

Entry No.	202543	
Book	20252	Page 73-188
REQUEST OF	WESTERN STATES TITLE	
FEE	ALAN SPRINGS, SUMMIT CO. RECORDER	
\$	146.00	By Susan Robinson
RECORDED	2-25-83	At 11:05 AM

CONDOMINIUM DECLARATION

FOR

PARK CITY VILLAGE CONDOMINIUMS
a Utah Condominium Project

THIS DECLARATION is made and executed by consent of Greater Park City Company, a Utah corporation, as owner of the fee title of the Exhibit "A" Property, and by Village Venture, Ltd., hereinafter "Declarant", a limited partnership, as owner of the leasehold interest under the terms and conditions of the ground lease described in Article III hereof, pursuant to the provisions of the Utah Condominium Ownership Act, Utah Code Annotated §§ 57-8-1 through 57-8-36 as amended, for itself, its successors, grantees and assigns.

ARTICLE I

RECITALS

Declarant is the leasehold owner of that certain real property in Summit County, Utah, which is described in Exhibit "A" attached hereto and made a part hereof by this reference.

There has been constructed, or will be constructed, certain buildings, and improvements thereon in accordance with the plans and drawings set forth in the Record of Survey Map filed concurrently herewith, consisting of 8 sheets prepared by Coon, King & Knowlton, of Salt Lake City, Utah and certified by George E. Patience, a Registered Land Surveyor.

Declarant desires by filing this Declaration and the aforesaid Record of Survey Map to submit the above described real property and the said building and other improvements constructed thereon for a period ending on December 1, 2070, the expiration date of the ground lease, recorded immediately prior to the Park City Resort Parking Condominium Declaration, to the provisions of the Utah Condominium Ownership Act as an Expandable Leasehold Condominium Project known as Park City Village Condominiums.

Declarant desires and intends to sell the title to the individual units contained in said Leasehold Condominium Project, together with the undivided ownership interests in the Common Areas and Facilities appurtenant thereto, to various purchasers, subject to the covenants, limitations, and restrictions contained herein.

BOOKM 2 52 PAGE 73

First Amendment to Cond. Decl. # 214205, Sk. 381, p. 729-757
First Supplement to Cond. Decl. # 238028, Sk. 352, p. 638
Second Amendment to Cond. Decl. # 319388, Sk. 551, p. 626-632
Third Amendment to Cond. Declaration, etc. # 320124 Sk. 553 p. 512
Fourth Amendment & Cond. Decl. etc. # 348022 Sk. 627-628, 463

Fifth Amendment etc.
348024
Sk. 627
pg. 468-71

NOW, THEREFORE, for such purposes, Declarant hereby makes the following Declaration containing covenants, conditions and restrictions relating to this condominium project which, pursuant to the provisions of the Condominium Ownership Act of the State of Utah, shall be enforceable equitable servitudes, where reasonable, and shall run with the land until the date of expiration of the Ground Lease.

ARTICLE II

DEFINITIONS

1. Name.

The name by which the Condominium Project shall be known is Park City Village Condominiums.

2. Definitions.

The terms used herein shall have the meaning stated in the Utah Condominium Ownership Act and as given in this Section 2.

(a) The word "Declarant" shall mean Village Venture, Ltd., as the owner of the leasehold covering the property, who has made and executed this Declaration, and/or any successor or assign which, either by operation of law or through a voluntary conveyance, transfer or assignment, comes to stand in the same relation to the Project as did its predecessor.

(b) The word "Act" shall mean and refer to the Utah Condominium Ownership Act, Utah Code Annotated 1953, Sections 57-8-1 through 57-8-36 as the same now exists.

(c) The word "Condominium" shall mean and refer to a single Unit in this Leasehold Condominium Project together with an undivided interest in common with other unit owners in the Common Areas and Facilities of the Property.

(d) The word "Declaration" shall mean this instrument by which Park City Village Condominiums is established as an Expandable Leasehold Condominium Project.

(e) The word "Property" shall mean and include the land, described in Article I, for a term expiring with the Ground Lease, the buildings, all improvements and structures thereon, with the exception of the parking structure referred to in Article V hereof, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

(f) The words "Condominium Project," "Expandable Leasehold Condominium Project" or sometimes the "Project" shall mean and refer to the entire Property, as defined above, together with all rights, obligations and organizations established by this Declaration, but subject to the terms of the Ground Lease.

(g) The word "Map" shall mean and refer to the Record of Survey Map of Park City Village Condominiums recorded concurrently herewith by Declarant.

(h) The word "Unit" shall mean and refer to one of the Units, Residential, Storage, or Commercial, which is designated as a Unit on the Map, and more particularly described in Section V(3) hereof.

(i) The words "Unit Owner" or "Owner" shall mean the entity, person or persons owning a Unit in the Condominium Project and an undivided interest in the estate of the Common Areas and Facilities as shown in the records of the County Recorder of Summit County, Utah. The term Unit Owner or Owner shall not mean or include a mortgagee or beneficiary or trustee under a deed of trust unless and until such a party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

(j) The words "Association of Unit Owners" or "Association" shall mean and refer to all of the Unit Owners taken as, or acting as, a group in accordance with this Declaration, the Articles of Incorporation and the Bylaws of Park City Village Owners Association attached hereto as Exhibit "B", which Articles and Bylaws are hereby incorporated herein.

(k) The words "Unit Number" shall mean and refer to the prefix and number designating the Unit in the Declaration and in the Map.

(l) The words "Management Committee" or "Committee" shall mean and refer to the Committee as provided in this Declaration and the Articles and Bylaws hereto attached as Exhibit "B". Said Committee shall be the Board of Directors of the Association and is charged with and shall have the responsibility and authority to make and to enforce all of the reasonable rules and regulations covering the operation and maintenance of the Project.

(m) The term "Manager" shall mean and refer to the person, persons or corporation, if any, selected by the Management Committee to manage the affairs of the Condominium Project. The initial Manager of the Project shall be Park City Village Management Co., a California limited partnership affiliated with Declarant. Park City Village Management Co. has entered into a

long-term contract with Declarant to manage the affairs of the Project.

(n) The term "Common Areas and Facilities" shall mean and refer to:

(1) The land described on Exhibit "A" for the term of the Ground Lease; subject to the portion thereof constituting Park City Resort Parking Condominiums.

(2) That portion of the Property not specifically included in the respective Units as herein defined;

(3) All foundations, columns, girders, beams, supports, mainwalls, roofs, halls, arcades, stairways, lobbies, elevators, entrances, exits, landscaping, fences, and service areas and in general all other apparatus, installations and other parts of the Property necessary or convenient to the existence, maintenance and safety of the foregoing or normally in common use, the parking rights in the Parking Structure, as reserved in the garage sublease, notice of which is recorded immediately after this Declaration, but not including the Parking Structure referred to in Article V hereof, except to the extent of structural responsibility therefor as set forth in Article XXII hereof.

(4) The furniture, appliances, furnishings and floor and wall coverings initially placed in the residential units by Declarant and the replacements thereof, designated as limited common facilities with use restricted to the owners of the Unit in which the property is located and their invitees and guests.

(5) Those areas specifically set forth and designated in the Map as "Common Area" as described in Section V(d) of this Declaration; or as Limited Common Area; and

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

(o) The words "Common Expenses" shall mean and refer to: all expenses of administration, maintenance, rent, repair or replacement of the Common Areas and Facilities; all items, things and sums described in the Act which are lawfully assessed against the Unit Owners in accordance with the provisions of the Act, this Declaration, the Bylaws, such rules and regulations pertaining to the Condominium Project as the Association of Unit Owners or the Management Committee may from

time to time adopt; and such other expenses incurred pursuant to agreements lawfully made and/or entered into by the Management Committee. The words "Common Expenses" shall not include expenses of the mandatory rental pool referred to in Article VII hereof.

(p) The words "Utility Services" shall include, but not be limited to, electricity, gas, water, trash collection and sewage disposal.

(q) The word "Mortgage" shall mean and include both a mortgage on any Condominium Unit and a deed of trust on any Condominium Unit.

(r) The word "Mortgagee" shall mean and include both the mortgagee under a mortgage on any Condominium Unit and the beneficiary under a deed of trust on any Condominium Unit.

(s) The word "Lease" or the words "Ground Lease" shall mean the ground lease covering the Exhibit "A" property. Such lease is more fully described in Article III hereof.

(t) The words "Limited Common Area" shall mean and refer to those portions of the Common Areas and Facilities reserved for the exclusive use of certain Unit Owners, as specified herein or on the Map. The common hallways and corridors of the levels consisting of residential condominiums are designated Limited Common Areas appurtenant to only the units located in the same building as the particular common hallway or corridor. The laundry rooms are restricted to use by owners or authorized occupants of residential Units in the same building. The decks and balconies are limited common with use restricted to the owner of the adjacent unit. The use and occupancy of the Limited Common Areas shall be reserved to the applicable Units, and each applicable Unit Owner is hereby granted an irrevocable license to use and occupy the same so long as such Owner owns the Unit associated with such Limited Common Area.

(u) The word "Parking Structure" shall refer to the multi-level parking structure to be constructed and developed as an expandable leasehold condominium project under the buildings constituting the Project, with parking areas as units, to be known as Park City Resort Parking Condominiums, a Utah Expandable Leasehold Condominium Project. The Parking Structure is further described in Article V hereof.

(v) The words "Rental Pool" shall mean that rental pool arrangement described in Article VII, Section 3 hereof and in the Rental Pool Agreement attached as Exhibit "F" hereto, or its replacements.

(w) The words "Rental Pool Agreement" shall mean that agreement for the operation of the Rental Pool entered into

between the Unit Owners and the Rental Pool Manager, which agreement is attached as Exhibit "F" hereto or its replacements.

(x) The words "Rental Pool Manager" shall mean Park City Village Management Company, or its successors, as operator of the Rental Pool, or the one to whom it may delegate or assign its rights and duties as operator of the Rental Pool, pursuant to Article VII, Section 3, Subsection (b) hereof.

(y) Those definitions contained in the Act, to the extent they are applicable hereto and not inconsistent herewith, shall be and are hereby incorporated herein by reference and shall have the same effect as if expressly set forth herein and made a part hereof.

ARTICLE III

SUBMISSION TO CONDOMINIUM OWNERSHIP

1. Submission. For a term extending until December 1, 2070, the expiration date of the Ground Lease, Declarant hereby submits the Property to the provisions of the Act as an Expandable Leasehold Condominium Project and this Declaration is submitted in accordance with the terms and the provisions of the Act and shall be construed in accordance therewith. It is the intention of Declarant that the provisions of the Act shall apply to the Property.

2. Leasehold Condominium. Greater Park City Company is the owner of the land described on Exhibit "A" attached hereto and incorporated herein. Village Venture, Ltd., a partnership, is the owner of the leasehold created by a Ground Lease dated as of September 15, 1982, recorded as Entry No. 202646 on FEB. 25, 1983, as the document immediately preceding the Park City Resort Parking Condominium Declaration in the Official Records of Summit County, State of Utah. The Lease expires on December 1, 2070. No improvements are owned by the Unit Owners after the expiration of the term of the Ground Lease, whether individually or in common. Unit owners have no right to remove improvements upon the expiration of the Lease. Unit Owners have no right to extend or renew the Lease beyond its expiration date.

ARTICLE IV

COVENANTS TO RUN WITH THE LAND

This Declaration contains covenants, conditions and restrictions relating to the Project which are and shall be enforceable equitable servitudes which shall run with the land and be binding upon Declarant, its successors and assigns and

upon all Unit Owners or subsequent Unit Owners, their grantees, Mortgagees, successors, heirs, personal representatives, devisees and assigns.

ARTICLE V

DESCRIPTION OF PROPERTY

1. Description of the Leasehold. Under the terms and conditions of the Ground Lease, the leasehold covers that tract or parcel in Summit County, Utah, more particularly described in Article I of this Declaration. Declarant reserves nonexclusive access easements for vehicular and pedestrian access for granting to adjacent and nearby landowners over and across those portions of the Common Area of the property improved as roadways and pedestrian walkways.

2. Description of Improvements. The building has been or will be constructed by the Declarant in accordance with the information contained in the Map. The building has three levels and is of brick, wood, metal and concrete construction. The building has 47 Residential Units and 18,000 square feet of commercial space divided into 7 Commercial Units, a Storage Unit and an Ice Skating Rink and other Common Areas. Common Areas and Facilities include two hot tubs and an ice skating rink. A large storage unit is located on the Property, but is privately owned. The ice rink is a Common Facility, and all income and expenses of the ice rink will be Common. The ice rink is leased to Village Venture, Ltd., under the terms of the lease attached hereto as Exhibit "G". Unit Owners will likely not have use of the ice rink facility without paying the charge required by the tenant. Each Residential Unit has one parking space in the Parking Structure. The Parking Structure is an underground structure located beneath and adjacent to the buildings. The Parking Structure is a separate Condominium Project known as Park City Resort Parking Condominiums, a Utah Expandable Leasehold Condominium Project. Parking rights of the Project, of Greater Park City Company and of a separate condominium project known as the Village Loft Condominiums will be assigned, which assignment shall be subject to change from time to time. The Association has responsibility for structural portions of the parking facility as set forth in Article XXII hereof. Water, gas, garbage and sewage disposal, if available, are not separately metered or billed and will be Common Expenses. Electricity will be individually metered to the specific Units. The Project and Park City Resort Parking Condominiums will be subject to the Ground Lease and to the easements which are reserved through the Project and the Property and as may be required for Utility Services. The recordation of this Declaration constitutes a sublease to the Unit Owners and an assignment to the Association of the rights, and an assumption of the obligations, of the Ground Lease and an assignment of all of the parking rights of Declarant under the garage sublease. No further documentation shall be required.

3. Description and Legal Status of Units. The Map shows the Unit Number of each Unit, its location, and the Common Areas and Limited Common Areas and Facilities to which it has access. All Units shall be capable of being independently owned, encumbered and conveyed.

Each Unit shall include that part of the building which lies within the boundaries of the Unit, which boundary shall be determined in the following manner:

(a) the upper boundary shall be the plane of the lower surface of the ceiling;

(b) the lower boundary shall be the plane of the upper surface of the floor; and

(c) the vertical boundaries of the Unit shall be (i) the interior surface of the outside walls of the building bounding a Unit; (ii) the center line of any non-bearing interior walls bounding a Unit; and (iii) the interior surface of any interior bearing walls bounding a Unit. p6

4. Description of Common Areas and Facilities. Except as otherwise in this Declaration provided, the Common Areas and Facilities shall consist of the areas and facilities described in the definitions and constitute in general all of the parts of the Property except the Units and the Parking Structure, but including the parking rights in the Parking Structure. Without limiting the generality of the foregoing, the Common Areas and Facilities shall include the following, whether located within the bounds of a Unit or not:

(a) All structural parts of the building and the parking structure including, without limitation, foundations, columns, joists, beams, supports, supporting walls, floors, ceilings and roofs;

(b) driveways, patios, lawns, shrubs, trees and entrance ways;

(c) any utility pipe or line or system servicing more than a single Unit, and all ducts, wires, conduits, and other accessories used therewith;

(d) the furniture, appliances, furnishings and floor and wall coverings initially placed in the residential units by Declarant and the replacements thereof, designated as limited common facilities with use restricted to the owners of the Unit in which the property is located and their invitees and guests;

(e) all other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common Areas and Facilities in the Map;

(f) all repairs and replacements of any of the foregoing.

ARTICLE VI

DECLARANT'S RIGHTS ASSIGNABLE

All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment. Any Mortgage covering those Condominium Units in the Project, title to which is vested in the Declarant, shall, at any given point in time and whether or not such Mortgage does so by its terms, automatically cover, encumber, and include all of the then unexercised or then unused rights, powers, authority, privileges, protections and controls which are accorded to Declarant (in its capacity as Declarant herein).

ARTICLE VII

STATEMENT OF PURPOSE AND RESTRICTION ON USE

1. Purpose. The purpose of the Condominium Project is to provide retail sales, office, craft, service, restaurant, meeting room, storage, general purpose commercial and sales space, residential space for Unit Owners, and residential space for rental by Unit Owners exclusively through the Rental Pool described in Section (3) of this Article, all in accordance with the provisions of the Act.

2. Restrictions on Use. The Units and Common Areas and Facilities shall be used and occupied as hereinafter set forth.

(a) All Commercial Units shall be occupied by the Unit Owner(s), their officers, employees, invitees, guests, customers or lessees only for office, craft, service, retail sales, restaurant, meeting room, residential or general commercial purposes. Residential Units shall be occupied by the Unit Owner(s), their invitees, guests, or lessees only for residential purposes. Owners of these Units will be required to participate in the Rental Pool. The Storage Unit shall be used by its owner for ski lockers. The Common Areas and Facilities shall be used only for the purposes for which they are intended in the furnishing of services and

facilities for the enjoyment of the Unit Owners and in the case of the ice skating rink the invitees and guests of its Tenant.

(b) Nothing shall be done or kept in any Unit or in the Common Areas and Facilities which will increase the rate of insurance on the building or contents thereof beyond that customarily applicable for the uses enumerated above or will result in the cancellation of insurance on the building, or the contents thereof, without the prior written consent of the Management Committee. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Areas and Facilities which is in violation of any law or regulation of any governmental authority.

(c) No residential Unit Owner shall cause or permit anything (including, without limitation, an awning, canopy, sign, shutter, storm door, screen door, radio or television antenna) to hang, be displayed, be visible or otherwise be placed on the exterior walls or roof of any building or any part thereof, or on the outside of windows or doors, without the prior written consent of the Management Committee. No sign of any kind shall be displayed to the public view on or from any residential Unit or the Common Areas without the prior written approval of the Management Committee with regard to size, shape, design, location, text, style and other features of such sign.

(d) No annoying noises and no otherwise noxious or offensive activity shall be carried on in any Unit or in the Common Areas and Facilities, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants.

(e) Nothing shall be done in any Unit or in, on or to the Common Areas and Facilities which will impair the structural integrity of the building or any part thereof or which would structurally change the building or any part thereof except as is otherwise provided herein.

(f) The Common Areas and Facilities shall be kept free and clear of all rubbish, debris and other unsightly materials.

(g) Except in conjunction with the renting of Units through the Rental Pool, and the leasing and use of the Ice Skating Rink and facilities, no admission fees, charges for use, leases or other income-generating

arrangement of any type shall be employed or entered into with respect to any portion of the Common Areas and Facilities without the prior written consent of the Management Committee.

(h) No animals shall be kept in or on the Condominium Project without the advance written approval of the Management Committee.

(i) No barbeques shall be placed permanently or temporarily on the decks or Limited Common Areas of the Units.

(j) The arcades in the Building and those portions of the ground and easement areas not covered by the Building shall be subject to the right of passage by Greater Park City Company and owners of Village Loft Condominiums, their invitees, customers, tenants, officers, agents and guests except during such periods as the arcades may be closed to all customer traffic.

(k) There shall be no solicitation outside of the commercial units of the project or in the arcade or other common areas of the project except with the prior written approval of the Management Committee and Greater Park City Company.

3. Rental Pool. The Owners of all residential Units shall each be obligated to enter into a Rental Pool Agreement with Park City Village Management Company, providing for the management and rental of each said Unit. The terms of the Rental Pool Agreement are contained in Exhibit "F" hereto. If that Rental Pool Agreement terminates, one containing substantially the same provisions as to operation and participation must be entered into.

(a) Each Unit shall be available for rental purposes unless the Owner elects to occupy a Unit for personal use through a reservation pursuant to the Rental Pool Agreement.

(b) Park City Village Management Committee shall operate the Rental Pool as the Rental Pool Manager, who has the right to delegate or assign its rights and duties as Rental Pool Manager to another. Sole control of the operation of the Rental Pool is vested in the Rental Pool Manager.

(c) The Residential Unit Owners will share in the revenues and expenses not paid by the manager of the Rental Pool. The Rental Pool Manager will also share in such revenues, but solely as compensation for services rendered.

(d) No Residential Unit Owner may rent or lease his Unit or otherwise impose any charge for use or occupancy of his Unit except pursuant to the Rental Pool Agreement.

(e) Any sale, conveyance or transfer of any interest in the Property, the Project, or any Unit by Declarant or any Unit Owner is subject to the Rental Pool Agreement, which shall also both bind and protect any successor or assignee of Declarant or any Unit Owner.

(f) No partnership, joint venture or employer-employee relationship shall be deemed to exist among Unit Owners or between Unit Owners and Declarant or the Rental Pool Manager. The Rental Pool Manager shall act solely as an independent contractor.

ARTICLE VIII

PERSON TO RECEIVE SERVICE OF PROCESS

The person to receive service of process in the cases provided herein or in the Act is Robert Ziegler, whose address is 1401 Lowell Avenue, Park City, Utah 84060. Said person may be changed by the recordation by the Management Committee of an appropriate instrument.

ARTICLE IX

OWNERSHIP AND USE

1. Ownership of a Unit. Except with respect to any of the Common Areas and Facilities located within the bounds of a Unit, until the date of expiration of the Ground Lease, each Unit Owner shall be entitled to the exclusive ownership and possession of his Unit, subject to the Rental Pool Agreement, and to the ownership of an undivided interest in the Common Areas and Facilities in the percentage expressed in Exhibit "C". Exercise of Declarant's Option to Expand shall result in a change in the undivided interests appurtenant to each Unit.

2. Nature of and Restrictions on Ownership and Use. Each Unit Owner shall have and enjoy the rights and privileges of ownership of his Unit. There shall be no requirements concerning who may own Units, it being intended that they may and shall be owned as any other property rights by persons, corporations, partnerships or trusts and in the form of common or joint tenancy. Pursuant to Article VII, Section (3) hereof, Unit Owners shall be required to lease or rent their Units with their appurtenant rights pursuant to and as permitted or required by the Rental Pool Agreement. All Unit Owners, their tenants and other occupants or users of the Project, shall be subject to the

Act, this Declaration, the Articles, the Bylaws, and all rules and regulations of the Association of Unit Owners and Management Committee.

3. Prohibition against Subdivision of Unit. Except as provided in Article XXXIV, no Unit Owner, by deed, plat or otherwise, shall subdivide or in any manner cause his Unit to be separated into time shares or physical tracts or parcels smaller than the whole Unit as shown on the Map.

4. Ownership of Common Areas and Facilities. The Common Areas and Facilities contained in the Project are described and identified in Article V Section 4 of this Declaration. During the term of the Ground Lease, said Common Areas and Facilities shall be owned by the Unit Owners as tenants in common. No percentage of undivided ownership interest in the Common Areas and Facilities shall be separated from the Unit to which it appertains; and even though not specifically mentioned in the instrument of transfer, such a percentage of undivided ownership interest shall automatically accompany the transfer of the Unit to which it relates.

5. Use of Common Areas and Facilities. The Common Areas and Facilities shall be used only in a manner which is consistent with their community nature and with the use restrictions applicable to the Units contained in the Project, subject to this Declaration, the Articles of Incorporation, and the Bylaws. This right of use shall be appurtenant to and run with each Unit.

6. Computation of Undivided Interest. The percentage of undivided interest in Common Areas and Facilities which is appurtenant to each Unit has been determined on the basis of the allowed uses, whether commercial or residential and on the basis of the relative area in square feet of each Unit as a percentage of the total area in square feet of all Units. The percentage applicable to each Unit is as set forth on Exhibit "C" attached hereto and incorporated herein by reference. A Unit Owner's percentage of ownership interest in the Common Areas and Facilities shall be the same for all purposes, including voting.

ARTICLE X

LIMITED COMMON AREAS

Each Unit Owner shall be entitled to the exclusive use and occupancy of the Limited Common Areas assigned to his Unit as set forth herein, or as shown on the Map, subject, however, to the same restrictions on use which apply generally to the Common Areas and Facilities and to Rules and Regulations to be promulgated by the Management Committee as authorized in the Bylaws. Such right to use the Limited Common Areas shall be

appurtenant to and contingent upon ownership of the Unit associated therewith, and even though not specifically mentioned in the instrument of transfer, shall automatically pass to the grantee or transferee of such Unit. Such right of use shall not be revocable, nor may it be voluntarily or involuntarily relinquished, waived, or abandoned.

ARTICLE XI

VOTING - MULTIPLE OWNERSHIP

The vote attributable to and exercisable in connection with a Unit shall be the fraction of undivided ownership interest in the Common Areas and Facilities which is appurtenant to such Unit. In the event there is more than one Owner of a particular Unit, the vote relating to such Unit shall be exercised by the designated Owner which all Owners shall determine among themselves. A vote cast at any meeting by the designated Owner shall be conclusively presumed to be the vote attributable to the Unit concerned. The designation shall be by written document signed by all Owners. If the Owners are unable to agree on a designation, the vote attributable to that Unit shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

ARTICLE XII

MANAGEMENT

1. Management Committee. The property and affairs of the Project shall be managed, operated and maintained by the Management Committee as agent for the Unit Owners. The Management Committee shall consist of the Board of Directors of the Association and shall in connection with its exercise of any of the powers delineated in paragraphs (a) through (i) below, constitute a legal entity capable of dealing in its own name. The Management Committee shall have, and is hereby granted, the following authority and powers:

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

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

(c) the power to sue and be sued;

(d) the authority to enter into contracts which in any way concern the Project, so long as any vote or consent of the Unit Owners necessitated by the subject matter of the agreement has been obtained; including specifically the right to enter into reciprocal use agreements and joint management agreements with regard to the Common Areas with other condominium projects;

(e) the power and authority to convey or transfer any interest in real property, so long as any vote or consent necessary under the circumstances has been obtained;

(f) the power and authority to purchase, otherwise acquire, and accept title to, any interest in real property, so long as such action has been authorized by any vote or consent which is necessary under the circumstances;

(g) the power and authority to add any interest in real property obtained pursuant to paragraph (f) above to the Condominium Project, so long as such action has been authorized by the necessary vote or consent;

(h) the authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Committee in carrying out any of its functions or to insure that the project is maintained and used in a manner consistent with the interests of the Unit Owners; and

(i) the power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions as agent for the Unit Owners.

Any instrument executed by the Management Committee that recites facts which, if true, would establish the Committee's power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.

The Management Committee shall not have authority to enact or enforce any regulation which in the opinion of a majority in interest of the Owners of Commercial Units would unreasonably affect commercial endeavors of such Owners.

2. Composition of Management Committee. The Committee shall be composed of three (3) members. At each regular Owner's meeting, Committee members shall be elected for one-year terms. At the annual meeting, the Owner(s), of each Unit shall be entitled to the number of votes determined by multiplying the percentage of undivided ownership interest apurtenant to the

Unit times the number of seats to be filled. Said votes may be voted in favor of as many candidates for Committee membership as the Owner(s) desire, or may be cumulated and voted for a lesser number of candidates; provided, however, that until the annual Owners' meeting held in October 1988, Declarant alone shall be entitled to select two (2) of the three (3) Committee members. At least one member of the Management Committee and the Board of Directors shall be an Owner or designated representative of an Owner of a Commercial Condominium Unit. Notwithstanding the foregoing limitations until the first meeting of the Owners, the members of the Committee shall be the following persons and each shall hold the office indicated opposite his name:

Robert Ziegler	President
Rick Davidson	Vice President
Gary Cole	Secretary-Treasurer

Any Committee member who fails on three successive occasions to attend Committee meetings (whether regular or special) or who has not attended at least 75% of all Committee meetings (whether regular or special) held during any twelve month period shall automatically forfeit his seat. In the event a Committee seat becomes vacant, whether by reason of forfeiture or due to another cause, the remaining Committee members shall elect a replacement to sit on the Committee until the expiration of the term for which the member being replaced was elected. Unless he forfeits or otherwise loses his seat as herein provided, a member shall serve on the Committee until his successor is elected and qualifies. Committee members shall be reimbursed out of assessments to Unit Owners for all expenses reasonably incurred in connection with Committee business, but shall receive no additional compensation for their services as Committee members.

3. Responsibility. The Management Committee shall be responsible for the control, operation and management of the Project in accordance with the provisions of the Act, this Declaration, such administrative, management and operational rules and regulations as it may adopt from time to time as herein provided, and all agreements and determinations lawfully made and entered into by said Committee.

4. Additional Facilities. The Management Committee shall, subject to any necessary approval, have the authority to provide such facilities, in addition to those for which provision has already been made, as it may deem to be in the best interests of the Unit Owners and to effect the necessary amendment of documents and maps in connection therewith. Expansion of the Project pursuant to Article XXXI hereof may be accomplished without the approval of the Management Committee.

5. Name. The Management Committee shall be known as the Park City Village Condominiums Management Committee.

6. Manager. The Committee may carry out through a Project Manager any of its functions which are properly the subject of delegation. Any Manager so engaged shall be an independent contractor and not an agent or employee of the Committee, shall be responsible for managing the Project for the benefit of the Committee and the Unit Owners, and shall, to the extent permitted by law and the terms of the agreement with the Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself. Unit Owners are specifically aware that Declarant has contracted with Park City Village Management Company, an affiliate of Declarant, for the management of this Project.

ARTICLE XIII

EASEMENTS

1. Each Unit shall be subject to such easements as may be necessary for the installation, maintenance, repair or replacement of any Common Areas and Facilities located within the boundaries of such Unit.

2. In the event that, by reason of the construction, reconstruction, settlement, movement or shifting of any part of a building, any part of the Common Areas and Facilities encroaches or shall hereafter encroach upon any part of any Unit or any part of any Unit encroaches or shall hereafter encroach upon any part of the Common Areas and Facilities or any other Unit, valid easements for such encroachment and the maintenance of such encroachment are hereby established and shall exist for the benefit of such Unit and the Common Areas and Facilities, as the case may be, so long as all or any part of the building containing any such Unit shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of any Unit Owner or in favor of the Unit Owners as owners of the Common Areas and Facilities if such encroachment occurred due to the willful conduct of such Unit Owner or Owners occurring after the date on which this Declaration is recorded.

ARTICLE XIV

CHANGE IN OWNERSHIP

The Management Committee shall maintain up-to-date records showing the name of each Owner, the address of such Owner, and the Unit which is owned by it. In the event of any transfer of an interest in a Unit either the transferor or transferee shall furnish the Management Committee with evidence

establishing that the transfer has occurred and that the Deed or contract accomplishing the transfer is of record in the office of the County Recorder of Summit County, Utah. The Management Committee may for all purposes act and rely on the information concerning Owners and Unit ownership which is thus acquired by it or, at its option, the Management Committee may act and rely on current ownership information respecting any Unit or Units which is obtained from the office of the County Recorder of Summit County, Utah. The address of an Owner shall be deemed to be the address of the Unit owned by such Owner unless the Management Committee is otherwise advised.

ARTICLE XV

ASSESSMENTS

Every Unit Owner shall pay his proportionate share of the common expenses based upon the percentage of common area ownership set forth in Exhibit "C". Residential Unit Owners shall pay the Special Assessments required for the Sinking Fund for maintenance and replacement of interiors and interior furnishing of Residential Units as provided in Article XIX and Article XXII hereof. Payment thereof shall be in amounts and at such times as the Management Committee determines in accordance with the Act, the Declaration, the Articles of Incorporation or the Bylaws. There shall be a lien for nonpayment of common expenses as provided in the Act.

In assessing Unit Owners for capital improvements, no assessment for a single improvement in the nature of a capital expenditure exceeding the sum of \$10,000.00 except for purchases or maintenance through the Sinking Fund, shall be made without the same having been first voted on and approved by at least a majority of the Project's undivided ownership interest.

ARTICLE XVI

DESTRUCTION OR DAMAGE

In the event of destruction or damage of part or all of the improvements in the Condominium Project, the procedures of this section shall apply.

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

(b) If less than 75% of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Committee are not alone sufficient to

accomplish repair or reconstruction, restoration shall be carried out and all of the Unit Owners shall be assessed for any deficiency on the basis of their respective appurtenant percentages of undivided ownership interest in the common areas, said assessment becoming a lien on the Units as provided in the Act.

(c) If 75% or more of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Management Committee are not alone sufficient to accomplish restoration, and if the Unit Owners within 100 days after the destruction or damage by a vote of at least 75% of the entire undivided ownership interest in the common areas of the Project elect to repair or reconstruct the affected improvements, restoration shall be accomplished in the manner directed under subsection (b) above.

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

(e) Any reconstruction or repair which is required to be carried out by this section shall be accomplished at the instance and direction of the Management Committee. Any determination which is required to be made by this section regarding the extent of damage to or destruction of Project improvements shall be made as follows:

The Management Committee shall select three M.A.I. appraisers; each appraiser shall independently estimate the percentage of project improvements which have been destroyed or substantially damaged; the percentage which governs the application of the provisions of this section shall be the median of the three estimates.

ARTICLE XVII

TAXES

It is understood that under the Act each Unit, together with its percentage of undivided interest in the Common Areas and Facilities in the Project, is deemed a parcel and subject to

separate assessment and taxation by each assessing unit and special district for all types of taxes authorized by law. Each Unit Owner will, accordingly, pay and discharge any and all taxes which may be assessed against his Condominium Unit.

ARTICLE XVIII

INSURANCE

1. Hazard Insurance. The Management Committee or Association of Unit Owners shall at all times maintain in force hazard insurance meeting at least the following requirements:

(a) A multi-peril type policy covering the entire Condominium Project (both Units and Common Areas and Facilities) shall be maintained. Such policy shall provide coverage against loss or damage by fire and other hazards covered by the special extended coverage endorsement including debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location, and use. As a minimum, such policy shall provide coverage on a replacement cost basis in an amount not less than that necessary to comply with any co-insurance percentage specified in the policy, but not less than ninety percent (90%) of the full insurable value of the Project (based upon replacement cost). Such policy shall include an "Agreed Amount Endorsement" or its equivalent, and if necessary or appropriate, an "Increased Cost of Construction Endorsement" or its equivalent, and a "Contingent Liability from Operation of Building Laws Endorsement" or its equivalent.

(b) The named insured under each policy required to be maintained by the foregoing item (1) shall be in form and substance essentially as follows: "The Management Committee and Association of Unit Owners of Park City Village Condominiums, or their authorized representative, for the use and benefit of the individual Owners."

(c) Each such policy shall include the standard mortgagee clause (without contribution) which either shall be endorsed to provide that any proceeds shall be paid to the Management Committee or the Association of Unit Owners (or to the Association of Park City Resort Parking Condominiums in the case of insurance covering the parking structure) for the use and benefit of Mortgagees as their interests may appear or shall be otherwise endorsed to fully protect the interests of Mortgagees. In addition, the mortgagee clause shall provide that the insurance carrier shall notify each Mortgagee at least thirty (30) days in advance of the effective date of any reduction in or cancellation of the policy.

(d) Each such policy shall provide that notwithstanding any provision thereof which gives the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable if it is in conflict with any requirement of law or without the prior written approval of the Association.

2. Fidelity Insurance. The Management Committee or Association shall be authorized to maintain in force fidelity coverage against dishonest acts on the part of managers (and employees of managers), trustees, employees, officers, Committee members, or volunteers responsible for handling funds belonging to or administered by the Management Committee or Association of Unit Owners. The fidelity bond or insurance shall name the Association as the obligee or insured and shall be written in an amount sufficient to afford the protection reasonably necessary, but in no event less than one and one-half times (150%) the Project's estimated annual operating expenses and reserves. An appropriate endorsement to the policy shall be secured to cover persons who serve without compensation if the policy would not otherwise cover volunteers.

3. Liability Insurance. The Management Committee or Association of Unit Owners shall at all times maintain in force a comprehensive policy of public liability insurance covering all of the Common Areas and Facilities. Such insurance shall include a "Severability of Interest Endorsement" or its equivalent which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of other Owners, the Management Committee, or the Association of Unit Owners. The coverage afforded by such public liability insurance shall include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, garage-keeper's liability (if applicable), and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location, and use. The limits of liability under such insurance shall not be less than \$3,000,000.00 for all claims for personal injury, death and/or property damage arising out of a single occurrence.

4. General Requirements Concerning Insurance. Each insurance policy maintained pursuant to the foregoing Article XVIII Sections 1 through 3 shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a financial rating by Best's Insurance Reports of Class BBB+ or better. No such policy shall be maintained where:
(1) under the terms of the carrier's charter, bylaws or policy, contributions may be required from, or assessments may be made against, a Unit Owner, a Unit, the Common Areas, or the Project;
(2) by the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's board

of directors, policyholders, or members; (3) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled from collecting insurance proceeds; or (4) the policy provides that the insurance thereunder shall be brought into contribution with insurance purchased by the individual Unit Owners or their Mortgagees. Each such policy shall provide that: (a) coverage shall not be prejudiced by any act or neglect of the Unit Owners when such act or neglect is not within the control of the Association of Unit Owners or the Management Committee; (b) coverage shall not be prejudiced by any failure by the Association or Committee to comply with any warranty or condition with regard to any portion of the Project over which the Association and Committee have no control; (c) coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice to any and all insureds named therein, including any Mortgagee named as an insured; and (d) the insurer waives any right of subrogation it might have to any and all claims against the Association, the Management Committee, any Unit Owner, and/or their respective agents, employees or tenants, and any defense it might have based upon co-insurance or upon invalidity arising from acts of the insured. If due to changed circumstances, excessive cost, or any other reason, any of the insurance coverage required to be obtained and maintained under Sections 1 through 3 of this Article XVIII cannot reasonably be secured, with respect to such coverage the Association or the Committee shall obtain and maintain such substitute, different or other coverage as may be reasonable and prudent under the circumstances as they then exist. No coverage shall be required which would be a useless duplication of other coverage held by the Rental Pool, the Management Committee, etc.

ARTICLE XIX

PAYMENT OF EXPENSES

1. Each Unit Owner shall pay the Management Committee his allocated portion of the cash requirement deemed necessary by the Management Committee to manage and operate the Condominium Project (not including costs related to operation of the Rental Pool), upon the terms, at the time, and in the manner herein provided without any deduction on account of any set-off or claim which the Owner may have against the Management Committee or Association. Residential Unit Owners shall pay as a special assessment sums required to fund the Sinking Fund as described in Article XXII hereof. If the Unit Owner shall fail to pay any installment within fifteen (15) days of the time when the same becomes due, the Owner shall pay a late charge of ten percent (10%) of the unpaid assessment and shall pay interest on the unpaid assessment at the rate of eighteen percent (18%) per annum

from the date when such installment shall become due to the date of the payment thereof.

2. The cash requirements above referred to for each year, or portion of the year, are hereby defined and shall be deemed to be such aggregate sum as the Management Committee from time to time shall determine, in its judgment, is to be paid by all the Owners of the Condominium Project then in existence to enable the Management Committee to pay all estimated expenses and outlays of the Management Committee to the close of such year, growing out of or in connection with the maintenance and operation of such land, buildings, and improvements, which sum may include, among other things, rentals and all other sums due under the Ground Lease, costs of the structural obligation and associated insurance with regard to the Parking Structure and the pro rata share of Unit Owners of operating costs of the Parking Structure, the cost of management, special assessments, fire, casualty, flood, fidelity, public liability and other insurance premiums, common lighting including lighting for arcades, landscaping and the care of the grounds, repairs, and renovations to Common Areas and Facilities, snow removal, wages, water charges, electricity charges, sewer charges, natural gas charges and all other utility services (except telephone, and other services which are separately billed or metered to the individual Units by the utility or party furnishing such service), in the case of Residential Owners, maintenance and replacement of interiors and interior furnishings, pursuant to the terms of the Sinking Fund as described in Article XXII hereof, legal and accounting fees, management fees, expenses and liabilities incurred by the Management Committee under or by reason of this Declaration, the payment of any deficit remaining from the previous period, the creation of a reasonable contingency or other necessary reserve or surplus fund, and all other costs and expenses relating to the Condominium Project. The Management Committee may, from time to time, up to the close of the year for which such cash requirements have been so fixed or determined, increase or diminish the amount previously fixed or determined, for such year. It may include in the cash requirements for any year any liabilities or items of expense which accrued or became payable in the previous year, or which might have been included in the cash requirements for a previous year, but were not included therein; and also any sums which the Management Committee may deem necessary or prudent to provide a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

3. The portion payable with respect to each Unit in and for each year or for a portion of a year shall be a sum equal to the aggregate amount of such cash requirements for such year, or portion of year, determined as aforesaid, multiplied by the percentage of undivided interest in the Common Areas and Facilities

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appurtenant to such Unit, as shown in Exhibit "C". The assessments for the Sinking Fund shall apply only to Residential Units and their owners. Such assessments, together with any additional sums accruing under this Declaration, shall be payable monthly in advance, or in such payments and installments as shall be provided by the Management Committee. The Management Committee has estimated that the Common Area expenses for the first year will be \$144,000.00 and the Sinking Fund Assessment will be \$56,000.00. The share initially attributable to each Unit is set forth on Exhibit "C" and constitutes the initial assessment. The initial assessment is to be paid by the initial purchaser at the time of purchase. The foregoing is only an estimate, however, and may have to be revised as experience is accumulated.

4. The Management Committee shall have discretionary powers to prescribe the manner of maintaining and operating the Condominium Project and to determine the cash requirements of the Management Committee to be paid as aforesaid by the Owners under this Declaration. Every such reasonable determination by the Management Committee within the bounds of the Act and this Declaration shall be final and conclusive as to the Owners, and any expenditures made by the Management Committee within the bounds of the Act and this Declaration shall as against the Owner be deemed necessary and properly made for such purpose.

5. Assessments due pursuant to this Declaration may be deducted from any Owner's share of the proceeds of the Rental Pool.

6. Each assessment and each special assessment shall be separate, distinct and personal obligations of the Owner(s) of the Unit against which the same are assessed at the time the assessment is made and shall be collectible as such. Suit to recover a money judgment for unpaid common expenses may be maintained without foreclosure or waiving the lien (described hereafter) securing the same. If not paid when due, the amount of any such delinquent assessment for common expenses, whether regular or special, assessed to a Unit, plus interest at eighteen percent per annum, costs of action and reasonable attorney's fees, shall constitute a lien upon the interest of the owner in such Unit and upon recordation of a notice thereof as provided by the Act, said lien for non-payment of common expenses shall be enforceable as provided in the Act and shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

(a) taxes and special assessment liens on the Unit in favor of any assessing unit, or special district; and

(b) encumbrances on the interest of the Unit Owner recorded prior to the date such notice is recorded which

by law would be a lien prior to subsequently recorded encumbrances.

7. In any conveyance, except to a mortgagee as hereinafter set forth, the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee. However, any such grantee shall be entitled to a statement from the Manager or Management Committee setting forth the amounts of the unpaid assessments against the grantor, and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments against the grantor in excess of the amount set forth.

8. A certificate executed and acknowledged by the Manager or Management Committee stating the unpaid common expense assessments then outstanding with respect to a Unit shall be conclusive upon the Management Committee and the Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner or encumbrancee or prospective Owner or encumbrancee of a Unit upon request at a reasonable fee initially not to exceed Ten Dollars (\$10.00). Unless the request for a certificate of indebtedness shall be complied with within ten (10) days, all unpaid common expense assessments which become due prior to the date of making of such request shall be subordinate to the lien or interest held by or obtained by the person making the request. Any encumbrancee holding a lien on a Unit may pay any unpaid Common Expenses payable with respect to such Unit and upon such payment that encumbrancee shall have a lien on that unit of the same rank as the lien of his encumbrance for the amounts paid.

9. Upon payment or other satisfaction of delinquent assessments concerning which a notice of assessment has been recorded, the Management Committee shall cause to be recorded in the same manner as the notice of assessment a further notice stating the satisfaction and release of the lien thereof. Such lien for non-payment of assessment may be enforced by sale by the Management Committee or by a bank or trust company or title insurance company authorized by the Management Committee, such sale to be conducted in accordance with the provisions of the law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any other manner permitted by law. In any foreclosure or sale, the Unit Owner shall be required to pay the costs and expenses of such proceedings including reasonable attorney's fees.

10. In the event of foreclosure, any Unit Owner occupying the Unit during any redemption period shall be required

to pay a reasonable rental for the Unit and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the security. The Management Committee or Manager shall have the power to bid on the Unit at foreclosure or other sale and to hold, lease, mortgage and convey the Condominium Unit.

ARTICLE XX

MORTGAGEE PROTECTION

1. From and after the time a Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefor, the Committee or the Association shall notify such Mortgagee in writing in the event that the Owner of the Unit encumbered by the mortgage held by such Mortgagee neglects for a period of thirty (30) or more days to cure any failure on his part to perform any of his obligations under this Declaration.

2. The lien or claim against a Condominium Unit for unpaid assessments or charges levied by the Management Committee or by the Association of Unit Owners pursuant to this Declaration or the Act shall be subordinate to a first Mortgage affecting such Condominium Unit. A first Mortgagee who comes into possession of the Condominium Unit pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall take the same free of such lien or claim for unpaid assessments or charges, but only to the extent of assessments or charges which accrue prior to foreclosure of the Mortgage, exercise of a power of sale available thereunder, or deed or assignment in lieu of foreclosure (except for claims for a pro rata share of such prior assessments or charges resulting from a pro rata reallocation thereof to all Condominium Units including the Condominium Unit in which the Mortgagee is interested). No assessment, charge, lien or claim which is described in the preceding sentence as being subordinate to a first Mortgage or as not a burden to a first Mortgagee coming into possession pursuant to his Mortgage or deed or assignment in lieu of foreclosure shall be collected or enforced by either the Management Committee or the Association from or against a Mortgagee, a successor in title to a Mortgagee, or the Condominium Unit affected or previously affected by the Mortgage concerned.

3. Unless first Mortgagees holding mortgages encumbering Condominium Units to which are appurtenant at least sixty-six percent (66%) of the Common Area percentages of the project, have given their prior written approval, neither the Management Committee nor the Association of Unit Owners shall be entitled, by act, omission, or otherwise:

(a) To abandon or terminate the Condominium

Project or to abandon or terminate the arrangement which is established by this Declaration and the Record of Survey Map (except as provided in Article XVI hereof in the event of certain destruction or damage and except upon the expiration date of the Ground Lease);

(b) To partition or subdivide any Unit, except as provided in Article XXXIV hereof.

(c) To abandon, partition, subdivide, encumber, sell or transfer all or any of the Common Areas and Facilities (except for the granting of easements for utilities and similar purposes consistent with the intended use of the Common Areas and Facilities and except as provided in Article XVI hereof in the event of certain destruction or damage);

(d) To use hazard insurance proceeds resulting from damage to any part of the Condominium Project (whether to Units or to the Common Areas) for purposes other than the repair, replacement, or reconstruction of such improvements, except as provided in Article XVI hereof in the event of certain destruction or damage;

(e) To change the pro rata interests or obligations of any Unit which apply for (a) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for (b) determining the pro rata share of ownership of each Unit in the Common Areas and Facilities; provided, however, that nothing herein shall impair, restrict or prevent the exercise of Declarant's Option to Expand even though such expansion would result in a pro rata reallocation of undivided ownership of the Common Areas and Facilities;

(f) To alter the provisions of Article XVIII hereof in such a way as to diminish the insurance protection required to be afforded to the parties designed to be protected thereby, or to fail to maintain the insurance coverage described therein.

4. Any First Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Management Committee, or the Association of Unit Owners, or of the Condominium Project. From and after the time a First Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefor, the Committee or the Association shall furnish to such Mortgagee copies of minutes of meetings and such annual operating reports and other reports or writings summarizing or reflecting the financial position or history of the Condominium Project as may be prepared for distribution to or use by the Committee, the Association, or the Unit

Owners.

5. To the extent the same is reasonably possible and practical and is not inconsistent with the significant interests of the Association of Unit Owners, the Management Committee and the Association shall establish an adequate reserve fund to cover the cost of reasonably predictable and necessary major repairs and replacements of the Common Areas and Facilities and shall cause such reserve to be funded by regular monthly or other periodic assessments against the Units rather than by special assessments.

6. From and after the time a First Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefor, the Committee or the Association shall notify such First Mortgagee in writing in the event that there occurs any substantial damage or loss to, or any taking or anticipated condemnation of: (a) The Common Areas involving an amount in excess of, or reasonably estimated to be in excess of, Ten Thousand Dollars (\$10,000.00); or (b) Any Unit involving an amount in excess of, or reasonably estimated to be in excess of, One Thousand Dollars (\$1,000.00). Said notice shall be given within ten (10) days after the Management Committee or the Association learns of such damage, loss, taking or anticipated condemnation.

7. In the event another provision or clause of this Declaration deals with the same subject matter as is dealt with in any provision or clause of this Article XX, the provision or clause which results in the greatest protection and security for a First Mortgagee shall control the rights, obligations, or limits of authority as the case may be, applicable to the Management Committee and Association of Unit Owners with respect to the subject concerned.

8. Except with respect to expansion of the Project pursuant to Article XXXI hereof, which may be accomplished without consent of any Mortgagee, and excepting amendments pursuant to Article XXXIV hereof, no amendment to this Article XX which has the effect of diminishing the rights, protection or security afforded to First Mortgagees shall be accomplished or effective unless all of the First Mortgagees of the individual Units have given their prior written approval to such amendment. Any amendment to this Article XX shall be accomplished by an instrument executed by the Management Committee and filed for record in the office of the Summit County Recorder. In any such instrument an officer of the Management Committee shall certify that any prior written approval of First Mortgagees required by this Article XX as a condition to amendment has been obtained.

ARTICLE XXI

EMINENT DOMAIN

In the event that eminent domain proceedings are commenced against the Project or any portion thereof, the provisions of §57-8-32.5, Utah Code Annotated (Supp. 1977) shall apply. The Management Committee shall give written notice of such proceedings to all Mortgagees of record. No first lien priority of any Mortgagee shall be diminished or otherwise disturbed by virtue of such proceedings.

ARTICLE XXII

MAINTENANCE

1. Each Owner of a Unit shall ensure that the interior of his Unit and its equipment and appurtenances are kept in good order, condition and repair and in a clean and sanitary condition, and shall ensure that all redecorating and painting which may at any time be necessary to maintain the good appearance of such Unit shall be done. Except to the extent that the Management Committee on behalf of all Unit owners is protected by insurance against such injury, or the applicable Rental Pool Agreement provides to the contrary, the Unit Owner shall repair all injury or damages to the Unit, building or buildings, furnishings, furniture and appliances caused by the act, negligence or carelessness of the Unit Owner or that of any tenant, subtenant, officer, agent, employee or guest of the Owner or its tenant or subtenant and all such repairs, redecorating and painting shall be of a quality and kind equal to the original work. In addition to ensuring the decorating and keeping of the interior of the Unit in good repair, the Unit Owner shall be responsible for ensuring the maintenance or replacement of any heating or ventilating equipment, electrical equipment, hot water equipment, plumbing fixtures or any other equipment or fixtures that may be in or used exclusively by the Unit. Each Unit Owner shall be entitled to the exclusive use and possession of the Limited Common Areas appurtenant to his Unit and shall be responsible for the maintenance and upkeep of same; provided, however, that without the written permission of the Management Committee first had and obtained, a Unit Owner shall not make or permit to be made any structural alteration, in or to the Unit or in or to the exterior of the building, and shall not paint or decorate any portion of the exterior of the Unit or of the building in which the Unit is located. All obligations set forth herein shall be fulfilled to the standards set by the Rental Pool manager.

2. Maintenance, repair, and replacement of furniture and furnishings originally placed in the Units by developer and its replacements are affected by the following Sinking Fund procedures:

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It is contemplated, based on normal wear and tear, that periodic interior maintenance, repairs, and replacements, will be required with respect to the Residential Condominiums and the furniture and fixtures located therein by the Declarant and the replacements thereof. Such maintenance, repairs, and replacements shall be made at such time as the Rental Pool Manager determines, in its sole and reasonable discretion, that all or any portion of the Residential Condominium or furniture and fixtures located therein are no longer acceptable for use in first class resort accommodations. Replacements of furniture and fixtures shall be of a type and quality acceptable to and otherwise compatible with furniture and fixture guidelines established by the Rental Pool Manager from time to time. Owners and the Rental Pool Manager acknowledge that the Association will establish and maintain a sinking fund for the account of Owners to pay the costs of such maintenance, repairs, or replacements. An Owner shall not remove or replace any furniture or fixtures or in any way alter or remodel his Residential Condominium without the prior written approval of the Rental Pool Manager, which approval shall not be unreasonably withheld (considering the furniture and fixture guidelines established by the Rental Pool Manager from time to time in order to maintain first class resort accommodations). Repairs to and replacements of furniture or fixtures within a Residential Condominium from the Sinking Fund will be limited to the furniture and fixtures contained in the Residential Condominium when purchased by the Owner from Declarant and replacements made by the Rental Pool Manager through the sinking fund. Owners and the Rental Pool Manager shall use reasonable efforts to cause the Association to make timely disbursements from the sinking fund to the Rental Pool Manager to pay the costs of such maintenance, repairs and replacements. Disbursements from the Sinking Fund will be made only with respect to maintenance, repairs, and replacements resulting from normal wear and tear and use of the Residential Condominiums. All interior maintenance, repairs, and replacements with respect to an Owner's Residential Condominium and the furniture and fixtures located therein resulting from the intentional misuse or negligence of the Owner or his guests or agents, shall be the sole responsibility of the Owner, and each Owner authorizes the Rental Pool Manager to do such maintenance,

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repairs, and replacements for his account and deduct the cost therefore from any amounts of Distributable Revenue payable to such Owner, or in the event Distributable Revenue is insufficient in any month to pay such costs, Owner shall upon written request from the Rental Pool Manager, immediately pay to the Manager any deficiency. Upon any failure of an Owner to pay to the Rental Pool Manager, within 30 days after request therefor, the costs of any such repairs or replacements, the Rental Pool Manager may elect to suspend participation of such Owner in the Rental Pool until such Owner has paid to the Rental Pool Manager the cost of such maintenance, repairs, or replacements resulting from the intentional misuse or negligence of the Owner or his guests or agents. A special assessment for the Sinking Fund shall be levied from time to time as determined by the Management Committee upon the Owner of each Residential Condominium Unit in the project with the same authority and procedure as all other assessments levied pursuant to this Declaration and the assessment shall be levied in the ratio that the Exhibit "C" Common Area charges for residential condominiums bear to one another. All sums paid into the Sinking Fund shall be kept separate from other funds of the Association and not comingled and their expenditure shall be limited to the purposes set forth in this paragraph.

3. Except as hereinafter provided, the Management Committee shall provide for such maintenance and operation of the Common Areas and Facilities as may be reasonably necessary to keep them clean, functional, attractive and generally in good condition and repair.

4. The Parking Structure is a separate condominium project under Utah law with the parking areas constituting condominium units. Declarant as the owner of the parking area condominium units will sublease the parking areas to Greater Park City Company (GPCC) for the entire term under the Land Lease (until December 1, 2070). The sublease gives GPCC control of the parking areas for the term of the sublease. The sublease of the parking areas to GPCC requires that GPCC pay the real property taxes allocable to the parking structure, and costs of maintaining, cleaning, minor repairs, and liability insurance (i.e. operating costs). The Association and the Association of Village Loft Condominiums will be required to reimburse GPCC for taxes, maintenance and liability insurance costs allocable to the parking spaces reserved for their respective use. The Association retains full financial and operating responsibility

for 100% of structural repairs or replacements and the insurance costs relating to the structural integrity of the Parking Structure. This Declaration constitutes an assignment to and acceptance by the Association of Declarant's interest and obligations under the sublease and in the Parking Structure but subject to the sublease and all rights granted GPCC therein.

ARTICLE XXIII

RIGHT OF ENTRY

The Management Committee and its duly authorized agents shall have the right to enter any and all of the Units in case of an emergency originating in or threatening such Unit or any other part of the Project, whether or not the Unit Owner or occupant thereof is present at the time. The Committee and its duly authorized agents shall also have the right to enter into any and all of said Units at all reasonable times as required for the purpose of making necessary repairs upon the Common Areas and Facilities of the Project or for the purpose of performing emergency installations, alterations or repairs to the mechanical or electrical devices or installations located therein or thereon; provided, however, such emergency installations, alterations or repairs are necessary to prevent damage or threatened damage to other Units in the Project; and provided further, that the Unit Owner affected by such entry shall first be notified thereof if available and if time permits.

ARTICLE XXIV

ADMINISTRATIVE RULES AND REGULATIONS

The Management Committee shall have the power to adopt and establish by resolution, such Project management and operational rules as it may deem necessary for the maintenance, operation, management and control of the Project. The Committee may, from time to time by resolution, alter, amend and repeal such rules. When a copy of any amendment or alteration or provision for repeal of any rule or rules has been furnished to the Unit Owners, such amendment, alteration or provision shall be taken to be a part of such rules. Unit Owners shall at all times obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision, it being understood that such rules shall apply and be binding upon all Units Owners, tenants, subtenants or other occupants of the Units.

ARTICLE XXV

OBLIGATION TO COMPLY HEREWITH

Each Unit Owner, tenant, subtenant or other occupant of a Unit shall comply with the provisions of the Act, this Declaration, The Articles of Incorporation, the Bylaws, and the rules and regulations and all agreements and determinations lawfully made and/or entered into by the Management Committee or the Unit Owners when acting in accordance with their authority, including the Rental Pool Management Agreement, and any failure to comply with any of the provisions thereof shall be grounds for an action by the Management Committee or other aggrieved party for injunctive relief or to recover any loss or damage resulting therefrom, including costs and reasonable attorney's fees.

ARTICLE XXVI

INDEMNIFICATION OF MANAGEMENT COMMITTEE

Each member of the Management Committee shall be indemnified and held harmless by the Association of Unit Owners against all costs, expenses and liabilities whatsoever, including, without limitation, attorney's fees reasonably incurred by him in connection with any proceeding in which he may become involved by reason of his being or having been a member of said Committee; provided, however, the foregoing indemnification shall not apply if the loss, expense or liability involved resulted from the willful misconduct or gross negligence of the member.

ARTICLE XXVII

AMENDMENT

In addition to the amendment provisions in Article XXXIV hereof and the Option to Expand contained in Article XXXI hereof, but subject to the terms of Article XX, this Declaration and/or the Map may be amended upon the affirmative vote or approval and consent of owners having ownership of not less than 66.66 percent of the undivided interest in the Common Areas and Facilities. Any amendment so authorized shall be accomplished by recordation of an instrument executed by the Management Committee. In said instrument the Committee shall certify that the vote or consent required by this Article XXVII has occurred. Notwithstanding any other provision contained herein, until occurrence of either of the events referred to in Article XXIX hereof, no amendment to the Map or to any provision of this Declaration which has or may have the effect of diminishing or impairing any right, power, authority, privilege, protection or control given to Declarant (in its capacity as Declarant) herein shall be accomplished or

effective unless the instrument through which such amendment is purported to be accomplished is consented to in writing by Declarant.

ARTICLE XXVIII

CONSENT IN LIEU OF VOTE

In any case in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for authorization or approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who collectively hold at least the stated percentage of undivided ownership interest. The following additional provisions shall govern any application of this section:

(a) all necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Owner;

(b) any change in ownership of a Unit which occurs after consent has been obtained from the Owner having an interest therein shall not be considered or taken into account for any purpose; and

(c) unless the consents of all Owners having an interest in the same Unit are secured, the consent of none of such Owners shall be effective.

ARTICLE XXIX

DECLARANT'S SALES PROGRAM

Notwithstanding any other provision of this Declaration, until Declarant ceases to be a Unit Owner or until the expiration of twenty-five (25) years after the date on which this Declaration is filed for record in the office of the County Recorder of Summit County, Utah, whichever first occurs (hereinafter referred to as the "Occurrence"), 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 by Declarant.

(a) Declarant shall have the right to maintain a sales office and/or model Units. Such office and/or model Units may not exceed four (4) in number and may be Units (at any location) owned by Declarant.

(b) Declarant shall have the right to maintain a reasonable number of promotional, advertising, and/or directional

signs, banners or similar devices at any place or places on the Property, but any such device shall be of a size and in a location as is reasonable and customary.

(c) Declarant shall have the right to use the Common Areas and Facilities of the Project to entertain prospective purchasers or to otherwise facilitate Unit sales, provided said use is reasonable as to both time and manner.

Declarant shall have the right from time to time to locate or relocate its sales office, model units, and/or signs, banners or similar devices, but in connection with each such location or relocation shall observe the limitations imposed by the preceding portion of this Article. Within a reasonable period of time after the happening of the Occurrence, Declarant shall have the right to remove from the Project any signs, banners or similar devices.

ARTICLE XXX

LIMITATION ON IMPROVEMENTS BY ASSOCIATION

Until the Occurrence described in Article XXIX, neither the Association nor the Management Committee shall, without the written consent of Declarant, make any improvement to or alteration in any of the Common Areas and Facilities, other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Areas as they existed at the time the Declaration was recorded.

ARTICLE XXXI

DECLARANT'S OPTION TO EXPAND

1. The Project shall be an "Expandable Condominium" as that term is defined in the Act, subject to all provisions of the Act governing expandable condominiums. Declarant hereby reserves the right and option, together with the power and authority, in its sole discretion, but without any obligation to do so, to expand the project without the prior or subsequent consent of any Unit Owner or Mortgagee, at any time not later than seven (7) years after the recordation of this Declaration, by adding to the Project the parcel of land labeled "expansion property" and more particularly described by metes and bounds on Exhibit "E" attached hereto and by reference incorporated herein, together with all improvements heretofore or hereafter constructed thereon (hereinafter referred to collectively as the "Additional Land"), in accordance with and subject to the Act and this Article XXXI. The Additional Land, or any part thereof, if and when added to the Project, shall be considered to be a part of the Project and subject to all of the covenants, conditions and restrictions con-

tained in this Declaration. In addition to other limitations contained herein, Declarant's option to expand shall be limited by the requirement that all owners, mortgagees and lessees holding any interest of record in and to the Additional Land must join in or expressly consent in writing to the exercise of such option.

2. Declarant's option to expand may be exercised by filing with the Summit County Recorder's Office, within seven (7) years after recordation of this Declaration,

(a) A Supplemental Record of Survey Map containing the information required by the Act when adding additional land to an expandable condominium, including but not limited to, a description of the additional land, the location and dimensions of the units to be created thereon, such other information concerning the new units as was required on the original map with respect to the original units, a description of the common areas and facilities to be created thereon, and the portions of the common areas and facilities which are to be limited common areas, and

(b) An Amended Declaration, duly executed and acknowledged by Declarant and by all owners, mortgagees and lessees of the Additional Property, containing the information and amendments required by the Act and this Declaration. The Amended Declaration shall contain a legal description by metes and bounds of the land to be added and shall reallocate undivided interests in the common areas and facilities in accordance with the Act and this Declaration.

3. There are no substantial improvements existing on the Additional Land as of the date of filing hereof except portions of the Parking Structure. Any units created on the Additional Land which is added to the Project shall be similar to Units created by this Declaration in terms of quality of construction. Expansion may be performed in up to seven (7) phases, and the entire Project, as expanded, may contain up to 732 Residential Units, up to 45,000 square feet of commercial space, up to 5,000 square feet of meeting rooms, and up to 625 restaurant seats. Phasing shall be totally determined by election of Declarant and Declarant shall not be bound to expand in the phases in any order. Expansions may be into the entire Exhibit "E" property or any portion thereof. Other than the foregoing, no assurances are made in regard to the locations or kinds of improvements that may be made on any portion of the Additional Land subsequent to its addition to the Project. All of the Additional Land and improvements thereon when added shall be subject to the provisions or restrictions on use contained in this Declaration.

4. Declarant reserves the right to create limited common areas and facilities within any portion of the Additional

Land, similar to the limited common areas created by this Declaration and the Map.

5. In the event Declarant exercises its option to expand hereunder, the Amended Declaration shall, among other things, reallocate to each unit in the Expanded Project an undivided interest in and to the common areas and facilities of the Expanded Project; no such reallocation shall be effective unless and until a Supplemental Record of Survey Map is filed with the Summit County Recorder's Office depicting the Additional Land and the units created thereon.

6. In the event Declarant exercises its option to expand hereunder, the definitions used in this Declaration shall automatically be expanded to encompass and refer to the Project as so expanded. All conveyances of units after such expansion shall be effective to transfer rights in the Project, as expanded. The recordation in the Summit County Recorder's Office of a Supplemental Record of Survey Map and Amended Declaration shall operate automatically to grant, transfer and convey pro tanto to the owners of units in the project as it exists before such expansion the respective undivided interests in the new common areas added to the Project as a result of such expansion, and to reduce pro tanto their respective undivided interests in the common areas of the original project as it then exists. Such recordation shall also operate (1) to vest in any then Mortgagee of any Unit in the Project such interest so acquired by the Unit Owner, thus encumbering the new common areas added to the Project to the extent of such Unit Owner's interest therein, and (2) to conform the undivided interests of both Unit Owners and Mortgagees to the interests set forth in the Amended Declaration, for all purposes, including but not limited to, voting and assessment of common expenses.

7. The Additional Land added to this Project, and all Units created thereon and the Owners of such Units shall, by operation of law, be subject to the covenants, conditions and restrictions contained in this Declaration, as amended, from the date of recordation of each Amended Declaration and each Supplemental Record of Survey Map.

8. Prior to recordation of a Supplemental Record of Survey Map and an Amended Declaration, any deed for a Unit shall be delivered subject to a conditional limitation that the fractional undivided interest in the common areas and facilities which is appurtenant to such Unit shall be automatically reallocated pro tanto on the recording of such documents, whether or not explicitly stated in such deed.

9. There is hereby reserved unto Declarant an irrevocable Power of Attorney, coupled with an interest for the purpose

of reallocating undivided interests in the common areas and facilities of the Project, as expanded, and to execute, acknowledge and deliver such further instruments as may from time to time be required in order to accomplish the purposes of this Article XXXI. Each Unit Owner and each Mortgagee shall be deemed to have acquiesced in each Amended Declaration and each Supplemental Record of Survey Map filed in accordance with and for the purposes set forth in this Article XXXI, and shall be deemed to have granted unto Declarant an irrevocable Power of Attorney, coupled with an interest, to effectuate, execute, acknowledge, deliver and record any such document; and each such Owner and Mortgagee shall be deemed to have agreed and covenanted to execute such further instruments, if any, as may be required by Declarant, its successors or assigns, to accomplish such expansion of the Project in accordance with this Article XXXI.

10. Nothing contained herein shall constitute or be deemed to create any lien, encumbrance, restriction or limitation upon the Additional Land or any interest therein until the exercise by Declarant, its successors or assigns, of the option to expand as described herein.

ARTICLE XXXII

SEVERABILITY

The invalidity of any one or more phrases, sentences, subparagraphs, paragraphs, sections or articles hereof shall not affect the remaining portions of this instrument nor any part thereof, and in the event that any portion or portions of this instrument should be invalid or should operate to render this instrument invalid, this instrument shall be construed as if such invalid phrase or phrases, sentence or sentences, subparagraph or subparagraphs, paragraph or paragraphs, section or sections, or article or articles had not been inserted.

ARTICLE XXXIII

GENDER

The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

ARTICLE XXXIV

ALTERATIONS

For one (1) year following the recordation hereof or of each expansion amendment, Declarant reserves the right to change

the interior design and interior arrangement of any Unit and to alter the boundaries between Units, or to divide or combine Units, so long as the Declarant owns the Units so altered, divided, or combined and any first mortgagee of such units consents. Any change of the boundaries between Units, or any alteration of the Common Areas shall be reflected by an amendment of this Declaration and of the Map which may be executed by the Declarant alone, notwithstanding the procedures for amendment described in Article XXVII of this Declaration. Any change in Unit size shall be accompanied by a reallocation of fractional interests in Common Area on a square-footage basis. No such change shall materially alter the boundaries of the Common Areas and Facilities nor change the fraction of ownership of Common Areas and Facilities associated with the non-altered or non-combined Units without amendment of this Declaration and of the Map in the manner described in Article XXVII of this Declaration. No provisions of this Article shall be deemed to allow "time share" or time separation of ownership.

ARTICLE XXXV

MERCHANT'S ASSOCIATION

The Owners of all the Commercial Units, shall be required to or shall require their tenants to join a Merchant's Association composed of commercial operators in the Project, in Village Loft Condominiums and other commercial operators in the Park City Resort Base area under the terms and conditions of Exhibit "D" attached hereto.

ARTICLE XXXVI

WAIVERS

No provision contained in this Declaration shall be deemed to have been waived by reason of any failure to enforce it, irrespective of the number of violations which may occur.

ARTICLE XXXVII

TOPICAL HEADINGS

The topical headings contained in this Declaration are for convenience only and do not define, limit or construe the contents of the Declaration.

ARTICLE XXXVIII

EFFECTIVE DATE

This Declaration shall take effect upon recording.

IN WITNESS WHEREOF, the undersigned have caused this Declaration to be executed on their behalf this 16th day of December, 1982.

GREATER PARK CITY COMPANY

By *Phil Jones*
President

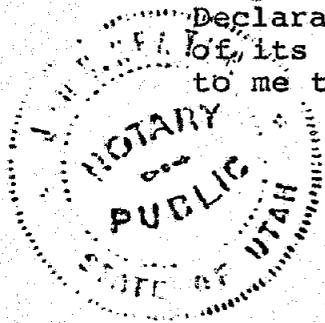
VILLAGE VENTURE, LTD., a limited partnership

By PARK CITY VILLAGE INC., a California corporation, General Partner

By *James W. Davis*
President

STATE OF UTAH)
COUNTY OF SUMMIT) ss.

On the 15th day of Feb, 1982, personally appeared before me PHIL JONES, who, being by me duly sworn, did say that he is the President of Greater Park City Company, a Utah corporation, and that the within and foregoing Condominium Declaration was signed in behalf of said corporation by authority of its Board of Directors, and said PHIL JONES duly acknowledged to me that said corporation executed the same.



James W. Davis
NOTARY PUBLIC
Residing at: Salt Lake County Utah

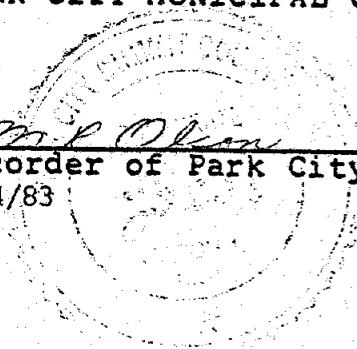
My Commission Expires:
3/8/86

CONDOMINIUM
APPROVAL TO RECORD

Park City, a body corporate and politic, and the City in which Park City Village Condominiums, a Utah condominium project is located, and its duly elected Mayor and through its Recorder, does hereby give final approval to the said project, to the recording of the foregoing Declaration, to the Record of Survey Map recorded concurrently herewith, and to the attributes of the said project which are mentioned in Section 57-8-35(3) of the Utah Condominium Ownership Act, as amended and expanded by the laws of Utah, 1975, Chapter 173, Section 18.

In executing this approval, Park City assumes no responsibility for the truth or accuracy of the statements contained in the Declaration of Covenants nor the By-Laws as made a part of the Covenants. Neither does the execution of this approval mean that the project complies with city ordinances.

PARK CITY MUNICIPAL CORPORATION


M. P. Olson
Recorder of Park City, Utah

2/24/83

BOOKM 2 52 PAGE 115

1/15/11
The leasehold estate in Property located in Summit County, State of Utah, described as follows:

DMJM/CRK Job No. 1649-05-01

EXHIBIT "A"

PARK CITY VILLAGES CONDOMINIUM
PHASE 1 BOUNDARY DESCRIPTION

Beginning at a point on the South right-of-way line of Lowell Avenue, said point being West 1473.895 feet, and South 586.679 feet from the North quarter corner of Section 16, T.2S., R.4E., S.L.B.&M. said point of beginning also being located the following courses and distances from a Park City monument located in Empire Avenue S 30°04'35" E 87.466 feet from the intersection of Millsite Way and Empire Avenue; N 30°04'35" W 87.466 feet along the monument line of Empire Avenue (Basis of Bearing) to the intersection of Empire Avenue and Millsite Way, and S 54°01'00" W 391.387 feet along the centerline of Millsite Way to the intersection of Millsite Way and Lowell Avenue, and S 35°28'00" E 294.029 feet along the center line of Lowell Avenue, and N 77°12'21" W 45.063 feet to a point on the South right-of-way line of Lowell Avenue and running thence; N 77°12'21" W 294.212 feet; thence S 12°47'39" W 80.00 feet; thence N 77°12'21" W 34.41 feet; thence S 12°47'39" W 117.00 feet to a point on the extended Northerly line of a 20.00 foot wide non-exclusive pedestrian and utility easement; thence S 77°12'21" E 401.483 feet along said extended and Northerly line; thence S 32°38'31" E 29.733 feet along the Easterly line of said easement; thence N 57°21'29" E 100.079 feet along the Northerly line of said easement to a point on said South right-of-way line of Lowell Avenue; thence N 35°28'00" W 220.147 feet along said South right-of-way line to the point of beginning, together with the following described non-exclusive easement to Lowell Avenue; a 20.00 foot wide non-exclusive easement, 10.00 feet being on each side of the following described center line; beginning at a point which is due South 749.977 feet; and due East 864.662 feet from the Southwest corner of Section 9, T.2S., R.4E., S.L.B.&M. and running thence South 77°14'20" East 328.975 feet; thence South 32°40'30" East 35.635 feet; thence North 57°19'30" East 110.413 feet terminating at the Westerly right-of-way line of Lowell Avenue.

And together with a non-exclusive pedestrian easement described as follows: beginning at a point which is South 778.61 feet and East 945.85 feet from the Southwest corner of Section 9, T.2S., R.4E., S.L.B.&M. of which the Basis of Bearing being N 89°36'30" W between said Southwest corner and the South quarter corner of said Section 9, and running thence South 77°14'20" East 178.0 feet; thence S 12°45'40" W 12.00 feet; thence N 77°14'20" W 145.0 ft; thence South 12°45'40" West 16.50 feet; thence North 77°14'20" West 16.50 feet; thence South 12°45'40" West 63.00 feet; thence North 77°14'20" West 16.50 feet; thence North 12°45'40" East 26.08 feet; thence South 77°14'20" East 4.71 feet; thence North 12°45'40" East 10.00 feet; thence North 77°14'20" West 4.71 feet; thence North 12°45'40" East 17.33 feet; thence South 77°14'20" East 3.00 ft; thence North 12°45'40" East 11.84 feet; thence North 77°14'20" West 3.00 feet; thence North 12°45'40" East 26.25 feet to the point of beginning.

And together with and subject to a non-exclusive easement for vehicular access over and across those portions of Park City Village Condominiums, and Park City Resort Parking Condominiums improved or to be improved from time to time as roadways, and a non-exclusive easement for pedestrian access over and across those portions of Park City Village Condominiums and Village Loft Condominiums and Park City Resort Parking Condominiums improved or to be improved from time to time as stairways, walkways, pedestrian malls, elevators and ramps.

Excepting therefrom the following properties lying within the Park City Resort Parking Condominiums.

PARKING LEVEL 1 DESCRIPTION

A cubical space lying between elevations 6954.4 (an existing concrete floor), and 6964.8 (an existing concrete floor) based on U.S.G.S. datum as defined by elevation 6911.43 at top of spike in power pole at 14th Street and Empire Avenue. The lateral boundaries of said cubical space being described as follows:

Beginning at a point which is West 1838.646 feet and South 710.180 feet from the North quarter corner of Section 16, T.2S., R.4E., S.L.B.&M., said quarter corner being N 30°04'35" W (Basis of Bearing) along the Empire Avenue monument line 234.487 feet and East 1357.529 feet from the Park City monument located S 30°04'35" E 87.466 feet along the Empire Avenue monument line from the intersection point of Empire Avenue and Millsite Way. Running thence the following courses and distances along the exterior walls of a concrete parking structure:

N 12°47'39" E 65.67 feet; thence S 77°12'21" E 417.33 feet; thence S 12°47'39" W 45.67 feet; thence N 77°12'21" W 21.66 feet; thence S 12°47'39" W 20.00 feet; thence N 77°12'21" W 395.67 feet to the point of beginning.

PARKING LEVEL 2 AND 3 DESCRIPTION

A cubical space lying between elevations 6944.4 (an existing concrete floor), and 6954.4 (an existing concrete floor) based on U.S.G.S. datum as defined by elevation 6911.43 at top of spike in power pole at 14th Street and Empire Avenue. The lateral boundaries of said cubical space being described as follows:

Beginning at a point which is West 1838.646 feet and South 710.180 feet from the North quarter corner of Section 16, T.2S., R.4E., S.L.B.&M.; said quarter corner being N 30°04'35" W (Basis of Bearing) along the Empire Avenue monument line 234.487 feet and East 1357.529 feet from the Park City monument located S 30°04'35" E 87.466 feet along the Empire Avenue monument line from the intersection point of Empire Avenue and Millsite Way. Running thence the following courses and distances along the exterior walls of a concrete parking structure:

N 12°47'39" E 260.67 feet; thence S 77°12'21" E 195.67 feet; thence S 12°47'39" W 28.33 feet; thence S 77°12'21" E 13.00 feet; thence S 12°47'39" W 53.91 feet; thence S 32°12'21" E 78.50 feet; thence S 77°12'21" E 100.32 feet; thence S 12°47'39" W 9.17 feet; thence S 77°12'21" E 27.67 feet; thence S 12°47'39" W 113.75 feet; thence N 77°12'21" W 392.17 feet to the point of beginning.

And also including a cubical space lying between elevations 6934.0 (the underside of an existing concrete floor), and 6944.4 (an existing concrete floor) based on U.S.G.S. datum as defined by elevation 6911.43 at top of spike in power pole at 14th Street and Empire Avenue. The lateral boundaries of said cubical space being described as follows:

Beginning at a point which is West 1838.646 feet and South 710.180 feet and N 12°47'39" E 64.92 feet from the North quarter corner of Section 16, T.2S., R.4E., S.L.B.&M.; said quarter corner being N 30°04'35" W (Basis of Bearing) along the Empire Avenue monument line 234.487 feet and East 1357.529 feet from the Park City monument located S 30°04'35" E 87.466 feet along the Empire Avenue monument line from the intersection point of Empire Avenue and Millsite Way. Running thence the following courses and distances along the exterior walls of a concrete parking structure:

N 12°47'39" E 195.75 feet; thence S 77°12'21" E 208.67 feet; thence S 12°47'39" W 65.00 feet; thence S 77°12'21" E 62.33 feet; thence S 12°47'39" W 65.00 feet; thence S 77°12'21" E 93.50 feet; thence S 12°47'39" W 65.67 feet; thence N 77°12'21" W 262.08 feet; thence S 12°47'39" W 9.00 feet; thence N 77°12'21" W 40.00 feet; thence N 12°47'39" E 9.00 feet; thence N 77°12'21" W 62.42 feet to the point of beginning.

EXHIBIT "B"

ARTICLES OF INCORPORATION

OF

PARK CITY VILLAGE OWNERS ASSOCIATION

A NON-PROFIT CORPORATION

The undersigned natural person over the age of twenty-one (21) years, acting as the incorporator of a non-profit corporation under the Utah Nonprofit Corporation and Co-operative Association Act, hereby adopts the following Articles of Incorporation for said corporation.

ARTICLE I

NAME

The name of the corporation is the PARK CITY VILLAGE OWNERS ASSOCIATION, hereinafter referred to as the "Association."

ARTICLE II

DURATION

The corporation shall continue in existence perpetually unless dissolved according to law.

ARTICLE III

PURPOSES

The Association is organized as a nonprofit corporation and shall be operated exclusively for the purpose of maintaining, operating and governing the Commercial and Residential Units and Common Areas and Facilities within that certain tract of real property in Summit County, State of Utah, commonly referred to as the Park City Village Condominiums, more particularly described as set forth on Exhibit "A" attached hereto and made a part hereof (hereinafter the "Project").

No dividend shall be paid and no part of the net income of the Association, if any, shall be distributed to the Members, Trustees, or Officers of the Association, except as otherwise provided herein, in the Condominium Declaration applicable to the Project (hereinafter the "Declaration"), or under Utah law.

ARTICLE IV

POWERS OF THE ASSOCIATION

Subject to the purposes declared in Article III above and any limitations herein expressed, the Association shall have and may exercise each and all of the following powers and privileges:

A. Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration recorded or to be recorded in the office of the county recorder of Summit County, State of Utah and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

B. Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith (except expenses in connection with the Rental Pool) and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

C. Acquire, own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association; and

D. Borrow money, and with the assent of two-thirds (2/3) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

E. Dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

F. Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members;

G. Have and exercise any and all powers, rights and privileges which a corporation organized under the nonprofit corporation law of the State of Utah by law may now or hereafter have or exercise.

ARTICLE V

MEMBERSHIP

Every person or entity who is a record owner of an interest or undivided interest in any Unit which is subject by covenants of record to assessment by the Association shall be a member of the Association. (The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.) If record ownership of a Unit is jointly held, the Membership appertaining to such Unit shall also be jointly held. Membership in the Association shall be mandatory and not optional and shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment by the Association. There shall be one membership in the corporation appurtenant to each of said Units. No person or entity other than an owner of a Unit may be a member of the Association.

ARTICLE VI

MEMBERSHIP CERTIFICATES

The Association may issue certificates of Membership, but such certificates shall not be necessary to evidence Membership in the Association. Membership in the Association shall begin immediately and automatically upon becoming a record owner of the Unit to which such Membership appertains and shall cease immediately and automatically upon ceasing to be a record owner of such Unit.

ARTICLE VII

VOTING RIGHTS

The Association shall have two classes of voting membership. All voting rights of the Association shall be exercised by the Members, each Membership being entitled to the vote set forth in Article XI of the Declaration. If a Membership is jointly held, any or all holders thereof may attend any meeting of the Members, but such holders must act unanimously to cast the votes relating to their joint Membership. Any designation of a proxy to act for joint holders of a Membership must be signed by all such holders. With respect to matters to be voted upon by the Members as provided in the Declaration, the voting requirements and proportions shall be as set forth in the Declaration.

ARTICLE VIII

ASSESSMENTS

Members of the Association shall be subject to assessments by the Association from time to time in accordance with the provisions of the Declaration and shall be liable to the Association for payment of such assessments. Members shall not be individually or personally liable for the debts or obligations of the Association.

ARTICLE IX

PRINCIPAL OFFICE AND REGISTERED AGENT

The address of the initial principal office of the Association is 1401 Lowell Avenue, Park City, Utah 84060 and the name of the initial registered agent of the Association at that address is Robert Ziegler.

ARTICLE X

MANAGEMENT COMMITTEE

The affairs of the Association shall be managed by a Management Committee, consisting of three (3) members. Until their successors are duly elected and qualified, the original Committee members shall be the following:

<u>Name</u>	<u>Address</u>
Rick Davidson	1401 Lowell Avenue Park City Village Park City, Utah 84060
Robert Ziegler	1401 Lowell Avenue Park City Village Park City, Utah 84060
Gary Cole	1401 Lowell Avenue Park City Village Park City, Utah 84060

Members of the Management Committee need not be Members of the Association; provided that at least one member of the Committee shall be an Owner or designated representative of an Owner of a Commercial Condominium Unit. Until the annual Owner's meeting held on the first Tuesday in October, 1988, Declarant above shall be entitled to select two (2) of the three (3) Committee members.

ARTICLE XI
INCORPORATOR

The name and address of the incorporator of the Association is as follows:

<u>Name</u>	<u>Address</u>
Village Venture Ltd.	1401 Lowell Avenue Park City, Utah 84060

IN WITNESS WHEREOF, the above-named incorporator has executed these Articles of Incorporation this _____ day of _____, 1982.

VILLAGE VENTURE, LTD.,
a limited partnership

By: PARK CITY VILLAGE, INC.,
a California corporation,
General Partner

By: _____
President

STATE OF UTAH)
 : ss.
COUNTY OF _____)

I, _____, Notary Public, hereby certify that on the _____ day of _____, 1982, personally appeared before me _____, who being by me first duly sworn, declared that he is the person who signed the foregoing Articles of Incorporation as President of the General Partner of the incorporator, and that the statements therein are true.

NOTARY PUBLIC
Residing At: _____

My Commission Expires:

BYLAWS OF PARK CITY VILLAGE CONDOMINIUMS

A CONDOMINIUM PROJECT

I

IDENTITY

These are the Bylaws of Park City Village Condominiums, an Expandable Leasehold Condominium Project, duly made and provided for in accordance with the Act. Any term used herein which is defined in the Declaration to which these Bylaws are appended shall have the meaning ascribed therein.

II

APPLICATION

All present or future owners, tenants or any other persons who might use the facilities of the Park City Village Condominiums in any manner are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the Units or parts thereof, or the mere act of occupancy or use of any of said Units or part thereof or the Common Areas and Facilities will signify that these Bylaws are accepted, ratified, and will be complied with by said persons.

III

ADMINISTRATION OF CONDOMINIUM PROJECT

1. Place of Meetings. Meetings of the Unit Owners shall be held at such place within the State of Utah as the Management Committee may specify in the notice, except as herein otherwise specified.

2. Annual Meetings. The first annual meeting of the Unit Owners shall be held at the Project on the first Tuesday in October, 1988. Thereafter, the annual meetings shall be held on such day of each succeeding year; provided, however, that whenever such date falls on a legal holiday, the meeting shall be held on the next succeeding business day, and further provided that the Management Committee may by resolution fix the date of the annual meeting on such date or at such other place as the Management Committee may deem appropriate.

3. Special Meetings. Special meetings of the Association of Unit Owners may be called at any time by the

Management Committee or by Unit Owners who collectively hold at least thirty percent (30%) of the total vote. Notice of said meetings shall be delivered not less than ten (10) days prior to the date fixed for said meeting. Such meeting shall be held on the Project or such other place as the Management Committee may specify and the notice thereof shall state the date, time and matters to be considered.

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

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

6. Voting. When a quorum is present at any meeting, the vote of the Unit Owners representing more than fifty percent (50%) of the undivided interest present at the meeting either in person or represented by proxy, shall decide any question of business brought before such meeting, including the election of the Management Committee, unless the question is one upon which, by express provision of the Declaration, the Articles of Incorporation or these Bylaws, a greater vote is required, in which case such express provision shall govern and control the decision of such question. All votes may be cast either in person or by proxy. All proxies shall be in writing, and must be of record with the secretary at least two (2) days prior to the meeting at which they are used.

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

8. Time of Meeting. All meetings shall be held at 7:30 P.M. unless a notice of such meeting is duly delivered specifying a different time.

IV

MANAGEMENT COMMITTEE

1. Powers. The business, property and affairs of the Condominium Project shall be managed and governed by the Management Committee which shall be the Board of Directors of the Association.

2. Election. The Management Committee shall be elected as provided in the Declaration.

3. Vacancies. Vacancies on the Management Committee shall be filled as provided in the Declaration.

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

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

6. Quorum. A quorum for the transaction of business at any meeting of the Management Committee shall consist of a majority of the members of the Management Committee then in office.

7. Compensation. Members of the Management Committee, as such, shall not receive any stated salary or compensation; provided that nothing herein contained shall be construed to preclude any member of the Management Committee from serving the Project in any other capacity and receiving compensation therefor.

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

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

OFFICERS

1. Designation and Election. The principal officers of the Management Committee shall be a president, a vice-president, and a secretary-treasurer, all of whom shall be elected by and from the Management Committee. The Management Committee may appoint an assistant secretary-treasurer and such other officers as in their judgment may be necessary or desirable. Such election or appointment shall regularly take place at the first meeting of the Management Committee immediately following the annual meeting of the Unit Owners; provided, however, that election of officers may be held at any other meeting of the Management Committee.

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

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

4. President. The president shall be the chief executive of the Management Committee, and shall exercise general supervision over its property and affairs. He shall sign on behalf of the Condominium Project all conveyances, mortgages and contracts of material importance to its business, and shall do and perform all acts and things which the Management Committee may require of him. He shall preside at all meetings of the Unit Owners and the Management Committee. He shall have all of the general powers and duties which are normally vested in the office of the president of a corporation, including, but not limited to, the power to appoint committees from among the members (or otherwise) from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium Project. He shall have such additional powers as may from time to time be prescribed by the Management Committee.

5. Vice President. The vice president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the vice president is able to act, the Management Committee shall appoint some other member thereof to do so on an interim basis. The vice president shall also perform such other duties as shall from time to time be prescribed by the Management Committee.

6. Secretary-Treasurer. The secretary-treasurer shall have the responsibility for the funds and securities of the Management Committee and shall be responsible for keeping full and accurate accounts of all receipts of all disbursements in books belonging to the Management Committee. He shall be responsible for the deposit of all monies and all other valuable effects in the name, and to the credit, of the Management Committee in such depositories as may from time to time be designated by the Management Committee. The secretary-treasurer shall also keep the minutes of all meetings of the Management Committee and of the Unit Owners; have charge of the books and papers as the Management Committee may direct; and shall in general perform all the duties incident to the office of secretary-treasurer.

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

VI

ACCOUNTING

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

2. Report. At the close of each accounting year, the books and records of the Management Committee shall be reviewed by a person or firm approved by the Unit Owners. Report of such review shall be prepared and submitted to the Unit Owners at or before the annual meeting of the Unit Owners; provided, however, that a certified audit by a certified public accountant approved by the Unit Owners shall be made if Owners representing at least seventy-five percent (75%) of the undivided interest in the Common Areas and Facilities determine to require the same.

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

VII

PROJECT RULES

The Management Committee shall have the power to adopt and establish, by resolution, such Project management and operational rules and regulations as it may deem necessary for the maintenance, operation, management and control of the Condominium Project, and the Management Committee may from time to time, by resolution, alter, amend and repeal such rules and regulations. Unit Owners shall at all times obey such rules and regulations and use their best efforts to see that they are faithfully observed by their lessees and the persons over whom they have or may exercise control or supervision, it being clearly understood that such rules and regulations shall apply and be binding upon all Unit Owners of the Condominium Project. No such rules shall unreasonably interfere with the ability of Owners or lessees of Commercial Units to conduct their commercial endeavors. Provisions of the Act pertaining to the rules and regulations are incorporated herein by reference and shall be deemed a part hereof.

VIII

AMENDMENT OF THE BYLAWS

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

IX

OPERATION AND MAINTENANCE OF CONDOMINIUM PROJECT

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

X

RULES AND REGULATIONS

Copies of all rules and regulations adopted by the Management Committee shall be mailed or delivered to all Unit Owners at least ten (10) days prior to the effective date thereof.

XI

INSPECTION OF PERTINENT DOCUMENTS

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

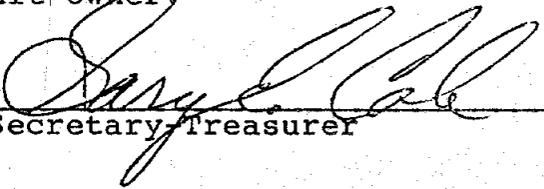

Secretary/Treasurer

EXHIBIT "C"

**OWNERSHIP OF COMMON AREAS AND ASSIGNMENT OF INTEREST IN
COMMON AREAS**

Associated with and appurtenant to each Unit in the Project shall be an undivided percentage interest in the Common Areas and Facilities as set forth below.

<u>Unit No.</u>	<u>Square Footage Size of Unit</u>	<u>Percentage Ownership in Common Areas and Facilities</u>	<u>Initial Assessment</u>	
Commercial Units:				
COM1	3666.62	6.91	813.55	
COM2	932.54	1.73	207.76	
COM3	3329.21	6.17	737.84	
COM4	1716.16	3.18	380.99	
COM5	3096.34	5.74	686.43	
COM6	3096.34	5.74	686.43	
COM7	1640.34	5.46	653.90	
Storage Unit:				
Storage 1	2229.15	4.13	494.37	
Residential Units				
			<u>Sinking Fund</u>	<u>CAM</u>
A101	725.57	1.35	106	161.82
A102	732.23	1.36	106	162.73
A103	725.57	1.35	106	161.82
A104	724.12	1.34	106	160.40
A105	732.23	1.36	106	162.73
A106	732.23	1.36	106	162.73
A107	732.23	1.36	106	162.73
A108	732.23	1.36	106	162.73
A109	732.23	1.36	106	162.73
A110	725.57	1.35	106	161.82
A201	1000.38	1.85	130	222.90
A202	1010.21	1.87	130	224.73
A203	1016.00	1.88	130	225.40
A204	1014.54	1.88	130	225.98
A205	1010.21	1.87	130	224.73
A206	1010.21	1.87	130	224.73
A207	1010.21	1.87	130	224.73
A208	1010.21	1.87	130	224.73
A209	1010.21	1.87	130	224.73
A210	1000.38	1.85	130	222.90

Unit No.	Size of Unit	Percentage Ownership in Common Areas and Facilities	Sinking Fund	CFM
A211	725.57	1.35	106	161.8
A212	732.23	1.36	106	161.7
A213	356.78	0.66	63	79.6
A214	356.78	0.66	63	79.6
A215	356.78	0.66	63	79.6
A216	356.78	0.66	63	79.6
A217	356.78	0.66	63	79.6
A218	356.78	0.66	63	79.6
A219	356.78	0.66	63	79.68
A220	356.78	0.66	63	79.68
A221	356.78	0.66	63	79.68
A222	348.67	0.65	63	77.35
A223	350.12	0.65	63	78.75
A224	356.78	0.66	63	79.68
A225	356.78	0.66	63	79.68
A226	356.78	0.66	63	79.68
A227	725.57	1.35	106	161.82
A301	839.56	1.56	112	186.62
A302	832.90	1.54	112	185.70
A303	832.90	1.54	112	185.70
A304	846.22	1.57	112	187.54
A305	839.56	1.56	112	186.62
A306	846.22	1.57	112	187.54
A307	834.78	1.55	112	185.25
A308	832.90	1.54	112	185.70
A309	839.56	1.56	112	186.62
A310	832.10	1.54	112	184.47

EXHIBIT "D"

MERCHANTS' ASSOCIATION

All owners (or their tenants) of all Commercial Units shall join, and thereafter maintain, membership in a non-profit Merchants' Association.

The charter of the association shall be originally approved by a then majority vote of the members of the association and shall thereafter be subject to amendment as provided in said charter. By-Laws of the association shall be adopted, amended or repealed as provided in the charter. Each member of the association shall have one vote for each square foot of area in its premises. The Declarant shall have votes equal to one-third of the total number of square feet of commercial units in the Association.

Such membership shall include the obligation to pay assessments, as determined by said association, to cover the expenses of all advertising and other activities carried on by such association for the mutual benefit of its members. In no event shall any member's contribution in any calendar years be less than the amount determined by applying the following Assessment Formula to the floor areas of the applicable unit.

20¢ per square foot for the first 1,000 square feet of floor area
18¢ per square foot for the next 1,500 square feet of floor area
15¢ per square foot for the next 2,500 square feet of floor area
12¢ per square foot for the next 5,000 square feet of floor area
9¢ per square foot for all square footage over 10,000 square feet of floor area.

If any unit owner or tenant shall own or lease less than 1,000 square feet of floor area, it shall pay a minimum contribution of \$200 per year. Contributions shall be payable monthly on the first day of each month.

Contributions to the Merchants' Association determined by applying the foregoing Assessment Formula will be adjusted by a percentage equal to the percentage increase or decrease from the base period of the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index, Subgroup "all items," entitled "Consumer Price Index, U.S. City Average for Urban Wage Earners and Clerical Workers (1967 = 100). The Index for said subgroup published for 1981 shall be considered the "base period". Such adjustment shall be made at any time there exists

an increase or decrease of ten percent (10%) or more from the base period, and shall be effective for the fiscal year of the Merchants' Association immediately following such adjustment. If at any time there shall not exist the Consumer Price Index, the parties shall substitute any official index published by the Bureau of Labor Statistics, or successor or similar governmental agency, as may then be in existence and shall be most equivalent thereto. If the parties shall be unable to agree upon a successor index, the parties shall refer the choice of a successor index to arbitration in accordance with the rules of the American Arbitration Association.

Declarant shall not be required to pay assessments. The Merchants' Association shall allow membership by all owners or lessees of Commercial spaces in Park City Village and Village Loft Condominiums and under appropriate circumstances the owners or lessees of spaces in the surrounding Park City resort base area.

EXHIBIT 'E'

Beginning at a point which is South 959.82 feet and East 721.07 feet from the Southeast corner of Section 8, Township 2 South, Range 4 East, Salt Lake Base and Meridian; and running thence South $13^{\circ}58'25''$ West 442.44 feet; thence North $35^{\circ}00'00''$ West 415.40 feet; thence North $5^{\circ}51'01''$ East 532.34 feet; thence North $84^{\circ}08'59''$ West 248.98 feet; thence North $24^{\circ}00'46''$ East 228.38 feet; thence South $84^{\circ}08'59''$ East 157.25 feet; thence North $5^{\circ}47'18''$ East 298.94 feet; thence North $84^{\circ}08'59''$ West 21.89 feet; thence North $10^{\circ}06'00''$ West 292.120 feet to the Southerly line of Silver King Drive; thence North $80^{\circ}15'14''$ East along said Southerly line 0.927 feet to a point of a 4707.00 foot radius curve to the left (center bears North $9^{\circ}44'46''$ West 4707.00 feet of which the central angle is $2^{\circ}42'07''$); thence Northeasterly along the arc of said curve 221.97 feet to a point of a 15.00 foot radius reverse curve to the right (center bears South $12^{\circ}26'33''$ East 15.00 feet of which the central angle is $89^{\circ}30'53''$); said point also being on the Westerly line of Lowell Avenue; thence Southeasterly along the arc of said curve 23.44 feet to a point of tangency; thence along said Westerly line the following ten courses: 1) South $12^{\circ}56'00''$ East 33.53 feet to a point on a 275.00 foot radius curve to the left (center bears North $77^{\circ}04'00''$ East 275.00 feet of which the central angle is $23^{\circ}03'00''$); thence 2) Southeasterly along the arc of said curve 110.63 feet to a point of tangency; thence 3) South $35^{\circ}59'00''$ East 253.83 feet to a point on a 7390.00 foot radius curve to the right (center bears South $54^{\circ}01'00''$ West 7390.00 feet of which the central angle is $0^{\circ}52'40''$); thence 4) Southeasterly along the arc of said curve 113.22 feet to a point on a 7440.00 foot radius reverse curve to the left (center bears North $54^{\circ}53'40''$ East 7440.00 feet of which the central angle is $0^{\circ}52'40''$); thence 5) Southeasterly along the arc of said curve 113.98 feet to a point of tangency; thence 6) South $35^{\circ}59'00''$ East 140.00 feet to a point on a 15.00 foot radius curve to the right (centers bears South $54^{\circ}01'00''$ West 15.00 feet of which the central angle is $90^{\circ}00'00''$); thence 7) Southwesterly along the arc of said curve 23.56 feet to a point of tangency; thence 8) South $54^{\circ}01'00''$ West 17.45 feet to a point on a 35.00 foot radius curve to the left (center bears South $35^{\circ}59'00''$ East 35.00 feet of which the central angle is $89^{\circ}29'00''$); thence 9) Southwesterly along the arc of said curve 54.66 feet to a point of tangency; thence 10) South $35^{\circ}28'00''$ East 494.28 feet; thence leaving said Westerly line and going South $57^{\circ}19'30''$ West 120.91 feet; thence North $32^{\circ}40'30''$ West 41.54 feet; thence North $77^{\circ}14'20''$ West 61.38 feet; thence South $12^{\circ}45'40''$ West 12.00 feet; thence North $77^{\circ}14'20''$ West 145.00 feet; thence South $12^{\circ}45'40''$ West 16.50 feet; thence North $77^{\circ}14'20''$ West 16.50 feet; thence South $12^{\circ}45'40''$ West 75.00 feet; thence North $77^{\circ}14'20''$ West 28.50 feet; thence South $12^{\circ}45'40''$ West 41.00 feet; thence South $77^{\circ}14'20''$ East 48.60 feet; thence South $12^{\circ}45'40''$ West 8.50 feet; thence South $77^{\circ}14'20''$ East 34.90 feet; thence South $12^{\circ}45'40''$ West 31.33 feet to the Northerly line of parcel 18 of United Park City Mine Co. property; thence North $77^{\circ}30'$ West along said Northerly line

66.41 feet; thence due West along said Northerly line 12.39 feet; thence South $12^{\circ}45'40''$ West 12.63 feet; thence North $77^{\circ}14'20''$ West 55.75 feet; thence due West 51.50 feet; thence North $12^{\circ}45'40''$ West 211.38 feet; thence South $77^{\circ}14'20''$ East 27.48 feet to the point of beginning.

Contains 18.6617 acres.

Also including the following described Parcel B:

Beginning at a point on the Westerly line of Empire Avenue, said point more specifically being South 279.98 feet and East 1391.26 feet from the Southwest corner of Section 9, Township 2 South, Range 4 East, Salt Lake Base and Meridian; and running thence South $18^{\circ}10'00''$ East 456.03 feet to a point of a 15.00 foot radius curve to the right (center bears South $71^{\circ}50'00''$ West 15.00 feet of which the central angle is $72^{\circ}42'00''$); thence Southwesterly along the arc of said curve 19.03 feet to a point of tangency, thence South $54^{\circ}32'00''$ West 158.95 feet to a point of a 15.00 foot radius curve to the right (center bears North $35^{\circ}28'00''$ West 15.00 feet of which the central angle is $90^{\circ}00'00''$); thence Northwesterly along the arc of said curve 23.56 feet to a point on the East line of Lowell Avenue; thence along said East line North $35^{\circ}28'00''$ West 521.92 feet to a point of a 15.00 foot radius curve to the right (center bears North $54^{\circ}32'00''$ East 15.00 feet of which the central angle is $89^{\circ}29'00''$); thence Northeasterly along the arc of said curve 23.43 feet to a point on the Southerly line of Millsite Way; thence along said Southerly line North $54^{\circ}01'00''$ East 312.93 feet to a point of a 15.00 foot radius curve to the right (center bears South $35^{\circ}59'00''$ East 15.00 feet of which the central angle is $96^{\circ}26'15''$); thence Southeasterly along the arc of said curve 25.25 feet to a point on a curve on the Westerly line of Empire Avenue, said point also being on a 475.00 foot radius curve to the right (center bears South $60^{\circ}27'15''$ West 475.00 feet of which the central angle is $11^{\circ}22'45''$); thence Southeasterly along the arc of said curve 93.34 feet to the point of beginning.

Contains 3.4295 acres.

EXHIBIT "F"

RENTAL POOL AGREEMENT

This Agreement is made as of January 1, 1983, between VILLAGE VENTURE, LTD., a California limited partnership (Developer), and PARK CITY VILLAGE MANAGEMENT COMPANY, a Utah limited partnership, (Manager), who agree as follows:

1. This Agreement is executed in contemplation of the following facts and circumstances:

(a) Developer is the developer of that certain resort condominium project in Park City, Utah, known as Park City Village (Project).

(b) Developer is the owner of those certain condominiums in the Project described on Exhibit A attached hereto and incorporated herein by this reference (collectively referred to as the Condominiums).

(c) With respect to the development and operation of the Project as a resort facility, Developer and Manager by this Agreement desire to establish a rental pool arrangement with respect to the Condominiums. Developer intends to sell the individual Condominiums subject to the rental pool arrangement created by this Agreement. Purchasers and all future owners of the Condominiums during the term of this Agreement as extended from time to time shall be referred to herein collectively as the "Owners" and individually as "Owner". In addition, unless the context otherwise requires, the

(DAVIS 2A-H)

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EXHIBIT F

term "Owners" or "Owner" shall also refer to Developer with respect to any unsold Condominiums fully furnished and available for rental occupancy.

2. Developer on behalf of itself and on behalf of the Owners, hereby dedicates and commits the Condominiums, upon and subject to the provisions and conditions set forth herein, to the mandatory rental pool established with Manager by this Agreement (Rental Pool). As part of such arrangement, Developer, on behalf of itself and on behalf of the Owners, hereby irrevocably appoints and employs Manager, upon and subject to the provisions and conditions hereof, as Developer and Owners' sole and exclusive agent with respect to operating, renting, managing and maintaining the Condominiums.

3. Developer, with the written consent of Manager (which consent shall not be unreasonably withheld) but without the consent of the Owners, reserves and shall have the right, but not the obligation, to dedicate and commit additional condominiums planned for construction as part of the Project to the Rental Pool created by this agreement upon and subject to the provisions and conditions hereof. Developer and Manager shall execute and record an amendment (or amendments) to this Agreement particularly describing the condominiums to be dedicated and committed to the Rental Pool. Thereafter, reference herein to the Condominiums shall be deemed to refer to all condominiums in the Project

then dedicated and committed to the Rental Pool by this Agreement or an amendment hereto.

4. The term of this Agreement shall commence as of the date set forth above and shall continue until the date 6 years after the date hereof. After the expiration of said term, this Agreement shall be automatically renewed for successive six-year terms unless either fifty percent or more of the Owners (based upon the square footage of each Owner's Condominium) or Manager elects, in writing at least 90 days prior to the commencement of any such six-year period, to terminate this Agreement. Notwithstanding the foregoing, this Agreement may be terminated at any time, upon 90 days prior written notice, by written agreement of seventy-five percent or more of the Owners (based upon square footage) or by Manager.

5. During the term hereof, Manager shall have the following duties and responsibilities with respect to the Condominiums and the Rental Pool:

(a) It shall use its good faith efforts to rent all of the Condominiums which are dedicated to the Rental Pool and available for rental. Manager, is hereby authorized, in its sole discretion, to rent the Condominiums as either an entire rental unit, a hotel room rental unit, or a studio rental unit. In accomplishing the foregoing, Manager is hereby exclusively authorized to demand and receive all rental income and other charges which arise incident to the renting of

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such condominiums. Manager is under no specific obligation to rent any particular Condominium dedicated to the Rental Pool. Owners' shares of the income of and from the Rental Pool shall be based on the rental performance of all Condominiums dedicated to the Rental Pool and available for rental.

(b) It shall cause the interior of the Condominiums to be adequately and reasonably maintained, reasonable wear and tear excepted, and shall establish, supervise and maintain a housekeeping program with respect thereto so as to reasonably suit the needs and requirements of those individuals who rent the Condominiums from time to time.

(c) It shall use its good faith efforts to cause the preparation and implementation of advertising and promotion programs and campaigns, from time to time, to promote the rental of the Condominiums. In implementing the programs and campaigns, Manager shall determine, in its sole discretion, the manner, content and scope of such advertising and promotion programs and campaigns, including, without limitation, the advertising fees, concessions and incentives that will be offered to prospective renters.

(d) It shall be responsible for establishing, from time to time, the daily rental rate and ancillary use charges to be paid by the renters of the Condominiums. Rental rates for the Condominiums may, in the

sole discretion of Manager, vary from Condominium to Condominium depending on type and location. With respect to Condominiums with the "lock-out feature" (permitting occupancy of separate portions within such Condominium) separate rates shall be established for the Condominium as a whole and for each portion thereof capable of separate occupancy. In establishing such rates, Manager shall use its good faith efforts to maximize the amount of gross revenues to be derived from the rental of the Condominiums while still maintaining the orderly operation and maintenance of the same and the Project as a whole. In establishing such rates, nothing shall preclude Manager, in its sole discretion and as a result of promotional activities with respect to the Project, from allowing certain Condominiums to be used, from time to time, on a complementary or discounted basis.

(e) It shall establish and maintain, in accordance with generally accepted accounting principles consistently applied, books and records which adequately evidence the operation, maintenance and rental of the Condominiums. Manager shall provide Owners and Developer (so long as any Condominiums developed or planned to be developed as a part of the Project remain unsold), by April 1 of each calendar year, with an operating statement for the Rental Pool for the preceding calendar year.

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(f) It shall hire, pay and supervise all persons necessary in order to properly operate the Condominiums, including, without limitations, maids, maintenance personnel and on-site managers.

(g) It shall establish a systematic reservation system, provide a hotel type check-in and check-out desk, and use its best efforts to rent the Condominiums on a rotational basis so as to allow for the orderly rental of the Condominiums.

(h) It shall take out, carry and maintain, during the term of this Agreement and any extension thereof, a comprehensive general liability policy(ies) from a reputable insurer(s) insuring against liability for bodily injury or death of persons and damage to property arising out of the rental operations described herein and/or the acts of Manager, and its agents, employees and contractors in connection with such rental operations, which policy(ies) shall initially provide coverage in amounts not less than a Combined Single Limit of \$3,000,000.

6. Except for costs that Manager can and will deduct from Revenues (as provided in subparagraph 7[b]), costs borne by Park City Village Owners Association (including, without limitation all costs with respect to common areas and facilities, and costs of gas and other utilities not otherwise paid by Owners), and costs to be borne by the Owners as provided in paragraph 9 below, Manager shall

undertake and fulfill its duties and responsibilities under this Agreement at its sole cost and expense.

7. The Revenues (as hereinafter defined) derived from the operation and rental of the Condominiums shall be accounted for, distributed and(or) allocated in accordance with the following:

(a) A separate checking account shall be established by Manager for the Rental Pool (Rental Pool Account). All Revenues shall be deposited in such account and all disbursements made in accordance with paragraph 7(b) below shall be made from such account.

(b) On a date no later than 20 days after the end of each calendar month, the Manager shall determine and pay, or establish a reserve for, from the Rental Pool Account the following uncontested (as reasonably determined by Manager) expenses allocable to the operation and rental of the Condominiums during the prior calendar month: (i) travel agent expenses; (ii) credit card expenses and charges; (iii) any excise tax paid on rentals; and (iv) any bad debt reserve established by Manager from time to time. Revenue after deducting the above expenses shall be referred to herein as Gross Revenue.

(c) Gross Revenue for each calendar month shall be allocated as follows:

(i) Forty percent of Gross Revenue shall be allocated and paid to Manager. Notwithstanding the foregoing, Manager shall have the right, from

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time to time and upon the written consent of Developer, to raise or lower its share of Gross Revenue to a percentage that from time to time is comparable with fees charged or similarly taken by other managing operators of similar resort condominium projects. Operator may lower its share of Gross Revenue at any time and from time to time in its sole discretion upon written notice to the Owners of the new percentage, effective upon the date specified in such notice to Owners. If manager determines, by whatever means, that fees charged by comparable managing operators of similar condominium projects exceed the then percentage of Gross Revenue allocated to the Operator, the Operator may notify Owners of what the Operator believes to be the percentage of Gross Revenue comparable with fees charged by other managing operators, and if a majority of the Owners (based upon square footage) consent in writing to the increase in such percentage, the percentage shall be increased as set forth in the notice given by Operator to the Owners, effective not earlier than ninety (90) days after the date of such notice. In the event the Operator cannot obtain the consent of a majority of the Owners to such increase, the Operator may either elect to retain the percentage then being charged or have the percentage

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determined, based upon comparable fees charged by other managing operators of similar resort condominium projects, by arbitration with an arbitrator appointed in accordance with Utah Code Annotated Section 78-31-4 at which Operator and any Owner shall have the right to present evidence of comparable fees charged by other operators. Said arbitration shall be held in accordance with the Utah Code Annotated Section 78-31-1 et. seq. The cost of any such arbitration shall be borne one-half by the Operator and one-half by the Owners, collectively, which cost shall be deducted from revenue otherwise distributable to the Owners.

(ii) From the remaining Gross Revenue, Manager shall pay, or establish a reserve for, electric charges with respect to the Condominiums (provided if an Owner uses his Condominium for personal use in excess of 14 days during any calendar year, such Owner shall pay to Manager, to be deposited into the Rental Pool Account and allocated to Distributable Revenue, an amount per day for each day in excess of the 14 day period as provided in paragraph 9 of this Agreement), and thereafter the remaining Gross Revenue (Distributable Revenue) shall be allocated among all Owners whose Condominiums were available for rental at any time during the month (collectively referred

to as Participants) as follows: each Participant's share of the Distributable Revenue with respect to each Condominium owned by such Participant shall be calculated by multiplying the Distributable Revenue times a fraction the denominator of which is the Aggregate Participation Factor (as hereinafter defined) and the numerator of which is the Individual Participation Factor (as hereinafter defined). Subject to deductions which Manager is authorized to make as provided in Paragraph 9 of this Agreement, each Participant's share of Distributable Revenue shall be distributed to each Participant by check of Manager mailed to Owner, not later than 20 days after the close of the calendar month to which such distribution applies, along with a monthly statement indicating total Distributable Revenue, the Owner's share of such revenue, the number of days the Owner's Condominium participated in the rental pool, any deductions authorized to be made under this Agreement, and any sums payable by the Owner to Manager.

(d) The Individual Participation Factor for each Participant shall be determined by the Manager for each calendar month and shall be determined by multiplying the daily rate for the type of Condominium owned by the

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Participant times the number of days during such calendar month the Participant's Condominium was available for rental occupancy. With respect to Condominiums with the "lock-out" feature, in the event an Owner withdraws a portion of such Condominium for personal use as hereinafter provided and the remaining portion of such Condominium remains available for rental occupancy, a separate Individual Participation Factor and a separate allocation of Distributable Revenue shall be determined with respect to the number of days the entire Condominium was available for rental occupancy (whether or not actually rented as a whole or in parts) and the remaining number of days each separate portion of the Condominium was available for rental occupancy during the calendar month. The Aggregate Participation Factor shall mean the aggregate of all Individual Participation Factors of the Participants.

As used in this numbered paragraph, Revenue for a calendar month shall mean all rent received or to be received by Manager for the rental of the Condominiums during such calendar month plus all non-refundable deposits received by Manager with respect to reservations made for such calendar month which deposits are retained by Manager upon the cancellation of such reservation or the failure of the party making such reservation to use the Condominium or Condominiums reserved and plus any electric charges payable by Owners using their Condominium for personal use in excess of 14 days per calendar year.

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8. Owners shall have the right and may elect to occupy their Condominium for personal use at any time subject to the following provisions and conditions:

(a) Owners must make all reservation requests with respect to personal use of their Condominium at least 120 days before the commencement date of the desired occupancy period, except that during Peak Periods, designated as such by Manager by written notice to Owners, reservation requests must be made at least 160 days before the commencement date of the desired occupancy period to assure availability. All reservation requests made later than such date shall be filled by Manager on the basis of availability. Reservations shall be for a minimum period of four consecutive days. Subject to availability, Owners may use their Condominiums for less than the four day minimum period; provided, however, no guaranteed reservation for such shorter period may be made more than five days in advance. If an Owner cancels a reservation for the Condominium less than 21 days prior to the commencement date of the subject occupancy period, or does not use his Condominium for the entire occupancy period, he will be considered to have used the Condominium for the entire occupancy period for which the reservation was made (unless Manager, utilizing standard rental procedures, is able to rent the Condominium for any part or all of such period in which case Owner shall not be

considered to have utilized the Condominium for the period it was so rented).

(b) An Owner's Condominium shall be deemed not available for rental occupancy and Owner shall not be entitled to share in Distributable Revenues from the Rental Pool for those periods an Owner uses his Condominium or another Condominium in the Project for personal use.

(c) Notwithstanding the foregoing, Manager shall have the right (but not the obligation) to rent the Condominiums prior to the date Owners, through a proper reservation request, would otherwise be required to make reservations to guarantee personal use of their Condominium, if the Condominium(s), together with at least 25 percent of the other Condominiums dedicated to the Rental Pool, are all being rented to a single user or group of users for at least four consecutive days.

(d) The term "personal use" of an Owner's Condominium shall be deemed to refer to any use or occupancy of such Condominium by the Owner and/or his guests where the full daily rental rate is not paid to Manager for such occupancy and unless the context otherwise requires shall also refer to any period an Owner's right to participate in the Rental Pool is suspended in accordance with the provisions of this Agreement.

9. Owners shall be responsible for the following costs with respect to the ownership, use, and/or occupancy

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of their Condominium:

(a) Condominium association assessments; it is understood by the parties that the Park City Village Owners Association (Association), which governs the operation of the Condominiums in the Project, will levy monthly maintenance fees, and may levy, from time to time, special assessments against the Owners of the Condominiums including, without limitation, assessments to establish and maintain a sinking fund for interior maintenance and the repair and replacement of furniture and fixtures. During the term of this Agreement, as extended from time to time, Manager and Owners shall use reasonable efforts to make adequate arrangements so that copies of all statements for such fees and assessments are sent to Manager. Owners hereby authorize and direct Manager to deduct, and pay to Association, such fees and assessments from the funds otherwise distributable to the Owners hereunder. If funds are not so available, however, Manager shall, before delinquency, notify the Owners of any deficiency and Owners shall remit to Association such amounts as are necessary to cause the full payment of such fees and assessments.

(b) Phone service charges.

(c) Housekeeping, cleaning, and personal items or charges for services rendered during or immediately after an Owner's use of his Condominium, payable to Manager prior to an Owner making his Condominium available for rental occupancy and participation in rental

pool distributions, which charges shall be at the rates established and posted by Manager from time to time for such services. The parties understand that Owners are not obligated to utilize the housekeeping services of Manager, but that to maintain Condominiums in a rentable condition, Manager will be required to thoroughly clean and prepare the Condominiums for rental use after use by Owners. Except as hereinafter provided, the expense of cleaning and preparing an Owner's Condominium for rental use will be charged to Owners and deducted from future Distributable Revenue distributable to such Owner at the rates established and posted by Manager from time to time. If an Owner uses only a portion of the Condominium and notifies the Manager of such in advance, the cleaning fee charged to the Owner will be according to the number of bedrooms and bathrooms used by the Owner. Owners shall have the right to clean their Condominium after their own occupancy provided the Owner notifies Manager of such intent in advance. However, to maintain consistent cleaning standards for the Condominiums, Manager will inspect all Condominiums cleaned by the Owner (or Owner's guest) and will charge an inspection fee of \$15.00 which will be deducted from Distributable Revenue otherwise payable to Owner. It is the sole discretion of Manager as to whether or not the Condominium is cleaned to the required standards and Manager shall have the right to further clean the Condominium if necessary and to charge the cost of such

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cleaning to the Owner at the regularly posted rates.

(d) All real and personal property taxes, licenses, fees, liens, or assessments, imposed by any federal, state, or local governmental authority with respect to an Owner's Condominium and rental of the Condominium, payable before delinquency directly to such taxing authority.

(e) Electric charges required to be paid by an Owner using his Condominium in excess of 14 days per calendar year as provided in paragraph 7 of this Agreement, which charges shall be at the per day rates established by Manager from time to time, considering the actual electric charges for such Owner's Condominium, unless an Owner elects to pay directly all electric charges separately metered to such Owner's Condominium. Electric charges for personal use in excess of 14 days per calendar year shall be payable to Manager on or before 30 days after receipt by Owner of each monthly statement. Each Owner authorizes Manager to deduct any such electrical charges from Distributable Revenue otherwise payable to such Owner.

Manager is under no obligation to advance any funds on behalf of Owners to pay any of the foregoing costs, and in the event Manager shall advance any funds on Owner's behalf to pay such costs, the Owner on whose behalf such advance was made, shall, upon written request from Manager, immediately pay to Manager the amount of such advance and such

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Owner authorizes Manager to deduct and retain the amount of such advance from any future Distributable Revenue payable to such Owner. Upon the failure of an Owner to pay to Manager, within 30 days after request therefor, the amount of any such advance Manager may elect to suspend participation of such Owner in the Rental Pool until Owner has paid to Manager the amount of any such advance.

10. It is contemplated, based on normal wear and tear, that periodic interior maintenance, repairs, and replacements, will be required with respect to the Condominiums and the furniture and fixtures located therein. Such maintenance, repairs, and replacements shall be made at such time as Manager determines, in its sole and reasonable discretion, that all or any portion of the Condominium or furniture and fixtures located therein are no longer acceptable for use in first class resort accommodations. Replacements of furniture and fixtures shall be of a type and quality acceptable to and otherwise compatible with furniture and fixture guidelines established by Manager from time to time. Owners and Manager acknowledge that the Association will establish and maintain a sinking fund for the account of Owners to pay the costs of such maintenance, repairs, or replacements. An Owner shall not remove or replace any furniture or fixtures or in any way alter or remodel their Condominium without the prior written approval of Manager, which approval shall not be unreasonably withheld (considering the furniture and fixture guidelines established by

Manager from time to time in order to maintain first class resort accommodations). Repairs to and replacements of furniture or fixtures within a Condominium from the sinking fund will be limited to the furniture and fixtures contained in the Condominium when purchased by the Owner from Developer and replacements made by Manager through the sinking fund. Owners and Manager shall use reasonable efforts to cause the Association to make timely disbursements from the sinking fund to Manager to pay the costs of such maintenance, repairs and replacements. Disbursements from the sinking fund will be made only with respect to maintenance, repairs, and replacements resulting from normal wear and tear and use of the Condominiums in the Rental Pool. All interior maintenance, repairs, and replacements with respect to an Owner's Condominium and the furniture and fixtures located therein resulting from the intentional misuse or negligence of the Owner or his guests or agents, shall be the sole responsibility of the Owner, and each Owner authorizes Manager to do such maintenance, repairs, and replacements for their account and deduct the cost therefore from any amounts of Distributable Revenue payable to such Owner, or in the event Distributable Revenue is insufficient in any month to pay such costs, Owner shall upon written request from Manager, immediately pay to Manager any deficiency. Upon any failure of an Owner to pay to Manager, within 30 days after request therefor, the costs of any such repairs or replacements, Manager may elect to suspend participation

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of such Owner in the Rental Pool until Owner has paid to Manager the cost of such maintenance, repairs, or replacements resulting from the intentional misuse or negligence of the Owner or his guests or agents.

11. Manager has made no warranty or representation, express or implied, as to the amount of revenue that will be distributable from time to time with respect to the Rental Pool.

12. Developer and Owners shall have the right, at any time during reasonable business hours and upon reasonable notice to Manager, to examine, at the principal place of business of Manager, the books and records maintained by Manager with respect to the operation of the Rental Pool.

13. It is not the intent of the parties, by this Agreement, that any partnership or joint venture relationship be created between Manager and Owner or among Owners; it is strictly intended by the parties that Manager shall act as an agent for Developer and Owners with respect to the operation, rental and management of the Condominiums.

14. The rights and obligations created in this Agreement are appurtenant to the Condominiums described herein (or any amendment hereto), and any purchaser or other transferee of any Condominium shall take title thereto subject to, and be bound by, all the provisions and conditions of this Agreement. Developer and Owners may and shall assign and delegate their duties and responsibilities hereunder with respect to any Condominium sold or otherwise transferred

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by Developer or any Owner to any purchaser or other transferee of such Condominium. Prior to any sale or other transfer of any of the Condominiums, the Owner shall notify Manager in writing of the name and address of the proposed transferee and the date of the proposed transfer. All purchasers or other transferees of any Condominium subject to this Agreement shall upon acquiring title to said Condominium execute, acknowledge, and deliver to Manager an acceptance and assumption of this Agreement in the form and content reasonably acceptable to Manager. This Agreement may not be assigned by Developer or Owner with respect to any Condominium except in connection with the sale or other transfer of such Condominium and then only to the purchaser or other transferee of such Condominium. Upon the sale of any Condominium and delivery to Manager of a duly executed acceptance and assumption of this Agreement by the purchaser or other transferee, the Developer or other Owner selling or otherwise transferring the Condominium shall be released from all obligations and liabilities under this Agreement with respect to said Condominium arising after the date and time said Condominium is conveyed to the purchaser or other transferee.

15. Manager shall have the right to delegate and assign all or any portion of its duties and responsibilities hereunder to another individual(s) and(or) entity(ies) (regardless of whether or not such individual(s) and(or)

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entity(ies) are affiliated with or otherwise related to Manager or Developer).

16. Manager and its authorized agents shall have the right to enter any and all of the Units at all reasonable times as required to perform its duties hereunder.

17. This Agreement shall be binding upon and shall inure to the benefit of each of the parties hereto and their respective successors-in-interest, assigns, and personal representatives.

18. Manager and its Partners, employees and other affiliated persons and entities, may, from time to time, undertake to develop, own and/or manage other condominiums, motels, hotels, and other resort projects including projects in competition with the Condominiums, and Developer and Owners consent thereto and shall have no right to any income or profits derived by Manager from the management of such other projects. Manager shall maintain separate accounting records and accounts for the Rental Pool and other activities in which it engages, including acting as the rental agent for other owners or projects.

19. All notices required pursuant to this Agreement shall be in writing, delivered either by registered or certified mail, postage prepaid, return receipt requested, or personally delivered. Any notice given by registered or certified mail shall be deemed delivered 72 hours after deposit in the United States mail, addressed to the respective parties at the addresses set forth after their names

below, or if to an Owner, at the address of such Owner set forth in the acceptance and assumption of this Agreement executed by such Owner and delivered to Manager, or at such other addresses as shall be designated by such parties from time to time by notice given in accordance with the foregoing.

20. In the event of any controversy, claim or dispute between the parties hereto arising out of or relating to this Agreement, or the breach thereof, the prevailing party or parties shall be entitled to recover from the nonprevailing party or parties reasonable attorney's fees and costs.

21. This Agreement constitutes the sole and exclusive agreement among the parties concerning the subject matter hereof. There are no covenants, promises, or warranties, express or implied, intended to be a part of this Agreement which are not expressly set forth herein.

22. In the event any covenant, condition, or other provision of this Agreement is held to be invalid, void, or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect, impair, or invalidate any other covenant, condition, or other provision of this Agreement. If such condition, covenant, or other provision shall be deemed invalid due to its scope or breadth, such cove-

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nant, condition, or other provision shall be deemed valid to the extent of the scope or breadth permitted by law.

DEVELOPER:

VILLAGE VENTURE, LTD.,
a California limited partnership

By: PARK CITY VILLAGE, INC.,
a California corporation

By: _____
Jack W. Davis,
President and Secretary

Address: 438 Camino Del Rio South
Suite 211
San Diego, California 92108

MANAGER:

PARK CITY VILLAGE MANAGEMENT COMPANY,
a Utah limited partnership

By: PARK CITY VILLAGE, INC.,
a California corporation

By: _____
Jack W. Davis,
President and Secretary

Address: 1401 Lowell Avenue
P.O. Box 2550
Park City, Utah 84060

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EXHIBIT "A"

Residential Units

A101	A211
A102	A212
A103	A213
A104	A214
A105	A215
A106	A216
A107	
A108	A217
A109	A218
A110	A219
	A220
A201	A221
A202	A222
A203	A223
A204	A224
A205	A225
A206	A226
A207	A227
A208	
A209	A301
A210	A302
	A303
	A304
	A305
	A306
	A307
	A308
	A309
	A310

EXHIBIT "G"

SUBLEASE

THIS SUBLEASE is made and entered into as of _____, 1983, between PARK CITY VILLAGE OWNERS ASSOCIATION, a nonprofit Utah corporation (Landlord) whose business address is Post Office Box _____, Park City, Utah 84060, and PARK CITY VILLAGE MANAGEMENT COMPANY, a Utah limited partnership (Tenant) whose business address is 1385 Lowell Avenue, P. O. Box 528, Park City, Utah 84060, who agree as follows:

1. (a) This Sublease and all provisions hereof are subject to the provisions of that certain "Lease (Restated)" dated as of September 15, 1982, between VILLAGE VENTURE, LTD., a California limited partnership, as lessee, and GREATER PARK CITY COMPANY, a Utah corporation, as lessor (hereafter Master Lease) covering the land on which Increment 1.a. and Increment 1.b. of the Park City Village Project in Park City, Utah are, or will be, situated, and the provisions of that certain Condominium Declaration For Park City Village Condominiums (the Declaration).

(b) By this Sublease, Landlord intends to sublease to Tenant and Tenant intends to sublease from Landlord the skating rink located on the real property described in the Master Lease.

2. PREMISES: Landlord hereby subleases and lets to Tenant and Tenant hereby takes and hires from Landlord, upon and subject to the terms, conditions, covenants, and provisions hereof, that

certain skating rink located on the plaza level of the Park City Village Condominiums and outlined on the plat thereof attached hereto marked Exhibit A and incorporated herein by reference together with the improvements and facilities located thereon (the Premises).

3. USE: Subject to the restrictions contained in Paragraph 6 hereof, Tenant may use the Premises as a skating rink and for such other lawful purpose or purposes as are consistent with the Master Lease and the Declaration.

4. TERM:

(a) The term (initial term) shall commence on _____, 1983 and shall expire on _____, 1988.

(b) Tenant shall have the right (but not the obligation) to extend the term on all the provisions contained in this Sublease (except that the minimum monthly rent and percentage rate for each extended term shall be determined by agreement of Landlord and Tenant, or if no agreement can be reached, by arbitration in accordance with paragraph 17 of this Sublease) for periods of six years, each such period commencing upon the expiration of the preceding term and expiring six years subsequent (extended term), by giving notice of exercise of the right (extension notice) to Landlord at least three months before the expiration of the preceding term, provided Tenant shall have no right to extend the term hereof beyond the term of the Master Lease.

(c) The initial term and any extended term are sometimes collectively referred to herein as the "term".

5. RENT:

(a) Tenant shall pay to Landlord as minimum monthly rent for the Premises, without deduction, set-off, prior notice or demand and in advance on the first day of each calendar month during the term, the sum of \$100.00 per month (subject to adjustment as provided in paragraph 5(b) below) ("Minimum Monthly Rent"). Minimum monthly rent for the first month shall be paid on the date of execution of this Sublease.

(b) The minimum monthly rent provided for in paragraph 5(a) shall be subject to adjustment at the commencement of the second year of the term and each year thereafter ("the adjustment date") as follows:

The base for computing the adjustment is the Consumer Price Index for all Urban Consumers (All Items - United States Average) (1967 = 100), published by the United States Department of Labor, Bureau of Labor Statistics ("Index"), which is in effect on the date of the commencement of the term ("Beginning Index"). The Index published most immediately preceding the adjustment date in question ("Extension Index") is to be used in determining the amount of the adjustment. If the Extension Index has increased over the Beginning Index, the minimum monthly rent for the following year (until the next rent adjustment) shall be set

by multiplying the minimum monthly rent set forth in paragraph 5(a) by a fraction, the numerator of which is the Extension Index and the denominator of which is the Beginning Index. In no case shall the minimum monthly rent be less than the minimum monthly rent set forth in paragraph 5(a). On adjustment of the minimum monthly rent as provided in this Sublease, the parties shall immediately execute an amendment to this Sublease stating the new minimum monthly rent.

If the Index is changed so that the base year differs from that in effect when the term commences, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

(c) On or before the 60th day immediately following the close of each calendar year, Tenant shall pay to Landlord as additional rent hereunder the amount by which the sum computed as ten percent (10%) of Tenant's Net Sales (as defined in paragraph 5(d) hereof) during such calendar year exceeds the minimum monthly rent that Tenant has paid during such calendar year under paragraph 5(a) herein.

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(d) "Net Sales" of Tenant means the gross receipts of Tenant from the operation of the Premises as a skating rink (including user fees and other rental income for use of the Premises) less all expenses incurred by Tenant in the operation and maintenance of the Premises. In no event shall Net Sales include any receipts of Tenant with respect to the sale or rental of any other real or personal property of Tenant whether or not made in, on, or from the Premises.

(e) Tenant shall furnish to Landlord an annual statement of Tenant's Net Sales within 60 days after the end of each calendar year. Each statement shall be signed and certified to be correct by Tenant or its authorized representative, and if Tenant is a corporation, the statement shall be signed and certified to be correct by an officer of Tenant.

(f) Tenant shall keep full and accurate books of account, records, cash receipts, and other pertinent data showing its Net Sales. Such books of account, records, cash receipts, and other pertinent data shall be kept for a period of 2 years after the end of each calendar year. The receipt by Landlord of any statement, or any payment of percentage rent for any period, shall not bind Landlord as to the correctness of the statement or the payment.

(g) Landlord shall be entitled during the term and within 2 years after expiration or termination of this Sublease to inspect and examine all Tenant's books of account,

records, cash receipts, and other pertinent data, so Landlord can ascertain Tenant's Net Sales. Tenant shall cooperate fully with Landlord in making the inspection. Landlord shall also be entitled, once during each calendar year and once after expiration or termination of this Sublease to an independent audit of Tenant's books of account, records, cash receipts, and other pertinent data to determine Tenant's Net Sales, by a certified public accountant to be designated by Landlord. The audit shall be limited to the determination of Net Sales and shall be conducted during usual business hours at the Premises. If the audit shows that there is a deficiency in the payment of any percentage rent, the deficiency shall become immediately due and payable. The costs of the audit shall be paid by Landlord unless the audit shows that Tenant understated Net Sales by more than 5%, in which case Tenant shall pay all Landlord's costs of the audit.

(h) Landlord shall keep any information gained from such statements, inspection, or audit confidential and shall not disclose it other than to carry out the purposes of this Sublease, except that Landlord shall be permitted to divulge the contents of any statements in connection with any financing arrangements or sale of Landlord's interest in the Premises.

(i) Rent for any partial month during the term shall be prorated on the basis of a 30 day month.

6 . USES PROHIBITED: Tenant shall not use, or permit said Premises, or any part thereof, to be used for any purpose or purposes which would unreasonably interfere with the use, occupancy, operation, and/or quiet enjoyment of the Park City Village Condominiums.

7. TAXES AND UTILITY EXPENSES:

(a) (1) Tenant shall, during the term of this Sublease, pay and discharge, punctually, as and when the same shall become due and payable, (i) all taxes, all special and general assessments, all in lieu taxes, water rents, rates and charges, sewer rents and other governmental impositions and charges of every kind and nature whatsoever, extraordinary as well as ordinary (hereinafter referred to as "Taxes"), and each and every installment thereof which shall or may during the term of this Sublease be charged, levied, laid, assessed, imposed, become due and payable, or liens upon or for or with respect to the Premises or any part thereof, or equipment owned by Tenant thereon or therein or any part thereof, together with all interests and penalties thereon, under or by virtue of all present or future laws, ordinances, requirements, orders, directives, rules or regulations of the Federal, State, County, Town and City Governments and of all other governmental authorities whatsoever (all of which shall also be included in the term "Taxes" as heretofore defined), and (ii) all sewer rents and charges for water, steam, heat, gas, hot water, electricity, light and power, and other service or services, furnished to the Premises during the term of

this Sublease (hereinafter referred to as "Utility Expenses"). In the event the Premises are not assessed separately from other property of the Tenant, the amount of taxes assessed Landlord allocable to Tenant shall be determined by the agreement of Landlord and Tenant, or in the absence of agreement, by arbitration in accordance with paragraph 17 of this Sublease.

(2) If at any time during the term the State of Utah or any political subdivision of the state, including any county, city, public corporation, district, or any other political entity or public corporation of this state, levies or assesses against Landlord a tax, fee, or excise on rents, on the square footage of the Premises, on the act of entering into this Sublease, or on the occupancy of Tenant, or any other tax, fee, or excise, however described, as a direct substitution in whole or in part for, or in addition to, any real property taxes, such tax, fee, or excise on rents shall also be included in the term "Taxes."

(3) To the extent that the same may be permitted by law, Tenant or its designees shall have the right to apply for the conversion of any assessment for local improvements assessed during the term of this Sublease in order to cause the same to be payable in annual installments, and upon such conversion Tenant shall pay and discharge punctually said installments as they shall become due and payable during the term of this Sublease. Landlord agrees to permit the application for the foregoing conversion to be filed in Landlord's name, if necessary, and shall

execute any and all documents requested by Tenant to accomplish the foregoing result.

(4) Tenant shall be deemed to have complied with the covenants of this subparagraph (a) if payment of such Taxes shall have been made either within any period allowed by law or by the governmental authority imposing the same during which payment is permitted without penalty or interest, or before the same shall become a lien upon the Premises, and Tenant shall produce and exhibit to Landlord satisfactory evidence of such payment, if Landlord shall demand the same in writing.

(b) All such Taxes, including assessments which have been converted into installments as set forth in the preceding subparagraph (a), which shall become payable during each of the calendar or fiscal tax years, as the case may be, in which the term of this Sublease commences or terminates, shall be apportioned pro rata between Landlord and Tenant in accordance with the respective portions of such year during which such term shall be in effect.

(c) (1) Tenant or its designees shall have the right to contest or review all such Taxes by legal proceedings or in such other manner as it may deem suitable (which, if instituted, Tenant or its designees shall conduct promptly at its own cost and expense, and free of any expense to Landlord, and, if necessary, in the name and with the cooperation of Landlord and Landlord shall execute all documents necessary to accomplish the foregoing). Notwithstanding the foregoing, Tenant shall promptly

pay all such Taxes if at any time the Premises or any part thereof shall then be immediately subject to forfeiture, or if Landlord shall be subject to any criminal liability, arising out of the non-payment thereof.

(2) The legal proceedings referred to in the preceding subparagraph (1) shall include appropriate certiorari proceedings and appeals from orders therein and appeals from any judgments, decrees or orders. In the event of any reduction, cancellation or discharge, Tenant shall pay the amount finally levied or assessed against the Premises or adjudicated to be due and payable on any such contested Taxes.

(d) Landlord covenants and agrees that if there shall be any refunds or rebates on account of the Taxes paid by Tenant under the provisions of this Sublease, such refund or rebate shall belong to Tenant. Any refunds received by Landlord shall be deemed trust funds and as such are to be received by Landlord in trust and paid to Tenant forthwith. Landlord will, upon the request of Tenant, sign any receipts which may be necessary to secure the payment of any such refund or rebate, and will pay over to Tenant such refund or rebate as received by Landlord. Landlord further covenants and agrees on request of Tenant at any time, and from time to time, but without cost to Landlord, to make application individually (if legally required) or to join in Tenant's application (if legally required) for separate tax assessments for such portions of the Premises as Tenant shall at any time, and from time to time, designate. Landlord hereby

agrees upon request of Tenant to execute such instruments and to give Tenant such assistance in connection with such applications as shall be required by Tenant.

(e) Nothing herein or in this Sublease otherwise contained shall require or be construed to require Tenant to pay any inheritance, estate, succession, transfer, gift, franchise, income or profit taxes, that are or may be imposed upon Landlord, its successors or assigns.

8. IMPROVEMENTS, REPAIRS, ADDITIONS, REPLACEMENTS:

(a) Tenant shall, at all times during the term of this Sublease, and at its own cost and expense, keep and maintain or cause to be kept and maintained in repair and good condition (ordinary wear and tear excepted) the Premises and shall use all reasonable precaution to prevent waste, damage or injury. Landlord shall not be required to furnish any services or facilities or to make any replacements, improvements, repairs or alterations in or to the Premises during the term of this Sublease, except that Landlord shall have the financial responsibility for maintaining and insuring the structural integrity of the Premises. The duties of Landlord and Tenant under this subparagraph shall be subject to the provisions of paragraph 13 of this Sublease.

(b) Subject to the restrictions set forth in Paragraph 6 hereof and after obtaining Landlord's written consent (which consent shall not be unreasonably withheld), Tenant may, at its own cost and expense and at any time and from time to time, make such alterations, changes, replacements, improvements and additions

in and to the Premises. If Tenant makes any alterations to the Premises as provided in this subparagraph, the alterations shall not be commenced until ten (10) days after Landlord has received notice from Tenant stating the date the installation of alterations is to commence so that Landlord can post and record an appropriate notice of nonresponsibility.

(c) Until the expiration or sooner termination of this Sublease, or extension thereof (subject, however, to the rights of the holder of any encumbrance on the Premises or any portion thereof), title to any improvements erected on the Premises by Tenant and the building equipment and other items installed therewith and any alteration, change or addition thereto shall remain solely in Tenant; and Tenant alone shall be entitled to deduct all depreciation on Tenant's income tax returns for any such improvements, building equipment, and other items.

(d) On the last day or sooner termination of the term of this Sublease, or extensions thereof, Tenant shall quit and surrender to Landlord the Premises and all improvements located thereon, broom clean and in good condition and repair (ordinary wear and tear excepted), free and clear of all claims and liens of Tenant and of any third party, excepting governmental obligations.

9. REQUIREMENTS OF PUBLIC AUTHORITY:

(a) During the term of this Sublease, Tenant shall, at its own cost and expense, promptly observe and comply with all present and future laws, ordinances, requirements, orders, direc-

tives, rules and regulations of Federal, State, County, and City Governments and of all other governmental authorities affecting the Premises or appurtenances thereto or any part thereof whether the same are in force at the commencement of the term of this Sublease or may in the future be passed, enacted or directed, and Tenant shall pay all costs, expenses, liabilities, losses, damages, fines, penalties, claims and demands, including reasonable counsel fees, that may in any manner arise out of or be imposed because of the failure of Tenant to comply with the covenants of this Paragraph 9.

(b) Tenant shall have the right to contest by appropriate legal proceedings diligently conducted in good faith, in the name of the Tenant, or Landlord (if legally required), or both (if legally required), without cost or expense to Landlord, the validity or application of any law, ordinance, order, rule, regulation or requirement of the nature referred to in paragraph (a) of this Paragraph and, if by the terms of any such law, ordinance, order, rule, regulation or requirement, compliance therewith may legally be delayed pending the prosecution of any such proceeding, Tenant may delay such compliance therewith until the final determination of such proceeding.

(c) Landlord agrees to execute and deliver any appropriate papers or other instruments which may be necessary or proper to permit Tenant so to contest the validity or application of any such law, ordinance, order, rule, regulation or requirement and to fully cooperate with Tenant in such contest.

10. COVENANT AGAINST LIENS: If, because of any act or omission of Tenant, any mechanic's lien or other lien, charge or order for the payment of money shall be filed against Landlord or any portion of the Premises, Tenant shall, at its own cost and expense, cause the same to be discharged of record or bonded within ninety days after written notice from Landlord to Tenant of the filing thereof, and Tenant shall indemnify, defend and save harmless Landlord against and from all cost, liabilities, suits, penalties, claims and demands, including reasonable counsel fees, resulting therefrom.

11. INDEMNITY:

Tenant shall defend, indemnify and save harmless Landlord from and against any and all claims, costs, expenses, liability, damage, penalties or judgments arising from injury to person or property sustained by anyone in and about the Premises resulting from any act or acts or omission or omissions of Tenant, or Tenant's officers, agents, servants, employees, contractors, or sublessees (other than Landlord or any entity affiliated with Landlord). Tenant shall, at its own cost and expense, defend any and all suits or actions which may be brought against Landlord or in which Landlord may be impleaded with others upon any such above-mentioned matter, claim or claims.

12. INSURANCE:

(a) Tenant shall provide at its expense, and keep in force during the term of this Sublease, general liability insurance in a good and solvent insurance company or companies licensed

to do business in the State of Utah, selected by Tenant, and reasonably satisfactory to the holder of any encumbrance permitted pursuant to the provisions of the Master Lease (all of such encumbrances sometimes being hereinafter collectively referred to as "Mortgage" or "Mortgages" and the holder(s) thereof as "Mortgagee(s)"), or, if there shall not be such a Mortgage, satisfactory to Landlord, in the amount of at least a combined single limit of Three Million Dollars (\$3,000,000) with respect to bodily injury, death or damage to property. Such policy or policies shall include Landlord, and each Mortgagee as additional assureds. Tenant agrees to deliver certificates of such insurance to Landlord at the beginning of the term of this Sublease and thereafter not less than ten (10) days prior to the expiration of any such policy. Such insurance shall be non-cancellable without ten (10) days' written notice to Landlord and to each Mortgagee.

(b) During the term of this Sublease, Landlord shall keep the Premises (other than any improvements, alterations, or equipment constructed or installed in the Premises by Tenant) insured for the benefit of Landlord, and Tenant and the holder of any Mortgage as their respective interest may appear, against loss or damage by fire and customary extended coverage in a minimum amount necessary to avoid the effect of coinsurance provisions of the applicable policies, with required insurance appraisals made at least every three years. All such policies or certificates thereof shall be held by the holder of any Mortgage. All proceeds payable at any time and from time to time by any

insurance company under such policies shall be payable to such Mortgagee, if any, or, if none, to Landlord. If any such proceeds are paid to such Mortgagee, Landlord shall be entitled to receive the full amount thereof in accordance with the terms of such Mortgage, and Tenant shall not be entitled to, and shall have no interest in, such proceeds or any part thereof, except to the extent that such proceeds are allocable to damage or destruction of improvements, alterations or equipment constructed on or installed in the Premises by Tenant. Landlord and Tenant shall, at Landlord's cost and expense, cooperate fully in order to obtain the largest possible recovery and execute any and all consents and other instruments and take all other actions necessary or desirable in order to effectuate the same and to cause such proceeds to be paid as hereinbefore provided and neither party shall carry any insurance concurrent in coverage and contributing in the event of loss with any insurance required to be furnished hereunder if the effect of such separate insurance would be to reduce the protection or the payment to be made under the policy(ies) of insurance mentioned hereunder.

(c) Any insurance required to be provided by Tenant or Landlord pursuant to this Sublease may be provided by blanket insurance covering the Premises and other locations of Tenant or Landlord provided such blanket insurance complies with all of the other requirements of this Sublease with respect to the insurance involved and such blanket insurance is acceptable to any Mortgagee.

(d) To the extent reasonably possible, all insurance policies carried by either party covering the Premises, including but not limited to contents, fire and casualty insurance, shall expressly waive any right on the part of the insurer against the other party. The parties hereto agree that their policies will, if possible, include such waiver clause or endorsement.

13. DESTRUCTION:

(a) Subject to the provisions of subparagraph (b) below, in the event that at any time during the term of this Sublease the Premises shall be destroyed or damaged in whole or in part by any cause whether or not within the extended coverage of the fire and casualty insurance policies carried by Tenant or Landlord in accordance with this Sublease (which fire and casualty insurance policies will not protect against either earthquake or flood), and the Master Lease shall not terminate as a result of such damage or destruction, then, Landlord shall cause the same to be repaired, replaced or rebuilt within a period of time which, under all prevailing circumstances, shall be reasonable, except that such obligation to repair, or replace and rebuild shall not extend to damage or destruction of any alteration, improvement, or equipment constructed upon or installed in the Premises by Tenant, and all such repairs, replacement and rebuilding shall be the sole responsibility of Tenant.

(b) In the event that at any time during the term of this Sublease the Premises shall be destroyed or damaged in whole or in part by any cause not within the extended coverage of the

fire and casualty insurance policies carried by Tenant or Landlord in accordance with this Sublease (which fire and casualty insurance policies will not protect against either earthquake or flood) and the cost of repair shall exceed Twenty-five Thousand Dollars (\$25,000.00), Landlord shall have the right, but not the obligation, to effectuate such repairs. If Landlord elects not to effectuate such repairs, Tenant shall have the right, but not the obligation, to effectuate such repairs at its sole cost and expense or, in the alternative, to terminate this Sublease. In the event Tenant elects to effectuate such repairs, Tenant shall cause the repairs to be completed in a workmanlike manner within a reasonable period of time.

(c) Damage or destruction that does not result in the termination of this Sublease shall relieve Tenant of its obligation to pay rent hereunder until the premises are restored to a condition permitting the use originally intended under this Sublease.

14. EMINENT DOMAIN: In the event of a total, substantial or partial taking under any statute or by right or eminent domain or by private purchase in lieu thereof, the rights of the Landlord and Tenant with respect to the rent and the award shall be as the Landlord and Tenant then agree to be just and equitable under all circumstances, regardless of any technical rule of law, having in mind the right of any leasehold or fee mortgage, the economics of operating any remaining portion of the Premises or improvements, the cost of restoration, and the balance of the term remaining, among other relevant considerations. If Landlord

and Tenant after providing for payment, if any, which may be due to any Mortgagee affected by the taking, do not agree within twenty (20) business days as to disposition among them of the amount of the final award, the undecided questions among them shall be determined by arbitration as provided under Paragraph 17 of this Sublease.

15. ENTRY AND INSPECTION: Tenant shall permit Landlord and its agents to enter into and upon the Premises at all reasonable times for the purpose of inspecting the same or for the purpose of maintaining the Premises.

16. DEFAULT AND REMEDIES: The following rights and remedies are available to Landlord in the event Tenant commits an act of default during the term:

(a) In the event Tenant commits an act of default or abandons the Premises, Landlord may elect to continue this Sublease in full force and effect and not terminate Tenant's right to possession of the Premises, in which event Landlord shall have the right to enforce any rights and remedies granted by this Sublease or by law against Tenant, including, without limitation, the right to collect when due rental and other sums payable hereunder. Landlord shall not be deemed to have elected to terminate unless and until Landlord gives Tenant written notice of such election to terminate.

(b) Landlord may elect by written notice to Tenant to terminate this Sublease at any time after the occurrence of an act of default, said termination to be effective only in the event

said act of default (if capable of being cured) is not cured within thirty days following the giving of said notice, and in such event, Landlord may, at Landlord's option, declare this Sublease, and Tenant's right to possession terminated, re-enter the Premises, remove Tenant's property therefrom and store it for Tenant's account and at Tenant's expense, eject all persons from the property, and recover damages from Tenant as hereafter provided. Any such re-entry shall be permitted by Tenant without hindrance, and Landlord shall not thereby be liable in damages for such re-entry or be guilty of trespass or forcible entry.

(c) Nothing in this article affects the right of Landlord to indemnification for liability arising prior to the termination of this Sublease for personal injuries or property damage as is provided elsewhere in this Sublease.

(d) The foregoing remedies of Landlord shall not be exclusive, but shall be cumulative and in addition to all rights and remedies now or hereafter provided or allowed by law.

17. ARBITRATION:

(a) Arbitration may be required only for matters for which arbitration is mentioned in this Sublease. Arbitration is initiated by either party giving notice to the other specifying the matter to be arbitrated. Landlord and Tenant may agree to include any and all matters in a single arbitration proceeding. The arbitration shall be in conformity with and subject to the applicable rules and procedures of the American Arbitration Association then in effect. If the American Arbitration Associa-

tion is not then in existence or for any reason fails or refuses to act, the arbitration shall be in conformity and subject to the provisions of the laws of the State of Utah with relation to arbitration as they stand amended at the time of the notice. Attorneys' fees of both parties and costs of arbitration shall be awarded or allocated by the arbitrators as part of the final award.

(b) In the absence of agreement of the parties, arbitration shall be required for the following matters:

(1) Liability as between Landlord, or its assignees and Tenant for payment of taxes and utility, insurance and maintenance expenses.

(2) Reasonableness of Landlord's refusal to give any approval or consent contemplated by this Sublease.

(3) Determination of the applicability of the force majeure clause as to obligations of either Landlord or Tenant.

18. WAIVERS: Failure of Landlord or Tenant to complain of any act or omission on the part of the other party, no matter how long the same may continue, shall not be deemed to be a waiver by said party of any of its rights hereunder, nor waiver by Landlord or Tenant at any time, express or implied, of any breach of any provision of this Sublease or a consent to any subsequent breach of the same or any other provision. No acceptance by Landlord of any partial payment shall constitute an accord or satisfaction but shall only be deemed a part payment on account.

19. FORCE MAJEURE: In the event Landlord or Tenant shall be delayed, hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, governmental laws or regulations, riots, insurrection, the act, failure to act or default of the other party, war or other reason beyond their control, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay, provided this numbered paragraph shall not be deemed to exercise the obligation to pay rent.

20. NOTICES: Every notice, approval, consent or other communication authorized or required by this Sublease shall not be effective unless same shall be in writing and sent postage prepaid by United States registered or certified mail, return receipt requested, directed to the party to whom notice is required to be given at its address hereinabove first mentioned, or, in the case of a Mortgagee, the address set forth on the recorded mortgage, or such other address as either party may designate by notice given from time to time in accordance with this Paragraph 21. The rent payable by Tenant hereunder shall be paid to Landlord at the same place where a notice to Landlord is herein required to be directed.

21. CERTIFICATES: Either party shall, without charge, at any time and from time to time hereafter, within ten (10) days after written request of the other, certify by written instrument

duly executed and acknowledged to any Mortgagee or purchaser, or proposed Mortgagee or proposed purchaser, or any other person, firm or corporation specified in such request: (a) as to whether this Sublease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (b) as to the validity and force and effect of this Sublease, in accordance with its tenor as then constituted; (c) as to the existence of any default thereunder; (d) as to the existence of any offsets, counterclaims or defenses thereto on the part of such other party; (e) as to the commencement and expiration dates of the term of this Sublease; and (f) as to any other matters as may reasonably be so requested. Any such certificate may be relied upon by the party requesting it and any other person, firm or corporation to whom the same may be exhibited or delivered, and the contents of such certificate shall be binding on the party executing same.

22. GOVERNING LAW: This Sublease and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the State of Utah.

23. PARTIAL INVALIDITY: If any term, covenant, condition or provision of this Sublease or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Sublease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition and provision of this Sublease shall be valid and be enforced to the fullest extent permitted by law.
(DAVISA-O)

24. INTERPRETATION: Wherever herein the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders and vice versa, as the context shall require. The section headings used herein are for reference and convenience only, and shall not enter into the interpretation hereof. This Sublease may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument. The terms "Landlord" and "Tenant" whenever used herein shall mean only the owner at the time of Landlord's or Tenant's interest herein, and upon any sale or assignment of the interest of either Landlord or Tenant herein, their respective successors-in-interest and/or assigns shall, during the term of their ownership of their respective estates herein, be deemed to be Landlord or Tenant, as the case may be.

25. ENTIRE AGREEMENT: No oral statement or prior written matter shall have any force or effect. Tenant agrees that it is not relying on any representations or agreements other than those contained in this Sublease. This Sublease shall not be modified or cancelled except by writing subscribed by all parties. The parties agree to execute a short form of this Sublease for recording, or that this Sublease may be recorded in its entirety.

26. ATTORNEYS' FEES: If legal action be commenced to enforce or to declare the effect of any provision of this Sublease, the court as part of its judgment shall award reasonable attorneys' fees and costs to the prevailing party.

27. PARTIES: Except as herein otherwise expressly provided, the covenants, conditions and agreements contained in this Sub-lease shall bind and inure to the benefit of Landlord and Tenant and their respective heirs, successors, administrators and assigns.

LANDLORD:

PARK CITY VILLAGE OWNERS
ASSOCIATION, a nonprofit
corporation

By: _____

By: _____

TENANT:

PARK CITY VILLAGE MANAGEMENT
COMPANY, a Utah limited
partnership

By: Park City Village, Inc.,
a California corporation

By: _____
Jack W. Davis
President and Secretary

