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Record of SECURITY TITLE (
Paid, JERADEAN MAI
Recorder, Salt Lake County, U
By [Signature]

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MAR TO - PRUDENTIAL FEDERAL
155 EAST 3300 SOUTH

MORTGAGE PROTECTION AGREEMENT

(Condominium Project
Located in Utah)

THIS AGREEMENT is executed this 15th day of October, 1974 by THE MANAGEMENT COMMITTEE OF WATERBURY OPEN SPACE COMMUNITY CONDOMINIUM PROJECT, in said Management Committee's capacity as agent for and representative of the Association of Unit Owners of said Project, in favor of each person or entity which is currently, or which at any time in the future becomes, the holder of a first MORTGAGE (as hereinafter defined) on any Unit included within said Project.

SECURITY TITLE COMPANY

1. Recording Data and Legal Description. There has heretofore been recorded in the official records of Salt Lake County, State of Utah, a Record of Survey Map respecting the Waterbury Open Space Community Condominium Project. Concurrently with the recordation of said Map there was recorded a related "Enabling Declaration," "Declaration of Covenants, Conditions, and Restrictions," or similar instrument (irrespective of its title, said instrument, together with any accompanying "Bylaws" and together with any amendments to said instrument or to said Bylaws which may have heretofore been accomplished, are hereinafter collectively referred to as the "Declaration"). The recording information for said Map and Declaration is as follows:

Table with 4 columns: Instrument, Date Recorded, Entry No., Book, Page. Rows include Record of Survey Map and Declaration.

Through recordation of the instruments referred to above there was submitted to the provisions of the Utah Condominium Ownership Act [Sections 57-8-1 through 57-8-35, Utah Code Annotated (1953)] the following-described property situated in Salt Lake County, State of Utah:

See Exhibit "A" attached hereto and incorporated herein by reference. Said Exhibit "A" sets forth a metes and bounds description for the tract of real property included within the subject Condominium Project.

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2. Definitions. As used in this Agreement each of the following terms shall have the indicated meaning:

(i) Condominium Project or Project shall mean the Condominium Project referred to in Section 1 of this Agreement.

(ii) Declaration shall have the meaning ascribed to that term in Section 1 above.

(iii) Condominium Unit or Unit shall mean any of the several cubicles of space identified in the Declaration, described in the Record of Survey Map of the Project, and intended to be capable of independent and private use, occupancy, and disposition.

(iv) Common Areas shall mean all portions of the Project other than the Units.

(v) Unit Owner or Owner shall mean the person or persons owning a Unit in fee simple and owning an undivided interest in the fee simple estate of the Common Areas in the percentage or fraction specified and established in the Declaration.

(vi) Management Committee or Committee shall mean the Management Committee created in the Declaration for the Project.

(vii) Association of Unit Owners shall mean all of the Owners taken as, or acting as, a group.

(viii) Mortgage shall mean and include both a first mortgage on any Unit and a first deed of trust on any Unit.

(ix) Mortgagee shall mean and include both a mortgagee under a first mortgage on any Unit and a beneficiary under a first deed of trust on any Unit.

3. Purpose of Agreement. It is in the best interests of each Unit Owner that mortgage loan financing for Units contained in the Project be available both readily and upon terms which, in general, are as favorable as possible in light of existing market conditions. In view of this fact, the Management Committee

considers it appropriate, if not essential, to take such reasonable steps as may be necessary to make Units in the Project as attractive as possible to Mortgagees. It has come to the attention of the Management Committee that this goal may be advanced if the Committee creates certain obligations in favor of each Mortgagee which has or which may obtain an interest in the Project. The purpose of this Agreement is to create and describe such obligations. The Management Committee has concluded that the agreements made in this instrument may significantly advance the interests of each Unit Owner, but will not substantially and adversely affect the interests of the Association of Unit Owners.

4. Notice of Default. From and after the time a Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefor, the Committee or said Association shall notify such Mortgagee in writing in the event that the Owner of the Condominium 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 the Declaration.

5. Right of First Refusal. Neither the Management Committee nor the Association of Unit Owners shall enforce, assert, or claim any right of first refusal to purchase a Unit, or any option to buy a Unit, to the extent that such right of first refusal or option exists or arises as a result of or in connection with: (i) Foreclosure of a Mortgage, exercise of a power of sale available thereunder, or deed or assignment in lieu of foreclosure; or (ii) Any transfer or sale of a Unit by a person or entity which previously was the Mortgagee thereof, in the event such person or entity became the Owner of such Unit as a result of one of the procedures mentioned in the foregoing item (i).

6. Assessments Subordinate. 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 the Declaration or the Utah Condominium Ownership Act shall be subordinate to the Mortgage affecting such Unit, and the Mortgagee thereunder which comes into possession of the Unit 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 Units including the 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 Mortgage or as not to burden a Mortgagee which comes

into possession shall be collected or enforced by either the Management Committee or the Association of Unit Owners from or against a Mortgagee, a successor in title to a Mortgagee, or the Condominium Unit affected or previously affected by the Mortgage concerned.

7. Abandonment, Termination, and Subdivision. Unless at least seventy five percent (75%) of the Mortgagees (based upon one vote for each Mortgage) of the individual Units have given their prior written approval, neither the Management Committee nor the Association of Unit Owners shall be entitled, by act, omission, or otherwise:

(i) To abandon or terminate the Condominium Project or to abandon or terminate the arrangement which was established by the Declaration and the Project's Record of Survey Map;

(ii) To partition or subdivide any Condominium Unit;

(iii) To abandon, partition, subdivide, encumber, sell, or transfer all or any part of the Common Areas (except for the granting of easements for utilities and similar purposes consistent with the intended use of the Common Areas); or

(iv) 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 by the Utah Condominium Ownership Act in case of substantial damage to the Units and/or Common Areas.

8. Alteration of Undivided Interests. Unless at least seventy five percent (75%) of the Mortgagees (based upon one vote for each Mortgage) of the individual Units have given their prior written approval (unless and except as may be provided in the Declaration in connection with expansion of the Project through the addition or creation of one or more phases), neither the Management Committee nor the Association of Unit Owners shall change the pro rata interests or obligations of any Condominium Unit which apply for (i) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards and for (ii) determining the pro rata share of ownership of each Unit in the Common Areas.

9. Examination of Records. Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Management Committee, of the Association of Unit Owners, or of the Condominium Project.

10. Reserve Fund. 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 said Association shall establish an adequate reserve to cover the cost of reasonably predictable and necessary major repairs and replacements of the Common Areas and shall cause such reserve to be funded by regular monthly or other periodic assessments against the Unit Owners rather than by special assessments.

11. Term of Management Agreement. Any agreement for professional management of the Condominium Project which may hereafter be entered into by the Management Committee or the Association of Unit Owners shall call for a term not exceeding three (3) years and shall provide that for cause such management agreement may be terminated by the Management Committee or by the Association of Unit Owners upon not in excess of ninety (90) days written notice.

12. Notice of Substantial Loss. From and after the time a Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefor, the Committee or said Association shall notify such Mortgagee in writing in the event that there occurs any loss to or taking of the Common Areas involving an amount in excess of, or reasonably estimated to be in excess of, Ten Thousand Dollars (\$10,000.00). Said notice shall be given within ten (10) days after the Management Committee or said Association learns of such loss or taking.

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

(i) A multi-peril type policy covering the entire Condominium Project (both Units and Common Areas) shall be maintained. As a minimum, such policy shall provide fire and extended coverage insurance 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 eighty percent (80%) of the insurable value (based upon replacement cost).

(ii) If a steam boiler is contained in the Condominium Project, there shall be maintained boiler explosion insurance evidenced by the standard form of boiler and machinery insurance policy. Said policy shall, as a minimum, provide coverage in the amount of Fifty Thousand Dollars (\$50,000.00) per accident per location.

(iii) If the Condominium Project is located in a locale identified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, a "blanket" policy of flood insurance on the Condominium Project shall be obtained and maintained. The amount of coverage afforded by such policy shall be the lesser of the maximum amount of insurance available under said Act or the aggregate of the unpaid principal balances of the Mortgages affecting the individual Condominium Units.

(iv) The name of the insured under each policy required to be maintained by the foregoing items (i), (ii), and (iii) shall be in form and substance essentially as follows:
"Association of Unit Owners of the Waterbury Open Space Community Condominium Project for the use and benefit of the individual Owners." [Said Owners shall be designated by name, if required.]

(v) Each such policy shall include the standard mortgagee clause which either shall be endorsed to provide that any proceeds shall be paid to the Association of Unit Owners 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 ten (10) days in advance of the effective date of any reduction in or cancellation of the policy.

14. Fidelity Insurance. If the Condominium Project contains more than thirty (30) Units, the Management Committee or Association of Unit Owners shall at all times maintain in force

fidelity coverage against dishonest acts on the part of directors, managers, trustees, employees, 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 of Unit Owners as the 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 the Condominium 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.

15. 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, including any commercial spaces and public ways contained in the Project. Such insurance shall include a "Severability of Interest" endorsement 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.

16. General Requirements Concerning Insurance. Each insurance policy maintained pursuant to the foregoing Sections 13, 14, or 15 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 BBB+ or better. No such policy shall be maintained where: (i) 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 Mortgagee, the Management Committee, or the Association of Unit Owners; (ii) by the terms of the carrier's charter, bylaws, or policy payments are contingent upon action by the carrier's board of directors, policyholders, or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled from collecting insurance proceeds.

17. Capacity of Committee and Authority of Signatories. This Agreement is executed by the Management Committee in its capacity as agent for, and representative of, the Association of Unit Owners. Each officer of the Committee who signs this Agreement hereby certifies that he currently holds the Management Committee office indicated next to his name and that he is authorized to execute this instrument on behalf of the Committee.

18. Recordation and Enforcement. This Agreement shall be filed for record in the office of the Recorder of the County in which the Condominium Project is situated. This Agreement is

intended to benefit, and shall run in favor of, each Mortgagee which currently has or which may at any time hereafter obtain a Mortgage affecting a Unit. Each such Mortgagee is and shall be entitled to act and rely on the provisions of this Agreement and, if and as necessary or appropriate, is and shall be entitled to enforce the provisions hereof.

19. Amendment. No amendment to this Agreement which has the effect of diminishing the rights, protection, or security afforded to Mortgagees shall be accomplished or effective unless at least seventy five percent (75%) of the Mortgagees (based upon one vote for each Mortgage) of the individual Units have given their prior written approval to such amendment. Any amendment to this Agreement shall be accomplished by an instrument executed by the Management Committee and filed for record in the office of the Recorder of the County in which the Condominium Project is situated. In any such instrument an officer of the Management Committee shall certify that any prior written approval of Mortgagees required by this Section 19 as a condition to amendment has been obtained.

20. Interpretation. The captions which precede the Sections of this Agreement are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both other genders. The invalidity or unenforceability of any portion of this Agreement shall not affect the validity or enforceability of the remainder hereof. The provisions of this Agreement are intended to provide protections and assurances to Mortgagees over and above, and not in substitution for, those which may be provided for in the Declaration. In the event a provision or clause of the Declaration deals with the same subject matter as is dealt with in any provision or clause of this Agreement, the provision or clause which results in the greatest protection and security for a 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.

21. Duration and Effective Date. This Agreement and all of the provisions hereof shall remain in full force and effect so long as the Condominium Project continues to exist. This Agreement and any amendment hereof shall take effect upon its being filed for record in the office of the Recorder of the County in which the Condominium Project is situated.

EXECUTED the day and year first above written.

THE MANAGEMENT COMMITTEE OF

CONDOMINIUM PROJECT

ATTEST: Ronald C. Morgan By Richard S. Prows
Title: Secretary Its President CHAIRMAN

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

On this 15th day of October, 1974, personally appeared before me RICHARD S. PROWS and RONALD C. MORGAN, who being by me duly sworn, did say that they are the Chairman and Secretary, respectively, of THE MANAGEMENT COMMITTEE OF WATERBURY OPEN SPACE COMMUNITY CONDOMINIUM PROJECT, and that the foregoing Mortgage Protection Agreement was signed on behalf of said Committee by authority of either the Declaration of said Condominium Project or a Resolution adopted by said Committee, and said Richard S. Prows and Ronald C. Morgan acknowledged to me that said Management Committee executed said Mortgage Protection Agreement in its capacity as agent for, and representative of, the Association of Unit Owners of said Condominium Project.

My Commission Expires:

June 28, 1976

Masmano
Notary Public
Residing at: Foot Lake

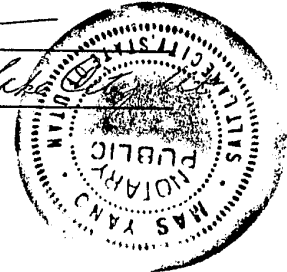


EXHIBIT "A"

WATERBURY OPEN SPACE COMMUNITY

Real property in Salt Lake County, Utah, described as follows:

Beginning at a point West 783.20 feet and North 2588.38 feet from the South quarter corner of Section 16, Township 2 South, Range 1 East, Salt Lake Base and Meridian and running thence East 196.56 feet to a point on the Westerly line of Van Winkle Expressway, said point being on a curve to the right the radius point of which is North $42^{\circ}39'30''$ East 2939.93 feet; thence Northwesterly along the arc of said curve 1252.43 feet; thence South $65^{\circ}00'$ West 280.00 feet; thence West 92.74 feet; thence North $16^{\circ}08'$ West 152.925 feet to a point of a 499.00 foot radius curve to the right; thence Northwesterly along the arc of said curve 16.94 feet; thence South $75^{\circ}48'43''$ West 42.00 feet to a point on a curve to the left, the radius point of which is North $75^{\circ}48'43''$ East 541.00 feet; thence Southeasterly along the arc of said curve 18.37 feet to a point of tangency; thence South $16^{\circ}08'$ East 140.775 feet; thence West 67.45 feet; thence South $28^{\circ}08'30''$ East 20.97 feet; thence South $1^{\circ}49'$ East 230.12 feet; thence South $15^{\circ}00'30''$ East 161.42 feet; thence South $0^{\circ}16'15''$ West 326.00 feet; thence South $13^{\circ}52'40''$ West 228.24 feet; thence South $22^{\circ}53'$ East 164.75 feet; thence South $17^{\circ}51'$ East 117.80 feet; thence South $0^{\circ}13'$ East 106.74 feet; thence South $89^{\circ}46'04''$ East 219.985 feet; thence South 168.365 feet; thence East 387.75 feet; thence North $65^{\circ}00'$ East 97.73 feet; thence East 39.16 feet; thence North 552.44 feet; thence East 137.76 feet to the point of beginning, excepting therefrom two parcels described as follows:

PARCEL 1.

Beginning at a point on the Westerly right-of-way line of Van Winkle Expressway, said point being West 568.64 feet and North 2588.38 feet from the South quarter corner of Section 16, Township 2 South, Range 1 East, Salt Lake Base and Meridian and running thence West 196.56 feet; thence North 71.64 feet; thence North $27^{\circ}30'$ West 25.00 feet; thence North $62^{\circ}30'$ East 83.00 feet to a point on the Westerly line of Van Winkle Expressway, said point being on a curve to the left; the radius point of which is North $46^{\circ}20'$ East 2939.93 feet; thence Southeasterly along said Westerly

line and arc of said curve 188.57 feet to the point of beginning. ("Boat and Camper Storage Area")

PARCEL 2.

Beginning at a point North 2658.03 feet and West 1329.11 feet from the South quarter corner of Section 16, Township 2 South, Range 1 East, Salt Lake Base and Meridian and running thence West 10.0 feet; thence North 10.0 feet; thence East 10.0 feet; thence South 10.00 feet to the point of beginning. ("The Well Property")

Together with a right-of-way for egress and ingress over and across the following described real property:

Beginning at a point North 3639.48 feet and West 1718.17 feet from the South quarter corner of Section 16, Township 2 South, Range 1 East, Salt Lake Base and Meridian, said point being on a curve to the right, the radius point of which is North $75^{\circ}48'43''$ East 541.00 feet; thence Northerly along the arc of said curve 86.76 feet to a point of tangency; thence North $5^{\circ}00'$ West 174.54 feet to the South line of 5600 South Street; thence South $84^{\circ}37'52''$ East along said South line 42.70 feet; thence South $5^{\circ}00'$ East 166.85 feet to a point of a 499.00 foot radius curve to the left; thence Southerly along the arc of said curve 80.02 feet; thence South $75^{\circ}48'43''$ West 42.00 feet to the point of beginning. (Easement for Right-of-Way to and from Waterbury Way.)