

ORDER NUMBER  
14/014?

2465336

DECLARATION OF CONDOMINIUM

OF Recorded JUN 28 1972 at 9:16 a.m.

Request of SECURITY TITLE COMPANY  
Fee Paid, JERADEAN MARTIN  
Recorder, Salt Lake County, Utah

4070 By R. K. Kinsinger Deputy

THIS DECLARATION OF CONDOMINIUM, hereinafter called

the "Declaration", made on the date hereinafter set forth by RICHARD PROWS, INC., a Utah corporation, PRUDENTIAL FEDERAL SAVINGS & LOAN ASSOCIATION, a corporation of the United States of America, and PRUDENTIAL SERVICE CORPORATION, a Utah corporation, hereinafter collectively referred to as "Declarant", pursuant to the provisions of the Utah Condominium Ownership Act, witnesseth as follows:

WHEREAS, the Declarant is the owner of the following described real property, hereinafter referred to as the "Land", situate in the County of Salt Lake, State of Utah, to-wit:

Beginning at a point on the North line of Vine Street said point being North 655.79 feet and West 1007.03 feet from the South Quarter corner of Section 16, Township Two South, Range One East, Salt Lake Base and Meridian, said point of beginning also being North 89°15'45" West 1262.73 feet and North 1°00' East 40.00 feet from a county monument on Vine Street and running thence North 82° 12'27" West along the North line of said Vine Street 32.53 feet; thence North 89°01' 15" West along the North line of said Vine Street 305.335 feet; thence South 88°14'18" West along the North line of said Vine Street 83.805 feet; thence North 89°01'45" West along the North line of said Vine Street 148.675 feet; thence North 227.015 feet; thence West 80.99 feet; thence North 1°52'22" East 287.93 feet; thence South 89°46'04" East 158.72 feet; thence North 0°13'56" East 95.00 feet; thence South 89°46'04" East 71.01 feet; thence North 720.455 feet; thence East 387.75 feet; thence North 65°00' East 97.73 feet; thence East 39.16 feet to the West line of Fontaine Bleu Subdivision; thence South 783.40 feet; thence South 87°50'42" East 30.48 feet; thence South 63°15' West 140.25 feet; thence South 1°00' West 532.55 feet to the point of beginning. Contains 17.131 Acres.

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WHEREAS, the aforesaid property consists of the Land, together with certain residential buildings and certain other improvements heretofore constructed or hereafter to be constructed upon said premises; and

WHEREAS, the Declarant has constructed or will construct residential buildings and other improvements upon the Land in accordance with the plans and drawings set forth in the Record of Survey Map filed concurrently herewith, consisting of four sheets, prepared and certified by M. Carl Larsen, Registered Utah Land Surveyor; and

WHEREAS, Declarant desires by filing this Declaration and the aforesaid Record of Survey Map to submit the Land and the said buildings and other improvements being constructed or to be constructed thereon to the provisions of the Utah Condominium Ownership Act as a condominium project known as VILLAGE THREE; and

WHEREAS, Declarant desires and intends to sell the fee title to the individual units contained in said 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.

NOW, THEREFORE, for such purposes, the Declarant hereby makes the following declarations:

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

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(a) The term "Act" shall mean and refer to the Utah Condominium Ownership Act as the same may be amended from time to time;

(b) The term "Condominium Project" or sometimes "Project" shall mean and refer to the Land, together with all improvements and appurtenances located thereon or thereunto belonging;

(c) The term "Map" shall mean and refer to the Record of Survey Map of VILLAGE THREE, filed for record herewith by Declarant as Exhibit "A";

(d) The term "Unit" shall mean and refer to a part of the property intended for any type of independent use as defined in the Act and as designated in the Map.

(e) The term "Unit Owner" shall mean and refer to the legal owner of a condominium unit and a proportionate share of the common areas and facilities as those terms are defined herein;

(f) The term "Common Areas and Facilities" (sometimes referred to as "Common Areas" only) shall mean and refer to:

(1) The Land;

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

(3) That part of the Condominium Project not specifically included in the respective units as hereinabove defined;

(4) All foundations, columns, girders, beams, supports, main walls, roof, exterior walkways, parking areas, service streets, stalls, the Social Center, pool

recreational areas and facilities, the maintenance facility, yards, gardens, fences, all installations of power, light and other utilities to the outlets, and in general all other apparatus, installations and other parts of the property necessary or convenient to the existence, maintenance and safety of the Common Areas, or normally in common use;

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

(g) The words "Limited Common Areas and Facilities (or sometimes as "Limited Common Areas") mean and include those Common Areas and Facilities provided in the Declaration as reserved for use of a certain Unit to the exclusion of the other Units. Such Limited Common Areas of the Project are the patios, storage areas, and in the case of Townhouses, the carports, which are set aside and reserved for the use of the respective Units to which they are adjacent or appurtenant and as designated in the Map to the exclusion of the other Units.

(h) The term "Property" shall mean and refer to the Land, the buildings, all improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all articles or personal property intended for use in connection therewith;

(i) The term "Common Expenses" shall mean and refer to 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 By-Laws, such rules and regulations pertaining to the Condominium project as the Management Committee may from

time to time adopt, and such other determinations and agreements lawfully made and/or entered into by the Management Committee;

(j) The term "Management Committee" shall mean and refer to those persons duly elected thereto by the Unit Owners as provided by the Declaration in accordance with the By-Laws hereto attached as Exhibit "C";

(k) The term "Manager" shall mean and refer to the person, persons or corporation selected by the Management Committee to manage the affairs of the Condominium Project;

(l) To the extent applicable to the tenure hereof and not inconsistent herewith, definitions contained in The Act are incorporated herein by reference and shall have the same effect as if expressly set forth herein and made parts hereof.

2. Submission to Condominium Ownership. Declarant hereby submits the Land, buildings, and other improvements constructed thereon or hereafter to be constructed, together with all appurtenances thereto, to the provisions of The Act as a Condominium Project to be known as VILLAGE THREE. This Declaration is submitted in accordance with the terms and the provisions of The Act and shall be construed in accordance therewith.

3. Covenants to Run With the Land. This Declaration and the covenants, restrictions, limitations, conditions, and uses therein provided, shall constitute covenants to run with the Land hereby submitted to the Condominium Project and shall be binding upon the Declarant, its successors and assigns, and upon all subsequent owners of

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all or any part of the Condominium Project, and upon their grantees, successors, heirs, executors, administrators, devisees, and assigns.

4. Building Plans. The Project (in addition to recreational facilities and other improvements) consists of twenty-six (26) buildings containing a total of 112 Units as shown on Sheet No. 1 of the Map.

The Buildings and the number of Units contained therein are as follows:

| <u>Building Designation</u> | <u>Number of Units</u> |
|-----------------------------|------------------------|
| 1 M                         | 4                      |
| 2 M                         | 4                      |
| 3 M                         | 4                      |
| 4 M                         | 6                      |
| 5 M                         | 2                      |
| 6 M                         | 4                      |
| 7 M                         | 6                      |
| 8 M                         | 2                      |
| 9 M                         | 4                      |
| 10 M                        | 4                      |
| 11 M                        | 4                      |
| 12 C                        | 4                      |
| 13 C                        | 4                      |
| 14 C                        | 4                      |
| 15 C                        | 2                      |
| 16 C                        | 2                      |
| 17 C                        | 2                      |
| 18 C                        | 6                      |
| 19 C                        | 4                      |
| 20 C                        | 4                      |
| 21 T                        | 6                      |
| 22 T                        | 6                      |
| 23 T                        | 6                      |
| 24 T                        | 6                      |
| 25 T                        | 6                      |
| 26 T                        | 6                      |
|                             | <hr/>                  |
|                             | 112                    |

Each Unit in the Project includes a basement, and each Unit in Buildings 1M to 11M, inclusive, and 12C to 20C, inclusive, includes a garage adjacent thereto. All carports as shown in the Map are Limited Common Areas.

Every Unit in the Manor Houses and Cameo Houses con-

tains two bedrooms, two bathrooms and a kitchen-dining-living room area. Each Unit in the Townhouses contains 2½ bathrooms, 2 bedrooms and a kitchen-dining-living room area.

All the buildings are structurally of frame construction with masonry veneer exterior.

5. Easement for Encroachments and Utilities. If any portion of the Common Areas Facilities encroaches upon any of the Units, a valid easement shall exist for such encroachment, and for the maintenance of the same, so long as such encroachment exists. In the event the Project, or any part thereof, is partially or totally destroyed, and then rebuilt, minor encroachments shall be permitted, as required, upon the individual Units and easements for such encroachments, and for the maintenance of same, shall exist for such period of time as may be reasonably required for the reconstruction or repair of the premises.

Easements are reserved through the condominium property as may be required for utility services.

The Management Committee shall have the power and authority to grant such easements over and across the Common Areas as shall be deemed by it to be in the best interests of the Unit Owners.

6. Ownership of Common Areas. The percentage of ownership in the Common Areas of the Unit Owners in the Project shall be for all purposes, including voting. The voting rights applicable to all unconstructed or unsold Units shall be vested in the Declarant. The Common Expenses

and Common Profits shall be allocated among the Unit Owners in accordance therewith. The percentage of ownership in the Common Areas shall be as set forth in Exhibit "B" hereto attached and made a part hereof.

The share of the Unit Owners in the Common Areas is based on the proportionate value that each of the Unit bears to the total value of the property.

The value of each Unit, and the total value of the Property are as follows:

| <u>Type of Unit</u> | <u>Number of Units</u> | <u>Value Per Unit</u> | <u>Total Value Of Property</u> |
|---------------------|------------------------|-----------------------|--------------------------------|
| Executive Townhouse | 36                     | \$31,937.00           | \$1,149,732.00                 |
| Cameo Houses        | 32                     | \$37,500.00           | \$1,200,000.00                 |
| Manor Houses        | 44                     | \$42,988.00           | \$1,891,472.00                 |
|                     |                        |                       | <u>\$4,241,204.00</u>          |

7. Management. The Business, property and affairs of Village Three shall be managed by the Management Committee consisting of not less than five nor more than nine members who are Unit Owners to be elected as provided in the By-Laws. Such Management Committee shall have all the powers, duties and responsibilities as are now or may hereafter be provided by the Act, this Declaration and/or any amendments subsequently filed thereto; provided, however, that the Management Committee may engage the services of a Manager and fix and pay a reasonable fee or compensation therefor. Notwithstanding anything herein contained to the contrary, the Declarant may, at its option, act as the Management Committee until the completion and sale of all Units of the Project, but in no event shall such right extend beyond two years after the completion of the last Unit.

The Management Committee shall be responsible for



the control, operation and management of the Condominium in accordance with the provisions of the Act, this Declaration and 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 it.

The Management Committee shall 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 interest of the Unit Owners and to effect the necessary amendment of documents and maps in connection therewith.

8. Change in Ownership. Whenever there is a change of ownership of a Unit and its appurtenant rights, for whatever reason, the Management Committee or the Manager may require as condition to recognizing the new Unit Owner or Owners as such, that the new Unit Owner or Owners meet the following:

(a) Furnish evidence substantiating the new ownership;

(b) Sign an agreement accepting and agreeing to be bound by this Declaration, the By-Laws, and the rules and regulations and all amendments thereto.

9. Assessments. Every Unit Owner shall pay his proportionate share on the Common Expenses. Payment thereof shall be in such amounts and at such times as the Management Committee determines in accordance with the Act, the Declaration and/or the By-Laws. There shall be a lien for non-payment

of Common Expenses as provided by the Act.

In assessing Unit Owners or requiring them to pay for the building improvements following the execution of the Declaration, it is agreed that no assessment for a single improvement in the nature of capital expenditure exceeding the sum of \$3,000.00 in cost shall be made without the same having been first approved by a vote of Unit Owners of 75 percent, or more, <sup>of</sup> the undivided interests in the Common Areas. The foregoing sentence shall not apply in connection with the replacement or reconstruction occasioned by fire or other casualty.

10. Destruction or Damage. In the event of fire or other casualty resulting in the destruction or damage to building or buildings, hereinafter referred to as "Damaged Building", the insurance proceeds, if sufficient to reconstruct the Damaged Building, shall be applied to such reconstruction. Reconstruction of the Damaged Building, as herein used, means restoring the Damaged Building to substantially the same condition in which it existed before the fire or other casualty, with each Unit and the Common Areas, having the same vertical and horizontal boundaries as before. Such reconstruction shall be effected by the Management Committee.

In the event the insurance proceeds are insufficient to reconstruct the Damaged Building, damage or destruction thereof shall be promptly repaired and restored by the Management Committee, using proceeds of insurance, if any, on the damaged building for that purpose, and the Unit Owners shall be liable for assessment for any deficiency.

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However, if the damage involved constitutes substantial damage to or destruction of three-fourths or more of all buildings in the Project, and if the Unit Owners, by a vote of at least eighty (80) percent of such Unit Owners, do not voluntarily, within one hundred days after such destruction or damage, make provision for reconstruction, the Management Committee shall record, with the Salt Lake County Recorder, a notice setting forth such facts, and upon the recording of such notice:

(a) The property shall be deemed to be owned in common by the Unit Owners;

(b) The undivided interest in the property owned in common which shall appertain to each Unit Owner shall be the percentage of undivided interest previously owned by such Owner in the Common Areas;

(c) Any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the Unit Owner in the property; and

(d) The property shall be subject to an action for partition at the suit of any Unit Owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the property, if any, shall be considered as one fund and shall be divided among all the Unit Owners in a percentage equal to the percentage of undivided interest owned by each owner in the property, after first paying out of the respective shares of the Unit Owners to the extent sufficient for the purposes, all liens on the undivided inter-

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est in the property owned by each Unit Owner.

12. Taxes. It is understood that under the Act each Unit, and its percentage of undivided interest in the Common Areas in the Project, are subject to separate assessment and taxation by each assessing authority and the special district for all types of taxes authorized by law, and that as a result thereof, no taxes will be assessed or payable against the Project as such. Each Unit Owner will, accordingly, pay and discharge any and all taxes which may be assessed against him and his percentage of undivided interest in the Common Areas.

13. Insurance. The Management Committee shall secure and maintain the following insurance coverage on the Condominium Project.

(a) Fire and extended coverage. The fire insurance, with extended coverage endorsement, for the full insurable replacement value of the Units and Common Areas, which said policy or policies shall provide for a separate loss payable endorsement in favor of the mortgagees of each Unit, if any.

(b) Liability Coverage. A policy or policies insuring the Management Committee, the Unit Owners and the Manager against any liability to the public or to the Unit Owners, Common Areas, and their invitees or tenants, incident to the ownership and/or use of the Project, and including the personal liability exposure of the Unit Owners. Limits of liability under such insurance shall not be less than \$100,000.00/\$300,000.00 for bodily injury; and shall not be less than \$10,000.00 for property damage for each occurrence. Such limits and coverage shall be reviewed at least annually

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by the Management Committee and changed at its discretion. Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross-liability endorsement wherein the rights of named insured under the policy or policies shall not be prejudiced as in respect to his, her or their action against another named insured.

(c) Workmen's Compensation to the extent necessary to comply with any applicable laws.

(d) Insurance for such other risks of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium projects similar in construction, design, and use.

(e) Exclusive authority to adjust losses under policies hereafter in force in the project shall be vested in the management Committee or its authorized representative.

(f) Each Unit Owner may obtain additional insurance at his own expense; provided, however, that no such owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Management Committee, in behalf of all the Unit Owners, may realize under any insurance policy which the Management Committee may have in force on the Project at any particular time.

14. Payment of Expenses. Each Unit Owner shall pay the Management Committee his allocated portion of the cash requirement deemed necessary by the Management Committee to manage, maintain and operate the Project, including the recreational facilities thereof, upon the terms, at the times, 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, and if the owner shall fail to pay any installment within one month of the time when the same becomes due, the owner shall pay interest thereon at the rate of 10 percent per annum from the date when such installment shall become due to the date of the payment thereof.

The cash requirements above referred to for each year, or portions 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 Unit Owners of 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, recreational area and facilities, which sum may include, among other things, the cost of management, special assessments, fire, casualty and public liability insurance premiums, common lighting, landscaping and the care of grounds, repairs and renovations to Common Areas, Social Center, Pool, all recreational facilities, snow removal, wages, water and charges, 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 a previous period, the creation of a reasonable contingency or other reserve or surplus fund, as well as all other costs and expenses relating to the Project. The Management Committee may, from time to time,

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up to the close of the year for which such cash requirements have been so filed 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 become 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.

The portion payable by the owner in and for each year or for a portion of a year shall be a sum within the limits and on the conditions hereinabove provided bearing to the aggregate amount of such cash requirements for such year, or portion of year, determined as aforesaid, the same ratio as the Unit Owner owns an undivided interest in the Common Areas, and 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 required by the Management Committee, and at such times as shall be provided by the Management Committee.

The Management Committee shall have discretionary powers to prescribe the manner of maintaining and operating the Project and to determine the cash requirements of the Management Committee to be paid as aforesaid by the Unit

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 Unit 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.

If the Unit Owner shall at any time let or sublet the Unit and shall default for a period of one month in the payment of any assessments, the Management Committee may, at its option, so long as such default shall continue, demand and received from any tenant or sub-tenant of the Unit Owner occupying the Unit the rent due or becoming due from payment of such rent to the Management Committee shall be sufficient payment and discharge of such tenant or sub-tenant and the Unit Owner to the extent of the amount so paid.

Each monthly assessment and each special assessment shall be separate, distinct and personal debts and obligations of the Unit Owner against whom 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 shall be maintainable without foreclosing or waiving the lien securing the same. The amount of any assessment, whether regular or special, assessed to the Unit Owner of any Unit plus interest at ten percent per annum, and costs, including reasonable attorney's fees, shall become a lien upon such Unit upon recordation of a notice of assessment as provided by the Act. The said lien for non-payment of Common Expenses shall have priority over all other liens and encumbrances,



recorded or unrecorded, except only:

(a) Tax and special assessment liens on the Unit in favor or any assessment authority, and special district, and,

(b) Encumbrances on the Unit Owner's Unit (and Common Areas and Facilities) recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

A certificate executed and acknowledged by a majority of the Management Committee stating the indebtedness secured by the lien upon any Unit shall be conclusive upon the Management Committee and the Unit 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 Unit Owner or encumbrancee or prospective encumbrancee of a Unit upon request at a reasonable fee. Unless the request for such certificate of indebtedness shall be complied with within ten (10) days, all unpaid Common Expenses which become due prior to the date of making of such request shall be subordinate to the lien held by the person making the request. Any encumbrancee holding a lien on the Unit and upon such payments such encumbrancee shall have a lien on such Unit for the amounts paid of the same rank as the lien of his encumbrance.

Upon payment of a delinquent assessment concerning which such certificate has been so recorded, or other satisfaction thereof, the Management Committee shall cause to be recorded in the same manner as the certificate of indebtedness a further certificate stating the satisfaction and release of the lien thereof. Such lien for non-payment of assessment may

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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 manner permitted by law. In any foreclosure or sale, the owner shall be required to pay the costs and expenses of such proceedings, including reasonable attorney's fees.

In the event of foreclosure, the Unit Owner 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 mortgage security. The Management Committee shall have the power to bid in the Unit at foreclosure or other sale and hold, lease, mortgage and convey the Unit.

15. Mortgage Protection. Notwithstanding all other provisions hereof:

(a) The liens created hereunder upon any Unit shall be subject and subordinate to, and shall not affect the rights of the holder of the indebtedness secured by any recorded first mortgage (meaning a mortgage or a trust deed with first priority over other mortgages) upon such interest made in good faith and for value, provided that after the foreclosure of any such mortgage there may be a lien created pursuant to Paragraph 14 hereof on the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such purchaser as an Owner after the date of such foreclosure sale, which said lien, if any claimed, shall have the same effect and be enforced in the

same manner as provided herein;

(b) No amendment to this paragraph shall affect the rights of the holder of any such mortgage recorded prior to recordation of such amendment who does not join in the execution thereof;

(c) By subordination agreement executed by a majority of the Management Committee, the benefits of (a) and (b) above may be extended to mortgages not otherwise entitled thereto.

16. Maintenance of Units. Each Unit Owner at his expense shall keep the interior of his Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating and painting which may at any time be necessary to maintain the good appearance of his Unit. Except to the extent that the Management Committee is protected by insurance against such injury, the Unit Owner shall repair all injury or damages to the building or buildings caused by the act, negligence or carelessness of the Unit Owner or that of any lessee or sublessee or any member of the Unit Owner's family or of the family of any lessee or sublessee or any agent, employee or guest of the Unit Owner or his lessee or sublessee and all such repairs, redecorating and painting shall be of a quality and kind equal to the original work. In addition to decorating and keeping the interior of the Unit in good repair, the Owner shall be responsible for the maintenance or replacement of any plumbing fixtures, refrigerators, air conditioning and heating equipment, dishwashers, disposals, ranges, etc., that may be in or connected with the Unit. The Unit Owner shall be entitled to the exclusive use and possession of the patios, carports and

storage rooms attached or 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, the Unit Owner shall not make or permit to be made any structural alteration, improvement or addition in or to the Unit, patios, carports, and storage rooms, or in or to the exterior of the building, and shall not paint or decorate any portion of the exterior of the building in which his Unit is located.

17. Use Restrictions. The use of the Property shall be in accordance with the following provisions:

(a) Each of the Units shall be occupied only by a family, its servants, and guests, as a private residence and for no other purpose. No Unit may be divided or subdivided into a smaller unit nor any portion thereof sold or otherwise transferred without first amending this Declaration to show the changes in the Units to be affected thereby.

(b) The Common Areas shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Units.

(c) No use or practice shall be permitted which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Property by its residents. All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse, or garbage allowed to accumulate nor any fire hazard allowed to exist. No Unit Owner shall permit any use of his Unit or of the Common Areas which will increase the rate of insurance upon the Condominium Project. No immoral, improper, offensive,

or unlawful use shall be made of the Project or any part thereof.

(d) Until the Declarant has completed and sold all of the Units, neither the Unit Owners nor the Management Committee shall interfere with the completion of the contemplated improvements and sale of the Units. The Declarant may make such use of the unsold Units and Common Areas as may facilitate such completion and sale, including but not limited to the maintenance of a sales office, the showing of the property, and the display of signs.

18.. 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 Management 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 of the Project, for the purpose of performing emergency installations, alterations, or repairs to the mechanical or electrical devices or installations located therein or thereon; provided, however, that 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 apartment owner affected by such entry shall first be notified thereof if available and if time permits.

19. Administrative Rules and Regulations. The Management Committee shall have the power to adopt and establish

by resolution, such building, management, and operational rules as it may deem necessary for the maintenance, operation, management and control of the Project. The Management 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 and 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 Unit Owners and/or occupants of the Units.

20. Obligation to Comply Herewith. Each Unit Owner, tenant, or occupant of a Unit shall comply with the provisions of the Act, this Declaration, the By-Laws, and the rules and regulations, 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, and any failure to comply with any of the provisions thereof, shall be ground for an action by the Management Committee to recover any loss or damage resulting therefrom or injunctive relief.

21. Indemnification of Management Committee. Each member of the Management Committee shall be indemnified and held harmless by the Unit Owners against all cost, expenses and liabilities whatsoever, including, without limitation, attorney's fees, reasonably incurred by him in connection with any proceeding to which he may become involved by reason of his

being or having been a member of said Committee.

22. Amendment. The Unit Owners shall have the right to amend this Declaration and/or the Map upon the approval and consent of Unit Owners representing not less than two-thirds (2/3) of the undivided interests in the Common Areas, which approval and consent shall be by duly recorded instruments.

23. Transfer or Lease of Units. The owner, or owners, of any Unit in the Project who desires to sell said Unit, or to enter into any agreement for the occupancy of said Unit by another person or persons, shall give the Management Committee ten (10) days' advance written notice thereof, which notice shall state the name and address of the proposed purchaser or occupant, as the case may be, and the terms and conditions upon which said proposed purchaser or occupant agrees to purchase or occupy said Unit. The Management Committee shall have the right, exercisable at any time within ten (10) days after its receipt of such notice, to purchase or enter into an agreement for the occupancy of said Unit upon the same terms and conditions as those specified in that notice; provided, however, that in the event the Management Committee enters into an agreement hereunder for the occupancy of any Unit, it shall have the right to sublet said Unit to any person or persons reasonably suitable to the Management Committee. In the event the Management Committee determines that it desires to purchase, or enter into an agreement respecting the occupancy of, a Unit as above provided, but concludes that the price or rental specified in the notice is unreasonable, the

Management Committee shall give the owner or owners of said Unit written notice thereon within seven (7) days after its receipt of notice of the proposed sale or occupancy arrangement. The notice thus given by the Management Committee shall state that it has elected or thereby elects to purchase said Unit, or enter into an agreement for the occupancy of the same, and shall state further that the Management Committee believes the price or rental specified in the notice given to it is unreasonable. The Management Committee shall thereafter be obligated to purchase said Unit, or enter into an agreement for the occupancy of same, as the case may be, at a price or rental to be determined by a group of three M.A.I. Appraisers to be selected as follows: The Management Committee shall select one appraiser, the Unit Owner(s) concerned shall select one appraiser, and the two appraisers thus selected shall select the third appraiser. In the event all three appraisers cannot agree on a price or rental to be paid, as the case may be, the decision of any two of the three shall be binding and conclusive.

The Management Committee, upon written request of any prospective seller, buyer, lessor, tenant or mortgagee, shall furnish a duly acknowledged certificate of compliance with, or a waiver of, the provisions of the next preceding paragraph. Such a certificate shall be conclusive evidence of the facts stated therein.

24. Reserved Easements -- Use Restrictions of "Boat/Camper Storage". (a) Richard Prows, Inc., (Prows),



the Declarant herein, is the owner of the following described real property in Salt Lake County, Utah, to-wit:

Beginning at a point North 1275.10 feet and West 1645.44 feet from the South Quarter corner of Section 16, Township Two South, Range One East, Salt Lake Base and Meridian and running thence South 89°46'04" East 156.00 feet; thence South 0°13'56" West 95.00 feet; thence North 89°46'04" West 158.72 feet; thence North 1°52'22" East 95.04 feet to the point of beginning.

(which real property is located adjacent to the Project as shown in the Map and therein designated as "Boat/ Camper Storage"), hereinafter referred to as the "Storage Property". The Storage Property is not included as a portion of the Project. Prows, its successors and assigns, hereby irrevocably reserve a perpetual, non-exclusive easement to use the streets of the Project for egress and ingress to the Storage Property, together with a right of egress and ingress over and across the Common Areas of the Project designated in the Map as "Maintenance Facility" located immediately to the East of the Storage Property.

(b) With further reference to the Storage Property, Prows does hereby further declare that such Property shall henceforth be used only for the purpose of storing boats and campers, and other uses incidental thereto, by the Unit Owners of the Project, subject to the payment to Prows by Unit Owners using the same of such reasonable rental as Prows may arrange with the Management Committee, and subject, also, to compliance by such users of such reasonable rules and regulations as the Management Committee

may prescribe. Such use restriction of the Storage Property shall continue for so long as the Project shall exist as a condominium project under this Declaration or any amendment or amendments thereof, and the same shall constitute a covenant running with the land.

25. Pedestrian Right of Way. The Project is subject to a right of way for school pedestrian traffic. As herein used, the words "school pedestrian traffic" mean pedestrian traffic to and from the Cottonwood High School located to the West of the Project by the students, teachers and other personnel of said High School over and across the area herein mentioned. Such right of way shall begin at approximately 130.88 feet north of the north line of "5935 South Street" indicated in the Map, and run thence Northerly along the West line of the Project; thence Easterly to the East line thereof; and thence Southerly to the North line of a street referred to in the Map as "Monaco Avenue". Said right of way is granted to such pedestrians when said High School is in session. Accordingly, the Management Committee is hereby granted the authority to prescribe such rules and regulations as it may deem reasonable, necessary or proper to regulate such traffic, which authority includes, but is not limited to, the closing of such traffic before and after school hours and during all weekends, holidays and school vacations.

26. Area Reserved for Possible Public Street. Reference is made in the Map to a street known as "Deauville Avenue" located near the Northeast corner of the Project. As shown in the Map, two dotted parallel lines, hereinafter

called "Reserved Area", begin near Deauville Avenue and run thence Westerly, and thence Southerly to a point designated as "5935 South Street". It is hereby declared that the Reserved Area represents an area reserved for possible installation of a public street by the Salt Lake County (the County). Accordingly, it is declared that if the County elects so to do, then the Management Committee shall execute, in behalf of all Unit Owners of the Project, dedication deed and/or such other documents as the County may request or require to implement the said purpose. Until such time as a public street is developed by the County within the Reserved Area, the same shall constitute a part of the Common Areas of the Project.

27. Irrigation Easements and Agreements. The Project is subject to easements for irrigation ditches and to certain covenants set forth in the two agreements both dated June 23, 1972 (herein called the "Agreements") made by Little Cottonwood Tanner Ditch Company and Big Cottonwood Tanner Ditch Company, of the one part, and Richard S. Prows, Inc. (Prows), of the other part, providing for the installation and maintenance by Prows of certain pipes for transmission of irrigation water over and across the areas described therein. The Agreements were recorded on June 27, 1972, in the Office of the County Recorder of Salt Lake County, Utah, in Book 3096, Page 65, as Entry No. 2466286, and in Book 3096, Page 70, as Entry No. 2466287, to which reference is hereby made for all purposes. The irrigation pipes specified in the Agreements have been installed by Prows pursuant thereto. The Unit Owners, through the Management Committee, shall observe and perform all and singular the covenants contained in the Agreements on the

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part of Prows to be performed.

28. Severability. The invalidity of any one or more phrases, sentences, clauses, paragraphs, or sections hereof shall not affect the remaining portions of this instrument or any part thereof, all of which are inserted conditionally on their being held valid in law and in the event that one or more of the phrases, sentences, clauses, paragraphs or sections contained therein should be invalid or should operate to render this agreement invalid, this instrument shall be construed as if such invalid phrase or phrases, sentence or sentences, clause or clauses, paragraph or paragraphs, section or sections had not been inserted.

29. 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, men or women, shall in all cases be assumed as though in each case fully expressed.

30. 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.

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

32. Service of Process. The name of the person to receive service of process in the cases contemplated by the Act and his place of residence are:

Robert W. Wood  
2330 Cottonwood Lane  
Salt Lake City, Utah

33. Role of Named Institutions as Declarant. Notwithstanding anything to the contrary herein contained, it is declared that Prudential Federal Savings & Loan Association and Prudential Service Corporation have joined with Richard Prows, Inc., as Declarant, for the purpose of submitting their interests to the Act either as lienholders or partial owner of the Land, and that neither of them has made any representations or warranties herein.

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

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, have signed this instrument and affixed thereto their seals this 27<sup>th</sup> day of June, 1972.

ATTEST:

Max Yane  
Secretary

RICHARD PROWS, INC

By Richard Prows  
President

ATTEST:

Jim Bludusay  
Secretary

PRUDENTIAL FEDERAL SAVINGS &  
LOAN ASSOCIATION

By G. J. Bluth  
Vice President

ATTEST:

Jim Bludusay  
Secretary

PRUDENTIAL SERVICE CORPORATION

By Robert R. Murray  
Vice President

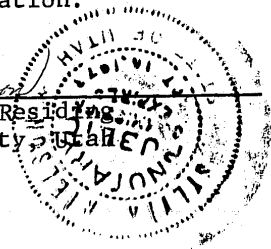
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STATE OF UTAH )  
 : ss.  
COUNTY OF SALT LAKE )

On this \_\_\_ day of June, 1972, personally appeared before me, RICHARD S. PROWS and MAS YANO, who being by me duly sworn, did say that they are the President and Secretary, respectively, of Richard Prows, Inc., a Utah corporation, and that the within and foregoing instrument was signed by them in behalf of said Corporation by authority of a resolution of its Board of Directors and the said Richard S. Prows and Mas Yano each duly acknowledged to me that said Corporation executed the same and that the seal affixed is the seal of said Corporation.

My Commission Expires:  
October 16, 1973

*Alma Nelson*  
Notary Public, Residing  
At Salt Lake City, Utah

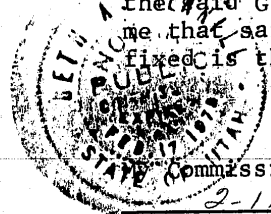


STATE OF UTAH )  
 : ss.  
COUNTY OF SALT LAKE )

On this 27<sup>th</sup> day of June, 1972, personally appeared before me G. J. BLUTH and JOHN B. ANDERSON, who being by me duly sworn, did say that they are the President and Secretary, respectively, of Prudential Federal Savings & Loan Association, a corporation of the United States of America, and that the within and foregoing instrument was signed by them in behalf of said Corporation by authority of a resolution of its Board of Directors and the said G.J. Bluth and John B. Anderson each duly acknowledged to me that said Corporation executed the same and that the seal affixed is the seal of said Corporation.

My Commission Expires:  
2-17-75

*Beth A. Merrill*  
Notary Public, Residing  
At Salt Lake City, Utah



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

On this 27<sup>th</sup> day of June, 1972, personally appeared before me, ROBERT R. MURRAY and JOHN B. ANDERSON, who being by me duly sworn, did say that they are the President and Secretary, respectively, of Prudential Service Corporation, a Utah corporation, and that the within and foregoing instrument was signed by them in behalf of said Corporation by authority of a resolution of its Board of Directors and the said Robert R. Murray and John B. Anderson each duly acknowledged to me that said Corporation executed the same and that the seal affixed is the seal of said Corporation.

My Commission Expires:  
75

*Beth A. Merrill*  
Notary Public, Residing  
At Salt Lake City, Utah



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EXHIBIT "B"

VILLAGE THREE CONDOMINIUM

| <u>Unit No.</u> | <u>Building No.</u> | <u>% Ownership of Common Areas</u> |
|-----------------|---------------------|------------------------------------|
| 1               | 1M                  | 1.0137%                            |
| 2               | "                   | "                                  |
| 3               | "                   | "                                  |
| 4               | "                   | "                                  |
| 5               | 2M                  | "                                  |
| 6               | "                   | "                                  |
| 7               | "                   | "                                  |
| 8               | "                   | "                                  |
| 9               | 3M                  | "                                  |
| 10              | "                   | "                                  |
| 11              | "                   | "                                  |
| 12              | "                   | "                                  |
| 13              | 4M                  | "                                  |
| 14              | "                   | "                                  |
| 15              | "                   | "                                  |
| 16              | "                   | "                                  |
| 17              | "                   | "                                  |
| 18              | "                   | "                                  |
| 19              | 5M                  | "                                  |
| 20              | "                   | "                                  |
| 21              | 6M                  | "                                  |
| 22              | "                   | "                                  |
| 23              | "                   | "                                  |
| 24              | "                   | "                                  |
| 25              | 7M                  | "                                  |
| 26              | "                   | "                                  |
| 27              | "                   | "                                  |
| 28              | "                   | "                                  |
| 29              | "                   | "                                  |
| 30              | "                   | "                                  |
| 31              | 8M                  | "                                  |
| 32              | "                   | "                                  |
| 33              | 9M                  | 1.0138%                            |
| 34              | "                   | "                                  |
| 35              | "                   | "                                  |
| 36              | "                   | "                                  |
| 37              | 10M                 | "                                  |
| 38              | "                   | "                                  |
| 39              | "                   | "                                  |
| 40              | "                   | "                                  |
| 41              | 11M                 | "                                  |
| 42              | "                   | "                                  |
| 43              | "                   | "                                  |
| 44              | "                   | "                                  |
| 45              | 12C                 | .0884%                             |
| 46              | "                   | "                                  |
| 47              | "                   | "                                  |
| 48              | "                   | "                                  |
| 49              | 13C                 | "                                  |

| <u>UNIT NO.</u> | <u>BUILDING NO.</u> | <u>% OWNERSHIP OF COMMON AREAS</u> |
|-----------------|---------------------|------------------------------------|
| 50              | 13C                 | .0884%                             |
| 51              | "                   | "                                  |
| 52              | "                   | "                                  |
| 53              | 14C                 | "                                  |
| 54              | "                   | "                                  |
| 55              | "                   | "                                  |
| 56              | "                   | "                                  |
| 57              | 15C                 | "                                  |
| 58              | "                   | "                                  |
| 59              | 16C                 | "                                  |
| 60              | "                   | "                                  |
| 61              | 17C                 | "                                  |
| 62              | "                   | "                                  |
| 63              | 18C                 | "                                  |
| 64              | "                   | "                                  |
| 65              | "                   | "                                  |
| 66              | "                   | "                                  |
| 67              | "                   | "                                  |
| 68              | "                   | "                                  |
| 69              | 19C                 | "                                  |
| 70              | "                   | "                                  |
| 71              | "                   | "                                  |
| 72              | "                   | "                                  |
| 73              | 20C                 | "                                  |
| 74              | "                   | "                                  |
| 75              | "                   | "                                  |
| 76              | "                   | "                                  |
| 77              | 21T                 | .0753%                             |
| 78              | "                   | "                                  |
| 79              | "                   | "                                  |
| 80              | "                   | "                                  |
| 81              | "                   | "                                  |
| 82              | "                   | "                                  |
| 83              | 22T                 | "                                  |
| 84              | "                   | "                                  |
| 85              | "                   | "                                  |
| 86              | "                   | "                                  |
| 87              | "                   | "                                  |
| 88              | "                   | "                                  |
| 89              | 23T                 | "                                  |
| 90              | "                   | "                                  |
| 91              | "                   | "                                  |
| 92              | "                   | "                                  |
| 93              | "                   | "                                  |
| 94              | "                   | "                                  |
| 95              | 24T                 | "                                  |
| 96              | "                   | "                                  |
| 97              | "                   | "                                  |
| 98              | "                   | "                                  |
| 99              | "                   | "                                  |
| 100             | "                   | "                                  |

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| <u>UNIT NO.</u> | <u>BUILDING NO.</u> | <u>% OWNERSHIP OF COMMON AREAS</u> |
|-----------------|---------------------|------------------------------------|
| 101             | 25T                 | .0884%                             |
| 102             | "                   | "                                  |
| 103             | "                   | "                                  |
| 104             | "                   | "                                  |
| 105             | "                   | "                                  |
| 106             | "                   | "                                  |
| 107             | 26T                 | "                                  |
| 108             | "                   | "                                  |
| 109             | "                   | "                                  |
| 110             | "                   | "                                  |
| 111             | "                   | "                                  |
| 112             | "                   | "                                  |
|                 |                     | 100.0000%                          |

EXHIBIT "C"

BY-LAWS  
OF  
VILLAGE THREE CONDOMINIUM

I

IDENTITY

These are the By-Laws of the Village Three Condominium.

II

APPLICATION

All present or future Unit Owners, tenants, or any other person(s) who might use the facilities of the Village Three Condominium in any manner are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the Units or the mere act of occupancy or use of any of said Units or the Common Areas will signify that these By-Laws are accepted, ratified, and will be complied with by said persons.

III

ADMINISTRATION

1. Place of Meetings. Meetings of the Unit Owners shall be held in 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 on the first Wednesday of November, 1973, at such place as the Management Committee shall specify. Thereafter, the annual meeting 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 be resolution fix the date of the annual meeting on such date and at such place as the Management Committee may deem appropriate.

3. Special Meetings. Special meetings of the Unit Owners may be called at any time by written notice signed by a majority of the Management Committee, or Unit Owners having 35 percent of the total votes, delivered not less than seven days prior to the date fixed for such 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 place, 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 24 hours after a copy of the same has been deposited in the United States Mail, postage prepaid, addressed to each Unit Owner at the address given by such person to the Management Committee or the Manager for the purpose of service of such notice or to the unit of such person if no address has been given. Such address may be changed from time to time by notice in writing to the Management Committee or Manager.

5. Quorum. At any meeting of the Unit Owners, the owners of more than fifty percent in the aggregate in interest of the undivided ownership of Common Areas and Facilities shall constitute a quorum for any and all purposes, except where by express provisions a greater vote is required, in which event a quorum shall be the number required for such vote. In the absence of a quorum the Chairman of the meeting may adjourn the meeting from time to time, without notice other than by announcement at the meeting, until holders of the amount of interest requisite to constitute a quorum shall attend. At any such adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted at the meeting as originally notified.

6. Voting. When a quorum, as provided in the Utah Condominium Ownership Act is present at any meeting, the vote of Unit Owners representing at least fifty-one (51%) percent, or more, of the undivided ownership of Common Areas and Facilities, present 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 statutes, or of these By-Laws, a different 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 in the case of proxies for the annual meeting, they shall be delivered to the Secretary at least five days prior to said annual meeting. Proxies for special Unit Owners' meetings must be of record with the Secretary at least two days prior to said annual meeting.

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

#### IV

#### MANAGEMENT COMMITTEE

1. Purpose and Powers. The business, property and affairs of the Condominium shall be managed and governed by its Management Committee, hereinafter referred to as the "Management Committee" or "The Committee," consisting of not less than five nor more than nine members, as the Unit Owners

at a lawfully convened meeting may from time to time determine; provided, however, that the Declarant shall, at its option, act as the Management Committee until the completion of, and the sale of, all the Units of the Project. The Management Committee may enter into such management agreement or agreements with a third person, firm, or corporations as it may deem advisable to act as the Manager of the Project.

2. Election and Vacancy. Subject to the provisions of the next preceding paragraph, at the first special meeting of the Unit Owners called for that or any other purpose, an election of the Management Committee shall be held for the election of not less than five members which shall constitute the initial Management Committee. The term of the members of the Management Committee shall be until the next annual meeting of the Unit Owners, or until their successors are duly elected. Their successors shall be elected at the first annual or special meeting of the Unit Owners. A new Management Committee shall be elected by the Unit Owners at each regular bi-annual meeting thereafter and shall hold office for a term of two years and until a successor shall be elected. The number composing the Management Committee may be altered from time to time by the action of a majority of the Unit Owners at any regular or special meeting called for such purpose. In the event of any increase in the number of members constituting the Management Committee in advance of the annual meeting each additional member shall be elected by the then Management Committee and hold office until his successor is elected.

3. Vacancies. Vacancies on the Management Committee caused by any reason whatsoever shall be filled by vote of a majority of the remaining members thereof even though they may consist of less than a quorum and each person so chosen shall be a member of the Management Committee until his successor is elected by the Unit Owners at the next annual meeting.

4. Regular Meetings. A regular annual meeting of the Management Committee shall be held immediately after the adjournment of each annual Unit Owners' meeting. 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 meeting of the Management Committee shall be held whenever called by the President, the Vice-President, or by three 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 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 days.

10. Fidelity Bonds. The Management Committee may require that all officers and employees of the Management Committee handling or responsible for funds shall require adequate fidelity bonds. The premium on such fidelity bonds shall be paid by the Management Committee.

## V

### OFFICERS

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

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

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meetings of the Unit Owners and the Management Committee. He shall have all of the general powers or 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 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.

5. Vice-President. The Vice-President shall take place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President or 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. The Secretary shall keep the minutes of all meetings of the Management Committee and of the Unit Owners; he shall have charge of the books and papers as the Management Committee may direct; and he shall in general, perform all the duties incident to the office of Secretary.

7. Treasurer. The 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 be from time to time designated by the Management Committee.

8. 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 the reasonable standards of 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 at least 75 percent of the owners of undivided interest in the Common Areas and Facilities determine so to do.

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 Owners.

## VII

### BUILDING RULES

The Management Committee shall have the power to adopt and establish, by resolution, such building, management and operational rules and regulations as it may deem necessary for the maintenance, operation, management and control of the Village Three 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. Provisions of the Act pertaining to rules and regulations are incorporated herein by reference and shall be deemed a part hereof.

## VIII

### AMENDMENT OF THE BY-LAWS

These By-Laws may be altered, amended, or repealed, at any regular meeting of the Unit Owners or at any special meeting of the Unit Owners at which a quorum is present or Two-Thirds (2/3) of the ownership in the Common Areas and Facilities, having voting power and acting in person or represented by proxy. Provided, that as a condition to any such alteration, amendment or repeal, written notice of the proposed operation, amendment or repeal shall be given to all Unit Owners, at least ten (10) days in advance in the case of a regular meeting and in the written notice transmitted in the case of a special meeting.