documents, without obtaining the approval otherwise required under Section 10.12(b) above, on the condition that such permits and licenses are consistent with the existing zoning and actual uses of the Commercial Unit at the time the permit or license is applied for.

10.19 Declarant's Exemption.

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

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

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

ARTICLE XI: EASEMENTS AND RESERVATIONS

11.01 Declarant's Easements Over Common Elements.

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

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

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

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

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

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

11.02 Utility Easement.

(a) Subject to the terms and conditions of this Declaration and all other Association Documents, Declarant hereby creates a general easement over, across, through and under the Land for ingress to, egress from, and installation, replacement, repair and maintenance of, all utility and service lines and systems, including, without limitation, water, sewer, natural gas, telephone, electricity and cable communication that service the Land or any portion thereof as well as any such lines and systems which service property owned by the Canyons Master Association. The Association may, but is not obligated to, authorize the release of portions of the general easement created pursuant to this Section 11.02 upon the request of any Owner showing good cause therefor.

(b) Pursuant to this easement, a utility or service company may install and maintain facilities and equipment on the Land and affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of Improvements to provide service to the Units or the Common Elements. Notwithstanding anything to the contrary contained in this Section 11.02, no sewer lines, electrical lines, water lines or other utilities or service lines may be installed or relocated on any portion of the Land, except in accordance with terms and conditions of Sections 10.07 and 10.18 above. Any utility or service company using this general easement shall use its best efforts to install, repair, replace and maintain its lines and systems without disturbing the uses of Owners, the Association, Declarant and other utility and service companies.

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

11.03 Association's Easement.

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

- (i) exercise any right held by the Association under this Declaration or any other Association Document; and
- (ii) perform any obligation imposed upon the Association by this Declaration or any other Association Document.

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

11.04 Easements to Commercial Unit Owner.

The Commercial Unit Owner shall have those rights of easement as set forth in Section 10.18(e)(i) above.

11.05 Easements for Encroachments.

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

11.06 Emergency Access Easement.

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

11.07 Pedestrian Access Easements.

Declarant hereby creates a nonexclusive access easement for the benefit of the general public over and across any and all roads, streets, plazas, courtyards, paths, pathways, sidewalks and boardwalks located outside of the Building and on the Land, but specifically excluding therefrom any portion of the fenced amenity area located at the rear of the Building, which amenity area shall be for the exclusive use of the Owners and their Guests. Use of the foregoing access easement shall in all instances be subject to the Rules and Regulations.

ARTICLE XII: INSURANCE

12.01 General Liability Insurance.

The Association shall obtain and maintain one or more policies of commercial general liability insurance insuring the Owners, the Association, the Management Committee, the manager engaged by the Association, if any, and their respective agents against general liability and claims arising in connection with the ownership, existence, use or management of the Common Elements, in an aggregate amount that is not less than \$5,000,000, or such greater amount as the Management Committee deems appropriate. Such insurance shall cover claims of one or more insured parties against other insured parties.

12.02 Property Insurance.

The Association shall obtain and maintain a master or blanket policy of property insurance coverage for no less than the full insurable replacement cost of all of the Common Elements and Units and any fixture, improvement or betterment installed by a Unit Owner to a Unit (including a floor covering, cabinet, light fixture, electrical fixture, heating or plumbing fixture, paint, wall covering, window and any other item permanently part of or affixed to the applicable Unit or Limited Common Element), subject to reasonable deductibles and exclusive of land, excavations, foundations and similar items normally excluded from property insurance policies. The policy shall contain each of the following features, to the extent that such features are, in the reasonable discretion of the Management Committee, available at reasonable cost:

- (a) an agreed-amount endorsement or its equivalent;
- (b) an increased-cost-of-construction endorsement or a contingent-liability-from-operation-of-building-laws endorsement or their equivalent;
- (c) an extended-coverage endorsement;
- (d) vandalism and malicious mischief coverage;
- (e) a special-form endorsement; and
- (f) a determinable-cash-adjustment clause or a similar clause to permit cash settlement covering full value of the Common Elements in case of partial destruction and a decision not to rebuild.

12.03 Additional Provisions to be Contained in Insurance Policies.

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

- (a) the insurer waives its right of subrogation under the policy against any Owner or member of the Owner's household;
- (b) no act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and

(c) if, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

12.04 Trustee.

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

12.05 Individual Property Insurance.

(a) Each Commercial and Residential Unit Owner, at his own expense, shall procure and maintain at all times fire and extended coverage insurance covering personal property of such Owner against loss by fire and other casualties, including without limitation vandalism and malicious mischief. All policies providing such casualty insurance shall provide that they do not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Article XII and provide the applicable Unit Owner with coverage for such Unit Owner's responsibility for the Insurance Deductible Amount as provided in Section 12.08 below.

(b) Notwithstanding the provisions of this Section 12.05, each Owner may obtain insurance at his own expense providing such other coverage upon such Owner's Condominium, such Owner's personal property, such Owner's personal liability, and covering such other risks as such Owner may deem appropriate provided that each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Article XII. If obtainable under industry practice without an unreasonable additional charge for such waiver, all such insurance shall contain a waiver of the insurance company's right of subrogation against the Association, the Declarant, and the other Owners, and their respective servants, agents and guests.

12.06 Management Committee's Authority to Revise Insurance Coverage.

(a) Subject to any restrictions imposed by the Act, the Management Committee shall have the power and right to deviate from the insurance requirements contained in this Article XII in any manner that the Management Committee, in its discretion, considers to be in the best interests of the Association. If the Management Committee elects to materially reduce the coverage from the coverage required in this Article XII, the Management Committee shall make all reasonable efforts to notify the Owners of the reduction in coverage and the reasons therefor at least thirty (30) days before the effective date of the reduction.

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

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

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

12.07 Periodic Insurance Review.

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

12.08 Additional Insurance Provisions.

(a) As used in this Declaration, the following capitalized terms shall have the meaning indicated:

(i) "Covered Loss" means a loss, resulting from a single event or occurrence that is covered by a property insurance policy of the Association.

(ii) "Insurance Deductible Amount" means an amount equal to the amount of the Association's property insurance policy deductible or \$10,000, whichever is less.

(ii) "Unit Damage" means damage to a Unit or to the Limited Common Elements appurtenant to such Unit, or both.

(iii) "Unit Damage Percentage" means the percentage of total damage resulting in a Covered Loss that is attributable to Unit Damage.

(b) An Owner who owns a Unit that has suffered Unit Damage as part of a Covered Loss is responsible for and shall pay to the Association an amount calculated by applying the Unit Damage Percentage for that Unit to the amount of the deductible under the property insurance policy of the Association.

(c) If an Owner does not pay the amount required under Section 12.08(b) above within thirty (30) days after substantial completion of the repair of the Unit Damage, the Association may levy a Default Assessment against the Owner for that amount.

(d) The Association shall set aside an amount equal to the Insurance Deductible Amount. At the closing of the sale of a Unit by Declarant to a Purchaser, the Purchaser shall pay to the Association an amount equal to the Insurance Deductible Amount multiplied by the applicable Unit's Interest in General Common Elements. At the end of the Declarant Control Period, the Declarant shall pay to the Association an amount equal to the Insurance Deductible Amount multiplied by the Interest in General Common Elements owned by Declarant at the end of the Declarant Control Period.

(e) The Association shall provide notice in accordance with the Act to each Owner of the Owner's obligation under this Section 12.08 and of the amount of the deductible of any insurance policy of the Association and of any change in the amount of the deductible.

ARTICLE XIII: CASUALTY

13.01 Total or Partial Destruction of the Condominium Project.

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

- (a) the Condominium Project is terminated in accordance with Section 18.02 hereof;
- (b) repair or replacement would be illegal under any state or local statute governing health or safety;

(c) seventy-five percent (75%) or more of the Building is destroyed or substantially damaged, and the Owners, by a vote of at least seventy-five percent (75%) of the Interests in General Common Elements, do not voluntarily, within 100 days after the occurrence of such damage, make provision for reconstruction, and the Management Committee shall Record, in the Summit County Records, a notice, in accordance with the Act, thereby subjecting the Condominium Project to an action for partition and sale; or

(d) the Owners, by a vote of at least seventy-five percent (75%) of the Owners of the Interests in General Common Elements, elect to sell or otherwise dispose of the Condominium Project in accordance with the Act.

13.02 Excess Insurance Proceeds.

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

13.03 Casualty to a Unit.

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

ARTICLE XIV: CONDEMNATION

14.01 Condemnation of All Units.

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

14.02 Condemnation of Fewer Than All Units.

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

- (a) any condemnation award payable in connection therewith shall be paid to the Owners of the Units taken, and

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

14.03 Condemnation of Common Elements.

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

ARTICLE XV: SPECIAL DECLARANT RIGHTS

15.01 Improvements.

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

(c) any Improvements shown on the Plat; and

(d) any other buildings, structures or improvements that Declarant desires to construct on the Land, or any other real estate owned by Declarant, regardless of whether the same ever become part of the Condominium Project.

15.02 Development Rights

Declarant hereby reserves for itself, its successors and assigns the right to: (a) create easements, permits, licenses and other property rights and reservations as described in Articles II and XI of this Declaration; and (b) consent, acknowledge and agree to or otherwise participate in the creation of special improvement districts, special service districts, assessment areas and other similar districts or areas that are required by, contemplated by or in furtherance of the Canyons Master Association Documents or the Road Maintenance Agreement, or that Declarant otherwise determines are necessary or advisable to facilitate the development of the Condominium Project or the Resort Village. Notwithstanding the foregoing, Declarant shall not be authorized to provide any consent, acknowledgment or agreement pursuant to part (b) of the foregoing sentence with respect to any Condominium Unit with respect to which Declarant, at the time of such consent, acknowledgment or agreement is not the record Owner of such Condominium Unit.

15.03 Sales Offices and Models.

Notwithstanding anything in the Declaration to the contrary, during the Declarant Control Period, Declarant shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish or facilitate the sale of all Units owned or to be owned by Declarant.

(a) Declarant shall have the right to maintain four (4) or less sales offices or model Units. Such offices and/or model Units may be one or more Units (of any floor area and at any location) owned or leased by it, one or more separate structures or facilities placed on the Land for the purpose of aiding Declarant's sales efforts, a room or rooms in the Common Elements, or any combination of the foregoing. If one or more structures or facilities is so utilized by Declarant, each shall be reasonably located given the layout of the Condominium Project and each shall have an aggregate floor area not substantially in excess of the aggregate floor area of the largest Unit contained in the Condominium Project.

(b) Declarant shall have the right to maintain a reasonable number of promotional, advertising, and/or signs, banners, or similar devices at any place or places on the Land, but any such device shall be of a size and in a location as is reasonable and customary and approved by the Design Review Committee or such other approving body as is designated pursuant to the Canyons Master Association Documents.

(c) Declarant shall have the right from time to time to locate or relocate any of its sales offices, model Units, and/or signs, banners, or similar devices, but in connection with such location or relocation shall observe the limitations imposed by the preceding portion of this Section. Within a reasonable period after the end of the Declarant Control Period, Declarant shall have the right to remove from the Condominium Project any signs, banners, or similar devices and any separate structure or facility which was placed on a portion of the Land for the purpose of aiding Declarant's sales efforts. Any signs, banners, or similar devices, and any separate structure or facility for aiding Declarant's sales efforts shall comply with applicable zoning ordinances.

15.04 Exercising Special Declarant Rights.

Declarant may exercise its Special Declarant Rights at any time prior to the later to occur of the date on which the Declarant Control Period expires or the date that is fifty (50) years after the date on which this Declaration is recorded in the Summit County Records; provided that a Successor Declarant's rights with respect to the conversion of Commercial Units shall not be subject to the foregoing limitation. Declarant may exercise its Special Declarant Rights in any order, and no assurance is given as to the order in which Declarant will exercise its Special Declarant Rights. If Declarant exercises any Special Declarant Right with respect to any portion of the Land, Declarant may, but is not obligated to, exercise that Special Declarant Right with respect to any other portion of the Land. Notwithstanding anything to the contrary contained in this Declaration, Declarant may exercise any Special Declarant Right described in this Article XV and any other right reserved to Declarant in this Declaration, without the consent of the Association or any of the Owners.

15.05 Interference with Special Declarant Rights.

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

15.06 Rights Transferable.

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

ARTICLE XVI: MORTGAGEE PROTECTIONS

16.01 Benefit of Mortgagees.

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

16.02 Notice of Actions.

If requested in writing to do so, the Association shall give prompt written notice of the following to each First Mortgagee making such request:

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

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

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

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

(e) any judgment rendered against the Association.

16.03 Consent Required.

Notwithstanding anything to the contrary contained in this Declaration, the Association may not take any of the following actions without the consent of sixty-seven percent (67%) of the First Mortgagees (based on one vote for each Unit covered by a First Mortgage):

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

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

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

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

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

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

16.04 Notice of Objection.

Unless a First Mortgagee provides the Association with written notice of its objection, if any, to any proposed amendment or action requiring the approval of First Mortgagees within sixty (60) days following the receipt of notice of such proposed amendment or action, the First Mortgagee will be deemed conclusively to have consented to or approved the proposed amendment or action.

16.05 First Mortgagee's Rights.

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

(b) A First Mortgagee shall be entitled to cure any delinquency of the Owner of a Unit encumbered by its First Mortgage in the payment of Assessments. In that event, the First Mortgagee shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

16.06 Limitations on First Mortgagee's Rights.

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

(a) deny or delegate control over the general administrative affairs of the Association by the Owners or the Management Committee;

(b) prevent the Association or the Management Committee from commencing, intervening and/or settling any legal proceeding; or

(c) prevent any insurance trustee or the Association from receiving and distributing any insurance proceeds in accordance with the requirements of the Article XII above.

16.07 Declarant Rights.

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

ARTICLE XVII: ENFORCEMENT AND REMEDIES

17.01 Enforcement.

(a) Each provision of this Declaration with respect to the Association or the Common Elements shall be enforceable by Declarant or by any Owner by a proceeding for injunctive relief.

(b) Each provision of this Declaration with respect to an Owner or a Unit shall be enforceable by Declarant or by the Association by:

(i) a proceeding for injunctive relief;

(ii) a suit or action to recover damages; or

(iii) in the discretion of the Association, for so long as any Owner fails to comply with any such provisions, exclusion of such Owner and its Guests from the use of any Common Elements and from participation in any Association affairs.

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

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

(ii) The Association may, after notice and an opportunity to be heard as provided in the Act, fine the Owner, as a Default Assessment, an amount not to exceed \$100 for each violation. The Owner shall pay any such fine to the Association within thirty days after the Owner receives written invoice therefor from the Association.

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

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

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

17.02 Attorneys' Fees.

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

17.03 Interest.

If an Owner fails to pay to the Association any Assessment or other amount due to the Association as and when the same becomes due, the Owner shall pay to the Association interest on such unpaid amount at the rate of eighteen percent (18%) per annum, or such other rate as the Management Committee may establish from time to time, from the due date of such unpaid amount until the date paid.

17.04 Right to Notice and Hearing.

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

17.05 Nonwaiver.

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

ARTICLE XVIII: TERM AND AMENDMENTS

18.01 Term

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

18.02 Termination.

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

18.03 Amendments.

Except as otherwise expressly provided in this Declaration or the Act, and except for provisions of this Declaration regarding the rights and obligations of Declarant, which may not be amended without Declarant's prior written consent, and subject to the rights of Mortgagees under Article XVI above, Owners may amend any provision of this Declaration at any time by a vote of at least sixty-seven percent (67%) of the votes allocated to all Units. If the necessary votes and consent are obtained, the Association shall cause an amendment to the Declaration to be Recorded in the Summit County Records. Notwithstanding the foregoing, the Owners may not amend this Declaration during the Declarant Control Period without Declarant's prior written consent, which consent Declarant may withhold in its sole discretion.

ARTICLE XIX: MISCELLANEOUS

19.01 Interpretation of the Declaration.

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

19.02 Severability.

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

19.03 Disclaimer of Representations.

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

19.04 Reference to Declaration and Deeds.

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

19.05 Successors and Assigns of Declarant.

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

19.06 Captions and Titles.

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

19.07 Exhibits.

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

19.08 Governing Law.

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

19.09 Notices.

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

RC 14 Condominiums Owners' Association
14421 N. 73rd Street
Scottsdale, AZ, 85260
Notices@Replay Destinations.com

19.10 Waivers.

No waivers by the Association of any right of the Association shall constitute a waiver by the Canyons Master Association of any right of the Canyons Master Association.

19.11 Service of Process.

The name and place of business of the person to receive service of process is as set forth in the Articles of Incorporation of the Association, and initially shall be [], whose place of business within Summit County, Utah is [].

19.12 Priority of Canyons Master Association Documents.

This Declaration and the other Association Documents shall be subject and subordinate to the Canyons Master Association Documents. If there is any conflict or inconsistency between the terms and conditions of this Declaration or any of the other Association Documents and the terms and conditions of the Canyons Master Association Documents, the terms and conditions of the Canyons Master Association Documents shall control. The Canyons Master Association Documents shall not be subject to modification or amendment by the Declarant and/or Association. In addition, Declarant and/or the Association shall not amend this Declaration in any way which would be materially inconsistent with the terms and conditions of the Canyons Master Association Documents without first obtaining the prior written consent of the Canyons Master Association. The terms and conditions of this Section 19.12 may not be amended or deleted without the prior written consent of the Canyons Master Association.

19.13 Priority of the Restrictive Covenants.

This Declaration and the other Association Documents shall be subject and subordinate to the Restrictive Covenants. If there is any conflict or inconsistency between the terms and conditions of this Declaration or any of the other Association Documents and the terms and conditions of the Restrictive Covenants, the terms and conditions of the Restrictive Covenants shall control. The terms and conditions of this Section 19.13 may not be amended or deleted without the prior written consent of the Master Developer under the Canyons Master Association Declaration.

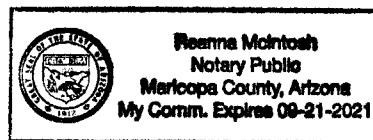
Declarant has caused its name to be signed by the signature of a duly authorized officer as of the day and year first written above.

CANYONS TWO LLC, a
Delaware limited liability company

By: _____

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On this 28th day of August, 2018, before me, personally appeared Gary L Raymond, who acknowledged himself to be the President of Canyons Two LLC, a Delaware limited liability company, being authorized to do so, he executed the foregoing instrument for the purposes therein contained, by signing the name of the company, by himself as such officer.



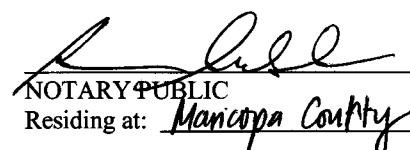

NOTARY PUBLIC
Residing at: Maricopa County

EXHIBIT A

(Attached to and forming a part of the Declaration of Condominium
for RC 14 Condominiums)

Legal Description of the Land

The "Land" referred to in the foregoing Declaration of Condominium is located in Summit County, Utah, and is more particularly described as follows:

A parcel of land located in the Southeast Quarter of Section 36, Township 1 South, Range 3 East, Salt Base and Meridian, said parcel being more particularly described as follows:

All of Parcel RC14 of the Resort Core Development Area - RC-14 & RC15 Subdivision Plat recorded as No. 1092360 in the Summit County Recorder's Office.

Contains: 66,750 SF or 1.53 acres

EXHIBIT B

(Attached to and forming a part of the Declaration of Condominium
For RC 14 Condominiums)

Bylaws

A copy of the Bylaws of the
RC 14 Condominiums Association
follows this cover sheet.

**BYLAWS
OF
RC 14 CONDOMINIUM ASSOCIATION, INC.**

**ARTICLE 1)
DEFINITIONS**

1.01 **Declaration.**

As used herein, "Declaration" means the Declaration of Condominium for RC 14 Condominiums, as the same may be amended from time to time, recorded in the Official Records of Summit County, Utah.

1.02 **Other Definitions.**

Unless otherwise defined herein, all capitalized terms used herein shall have the meanings given to them in the Declaration.

**ARTICLE 2)
OFFICES**

The Association is a Utah nonprofit corporation, with its principal office located at 1840 Sun Peak Drive, Suite A201, PO BOX 680033, Park City, Utah 84068.

**ARTICLE 3)
VOTING, QUORUM, AND PROXIES**

3.01 **Voting.**

Votes shall be allocated as set forth in Section 5.01 of the Declaration.

3.02 **Quorum.**

Except as otherwise required by law or by the Articles, the presence in person or by proxy of Owners entitled to vote more than thirty-five percent (35%) of the total votes of the Owners shall constitute a quorum.

3.03 **Proxies.**

Votes may be cast in person or by proxy. Every proxy must be executed in writing by the Owner or his duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of the Association before or at the time of the meeting. No proxy shall be valid after the expiration of eleven months from the date of its execution unless otherwise provided in the proxy.

3.04 **Majority Vote.**

At any meeting of the Owners, if a quorum is present, the affirmative vote of a majority of the votes represented at the meeting, in person or by proxy, shall be the act of the Owners, unless the vote of a greater number is required by law, the Articles, the Declaration, or these Bylaws.

ARTICLE 4) **ADMINISTRATION**

4.01 Annual Meeting.

The annual meeting of the Owners shall be held at a time designated by the Management Committee in the month of November in each year, or at such other date designated by the Management Committee, beginning with the year 2018, for the purpose of appointing Directors and for the transaction of such other business as may come before the meeting.

4.02 Special Meetings.

Special meetings of the Owners, for any purpose, unless otherwise prescribed by statute, may be called by the president or by a majority of the Directors and shall be called by the president at the request of Owners entitled to vote ten percent (10%) or more of the total votes of all Owners.

4.03 Place of Meeting.

The Management Committee may designate the Association's principal offices or any place within Summit County, Utah, as the place for any annual meeting or for any special meeting called by the Management Committee.

4.04 Notice of Meeting.

Written or printed notice of any meeting of the Owners, stating the place, day, and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered personally or by mail to each Owner entitled to vote at such meeting not less than ten nor more than fifty days before the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Owner at his address as it appears in the office of the Association, with postage thereon prepaid. For the purpose of determining Owners entitled to notice of or to vote at any meeting of the Owners, the Management Committee may set a record date for such determination of Owners, in accordance with the laws of the State of Utah. If requested by the person or persons lawfully calling such meeting, the secretary shall give notice thereof at the expense of the Association.

4.05 Informal Action by Owners.

Any action required or permitted to be taken at a meeting of the Owners may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by Owners having not less than the minimum voting power that would be necessary to authorize or take the action at a meeting at which all Owners entitled to vote on the action were present and voted. Such consent shall have the same force and effect as a unanimous vote of the Owners.

ARTICLE 5) **DECLARANT CONTROL**

Declarant shall be entitled to control the Association as set forth in Section 6.03 of the Declaration.

ARTICLE 6) **MANAGEMENT COMMITTEE**

6.01 Number and Election of Directors.

Directors shall be appointed, elected, and removed as set forth in Article 7 of the Declaration.

6.02 Resignations; Vacancies.

Any Director may resign at any time by giving written notice to the president or to the secretary of the Association. Such resignation shall take effect at the time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Other than with respect to a Director appointed by the Declarant during the Declarant Control Period, any vacancy occurring on the Management Committee (by reason of resignation or death) may be appointed by the Owner that appointed such Director as set forth in Article 6 of the Declaration. A vacancy occurring on the Management Committee created by the resignation or death of a Director appointed by the Declarant during the Declarant Control Period shall be filled by the Declarant appointing a new Director. A Director elected to fill a vacancy shall hold office until the next annual meeting of the Owners and until his successor is duly elected and qualified.

6.03 Regular Meetings.

Regular meetings of the Management Committee may be held without call or formal notice at such places within or outside the State of Utah, and at such times as the Management Committee from time to time by vote may determine. Any business may be transacted at a regular meeting. The regular meeting of the Management Committee for the election of Officers and for such other business as may come before the meeting may be held without call or formal notice immediately after, and at the same place as, the annual meeting of Owners, or any special meeting of Owners at which a Management Committee is elected.

6.04 Special Meetings.

Special meetings of the Management Committee may be held at any place within the State of Utah or by telephone, provided that each Director can hear each other Director, at any time when called by the president, or by two or more Directors, upon the giving of at least three days' prior notice of the time and place thereof to each Director by leaving such notice with such Director or at such Director's residence or usual place of business, or by mailing it prepaid and addressed to such Director at such Director's address as it appears on the books of the Association, or by telephone. Notices need not state the purposes of the meeting. No notice of any adjourned meeting of the Directors shall be required.

6.05 Quorum.

A majority of the number of Directors fixed by these Bylaws, as amended from time to time, shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting from time to time. When a quorum is present at any meeting, a majority of the Directors in attendance shall, except where a larger number is required by law, by the Articles, or by these Bylaws, decide any question brought before such meeting.

6.06 Waiver of Notice.

Before, at, or after any meeting of the Management Committee, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Management Committee shall be a waiver of notice by such Director except when such Director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

6.07 Informal Action by Directors.

Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Directors.

ARTICLE 7) **OFFICERS AND AGENTS**

7.01 General.

The Officers of the Association shall be a president (who shall be chosen from among the Directors), one or more vice presidents, a secretary, and a treasurer. The Management Committee may appoint such other officers, assistant officers, committees, and agents, including assistant secretaries and assistant treasurers, as they may consider necessary or advisable, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Management Committee. One person may hold any two offices, except that no person may simultaneously hold the offices of president and secretary. In all cases where the duties of any officer, agent, or employee are not prescribed by the Bylaws or by the Management Committee, such Officer, agent, or employee shall follow the orders and instructions of the president.

7.02 Removal of Officers.

The Management Committee may remove any Officer, either with or without cause, and elect a successor at any regular meeting of the Management Committee, or at any special meeting of the Management Committee called for such purpose.

7.03 Vacancies.

A vacancy in any office, however occurring, shall be filled by the Management Committee for the unexpired portion of the term.

7.04 President.

The president shall be the chief officer of the Association. The president shall preside at all meetings of the Association and of the Management Committee. The president shall have the general and active control of the affairs and business of the Association and general supervision of its officers, agents, and employees. The president of the Association is designated as the Officer with the power to prepare, execute, certify, and record amendments to the Declaration on behalf of the Association.

7.05 Vice Presidents.

The vice presidents shall assist the president and shall perform such duties as may be assigned to them by the president or by the Management Committee. In the absence of the president, the vice president designated by the Management Committee or (if there be no such designation) designated in writing by the president shall have the powers and perform the duties of the president. If no such designation shall be made, all vice presidents may exercise such powers and perform such duties.

7.06 Secretary.

The secretary shall:

- (a) keep the minutes of the proceedings of the Owners Meetings and of the Management Committee Meetings;
- (b) see that all notices are duly given in accordance with the provisions of these Bylaws, the Declaration, and as required by law;
- (c) be custodian of the corporate records and of the seal of the Association and affix the seal to all documents when authorized by the Management Committee;

(d) maintain at the Association's principal offices a record containing the names and registered addresses of all Owners, the designation of the Unit owned by each Owner, and, if such Unit is mortgaged, the name and address of each Mortgagee; and

(e) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the Management Committee. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

7.07 Treasurer.

The treasurer shall be the principal financial officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness, and other personal property of the Association and shall deposit the same in accordance with the instructions of the Management Committee. The treasurer shall receive and give receipts and acquittances for moneys paid in on account of the Association, and shall pay out of the funds on hand all bills, payrolls, and other just debts of the Association of whatever nature upon maturity. The treasurer shall perform all other duties incident to the office of the treasurer and, upon request of the Management Committee, shall make such reports to it as may be required at any time. The treasurer shall, if required by the Management Committee, give the Association a bond in such sums and with such sureties as shall be satisfactory to the Management Committee, conditioned upon the faithful performance of his duties and for the restoration to the Association of all books, papers, vouchers, money, and other property of whatever kind in his possession or under his control belonging to the Association. He shall have such other powers and perform such other duties as may be from time to time prescribed by the Management Committee or the president. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer.

ARTICLE 8)
EVIDENCE OF OWNERSHIP, REGISTRATION OF
MAILING ADDRESS, AND LIEN HOLDERS

8.01 Proof of Ownership.

Except for those Owners who initially contracted to purchase a Unit from the Declarant, any person on becoming an Owner shall furnish to the Association a photocopy or a certified copy of the recorded instrument vesting that person with an ownership interest in the Unit. Such copy shall remain in the files of the Association. An Owner shall not be deemed to be in good standing and shall not be entitled to vote at any annual or special meeting of Owners unless this requirement is first satisfied.

8.02 Registration of Mailing Address.

If a Unit is owned by two or more Owners, such Owners shall designate one address as the registered address required by the Declaration. The registered address of an Owner or Owners shall be furnished to the secretary of the Association within ten days after transfer of title, or after a change of address. Such registration shall be in written form and signed by all of the Owners of the Unit or by such persons as are authorized to represent the interests of all Owners of the Unit. If no address is registered or if all of the Owners cannot agree, then the address of the Unit shall be deemed the registered address of the Owner(s), and any notice shall be deemed duly given if delivered to the Unit.

8.03 Liens.

Any Owner who mortgages or grants a deed of trust covering his Unit shall give the Association written notice of the name and address of the Mortgagee and shall file true, correct, and complete copies of the note and security instrument with the Association.

8.04 Address of the Association.

The address of the Association shall be 1840 Sun Peak Drive, Suite A201, PO BOX 680033, Park City, Utah 84068. Such address may be changed from time to time upon written notice to all Owners and all listed Mortgagees.

ARTICLE 9)
SECURITY INTEREST IN MEMBERSHIP

Owners shall have the right irrevocably to constitute and appoint a mortgagee their true and lawful attorney-in-fact to vote their Membership in the Association at any and all meetings of the Association and to vest in the Mortgagee any and all rights, privileges and powers that they have as Owners under the Articles and these Bylaws or by virtue of the Declaration. Unless otherwise expressly provided in such proxy, such proxy shall become effective upon the filing of notice by the Mortgagee with the secretary of the Association. A release of the Mortgage covering the subject Unit shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve Owners, as mortgagors, of their duties and obligations as Owners or to impose upon the Mortgagee the duties and obligations of an Owner.

ARTICLE 10)
AMENDMENTS

10.01 By Directors.

Except as limited by law, the Articles, the Declaration, or these Bylaws, the Management Committee shall have power to make, amend, and repeal the Bylaws of the Association at any regular meeting of the Management Committee or at any special meeting called for that purpose at which a quorum is represented. If, however, the Owners shall make, amend, or repeal any Bylaw, the Directors shall not thereafter amend the same in such manner as to defeat or impair the object of the Owners in taking such action.

10.02 By Owners.

Subject to any rights conferred upon first Mortgagees in the Declaration, the Owners may, by the vote of the holders of at least sixty-seven percent (67%) of the votes of the Owners, unless a greater percentage is expressly required by law, the Articles, the Declaration, or these Bylaws, make, alter, amend, or repeal the Bylaws of the Association at any annual meeting or at any special meeting called for that purpose at which a quorum shall be represented.

ARTICLE 11)
MISCELLANEOUS

11.01 **Fiscal Year.**

The fiscal year of the Association shall be such as may from time to time be established by the Management Committee.

11.02 **Other Provisions.**

The Declaration contains certain other provisions relating to the administration of the Condominium Project, which provisions are hereby incorporated herein by reference.

<< >>

EXHIBIT C
(Attached to and forming a part of the Declaration of Condominium
For RC 14 Condominiums)

Interest in General Common Elements

Unit Number	Square Footage	Interest in General Common Elements
140	350	0.68%
103	294	0.57%
105	294	0.57%
107	294	0.57%
108	294	0.57%
109	294	0.57%
110	471	0.91%
111	294	0.57%
112	294	0.57%
113	508	0.98%
114	294	0.57%
115	294	0.57%
116	508	0.98%
125	351	0.68%
126	294	0.57%
127	351	0.68%
128	294	0.57%
129	294	0.57%
130	294	0.57%
131	294	0.57%
132	294	0.57%
133	351	0.68%
134	294	0.57%
135	537	1.04%
136	351	0.68%
137	590	1.14%
138	360	0.69%
139	902	1.74%
201	396	0.76%
202	374	0.72%
203	294	0.57%
204	294	0.57%
205	294	0.57%
206	294	0.57%
207	294	0.57%
208	294	0.57%
209	294	0.57%
210	471	0.91%
211	294	0.57%
212	294	0.57%
213	508	0.98%

214	294	0.57%
215	294	0.57%
216	508	0.98%
217	294	0.57%
218	294	0.57%
219	294	0.57%
220	294	0.57%
221	294	0.57%
222	294	0.57%
223	294	0.57%
224	294	0.57%
225	351	0.68%
226	294	0.57%
227	351	0.68%
228	294	0.57%
229	294	0.57%
230	294	0.57%
231	294	0.57%
232	294	0.57%
233	351	0.68%
234	294	0.57%
235	537	1.04%
236	454	0.88%
237	590	1.14%
238	360	0.69%
239	939	1.81%
301	396	0.76%
302	374	0.72%
303	294	0.57%
304	294	0.57%
305	294	0.57%
306	294	0.57%
307	294	0.57%
308	294	0.57%
309	294	0.57%
310	471	0.91%
311	294	0.57%
312	294	0.57%
313	508	0.98%
314	294	0.57%
315	294	0.57%
316	508	0.98%
317	294	0.57%
318	294	0.57%
319	294	0.57%
320	294	0.57%
321	294	0.57%
322	294	0.57%

323	294	0.57%
324	294	0.57%
325	351	0.68%
326	294	0.57%
327	351	0.68%
328	294	0.57%
329	294	0.57%
330	294	0.57%
331	294	0.57%
332	294	0.57%
333	351	0.68%
334	294	0.57%
335	537	1.04%
336	454	0.88%
337	590	1.14%
338	360	0.69%
339	939	1.81%
401	396	0.76%
402	374	0.72%
403	294	0.57%
404	294	0.57%
405	294	0.57%
406	294	0.57%
407	294	0.57%
408	294	0.57%
409	294	0.57%
410	471	0.91%
411	294	0.57%
412	294	0.57%
413	508	0.98%
414	294	0.57%
415	294	0.57%
416	508	0.98%
417	294	0.57%
418	294	0.57%
419	294	0.57%
420	294	0.57%
421	294	0.57%
422	294	0.57%
423	294	0.57%
424	294	0.57%
425	351	0.68%
426	294	0.57%
427	351	0.68%
428	294	0.57%
429	294	0.57%
430	294	0.57%
431	294	0.57%

432	294	0.57%
433	351	0.68%
434	294	0.57%
435	537	1.04%
436	454	0.88%
437	590	1.14%
438	360	0.69%
439	939	1.81%
Totals	51836	100.00%

4824-2688-9813, v. 13