

RED NOTE AB

295098

WESTERN STATES TITLE  
88 AUG 10 PM 3:58

ALAN SPRIGGS  
SUMMIT COUNTY RECORDER

REC'D BY: BH 122

CONDOMINIUM DECLARATION

FOR

CARRIAGE HOUSE CONDOMINIUMS

a Utah Condominium Project

THIS DECLARATION is made and executed by CARRIAGE HOUSE CONDOMINIUMS, a California Joint Venture, hereinafter referred to as "Declarant," pursuant to the provisions of the Utah Condominium Ownership Act, for itself, its successors, grantees and assigns.

ARTICLE I

RECITALS

Declarant is the sole owner of that certain land situated in Park City, County of Summit, State of Utah, which is more particularly described in Exhibit "A" attached hereto and made a part hereof by this reference.

One (1) building and other improvements are being improved and constructed on said land in accordance with the information set forth in the Record of Survey Map recorded concurrently herewith, consisting of six (6) sheets, prepared and certified by John Demkowicz, a registered land surveyor.

Declarant desires by recording this Declaration and the Record of Survey Map to submit the above-described land and the building and other improvements constructed thereon to the provisions of the Utah Condominium Ownership Act as the Condominium Project known as CARRIAGE HOUSE CONDOMINIUMS.

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 herein.

NOW, THEREFORE, for such purposes, Declarant makes the following Declaration:

ARTICLE II

500 489 p. 15

DEFINITIONS

1. Name. The name by which the Condominium Project shall be known is CARRIAGE HOUSE CONDOMINIUMS.

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

Amendment #331907, Ak 584, P.161-165

Section 2.

(a) The word "Act" shall mean and refer to the Condominium Ownership Act of the State of Utah, Utah Code Annotated (1953), §§57-8-1 through 57-8-36 as the same now exists and as it may be amended from time to time.

(b) The words "Association of Unit Owners" or "Association" shall mean and refer to the Carriage House Condominium Owners' Association, Inc., a Utah non-profit corporation, of which all unit owners are members. A copy of the Articles of Incorporation and the Articles and Bylaws are attached hereto as Exhibit "B" and are made a part hereof by this reference.

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

(1) The land described in Exhibit "A" attached hereto (but excluding individual Units);

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

(3) All foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, stairs, stairways, yards, landscaping, fences, service and parking areas and in general all other apparatus, installations and other parts of the Property necessary or convenient to the existence, maintenance and safety of the foregoing or normally in common use;

(4) Those areas specifically set forth and designated in the Map as "Common Area" or "Limited Common Area"; and

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

(d) The words "Common Expenses" shall mean and refer to:

(1) All sums described in the Act, this Declaration, the Bylaws or in the rules and regulations promulgated by the Management Committee which are lawfully assessed against the Unit Owners or any of them in accordance with the Act, this Declaration, the Bylaws or such rules and regulations;

(2) All expenses of operation, administration, maintenance, repair and replacement of the Common Areas and Facilities, including but not limited to, such aggregate sum as the Management Committee shall from time to time estimate, in its best judgment, is needed during each year or other appropriate time period to pay all budgeted expenses and other cash requirements arising out of or in connection with

operation, administration, maintenance, repair and/or replacement of the Common Areas and Facilities, including but not limited to:

(i) all costs and expenses of operation of the Association, all costs of management of the Common Areas and Facilities, all costs of enforcement of the Act, this Declaration, the Bylaws and the rules and regulations promulgated by the Management Committee, all costs of repair and reconstruction of the Common Areas and Facilities, all insurance premiums, all Utility Services, all wages and salaries, all legal and accounting fees, all management fees and all other expenses and liabilities incurred by the Management Committee under or by reason of this Declaration;

(ii) the payment of any deficit remaining from any previous year or time period;

(iii) the creation, maintenance or expansion of an adequate reserve or contingency fund for maintenance, repairs and/or replacement of those Common Areas and Facilities that must be replaced on a periodic basis, and/or for unforeseen emergencies; and

(iv) all other costs and expenses related to the Project;

(3) Assessments levied upon the Project by the Prospector Square Property Owners Association.

(4) Expenses agreed upon as Common Expenses by the Association; and

(5) All other expenses declared to be Common Expenses by the Act, this Declaration, the Bylaws or the rules and regulations promulgated by the Management Committee.

(e) The word "Condominium" shall mean and refer to a single unit in this Condominium Project together with an undivided interest in common with other Unit Owners in the Common Areas and Facilities of the Property, and together with all other appurtenances belonging thereto, as described in this Declaration.

(f) The words "Condominium Project" or sometimes the "Project" shall mean and refer to the entire Property, as defined below, together with all rights, obligations and organizations established by this Declaration.

(g) The word "Declarant" shall mean Carriage House Condominiums, a California Joint Venture, sole owner as described on the Record of Survey Map, which has made and executed this Declaration and/or any successor to or assignee of Declarant which, either by operation of law or through a voluntary conveyance, transfer or

assignment, comes to stand in the same relation to the Project as did its predecessor.

(h) The word "Declaration" shall mean this instrument.

(i) The words "Limited Common Area" shall mean and refer to those portions of the Common Areas and Facilities reserved for the exclusive use of certain Unit Owners, as specified herein and as more particularly identified in the Map.

(j) The words "Management Committee" or "Committee" shall mean and refer to the committee as provided in the Declaration and the Bylaws hereto attached as Exhibit "B".

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

(l) The word "Map" shall mean and refer to the Record of Survey Map recorded herewith by Declarant.

(m) The word "Mortgage" shall mean and include both a mortgage and a deed of trust on any Condominium. The words "First Mortgage" shall mean a Mortgage, the lien of which is prior and superior to the lien of any other Mortgage on the same Condominium.

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

(o) The word "Property" shall mean and include the land described in Article I, all improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

(p) The word "Unit" shall mean and refer to one of the Units which is designated as a Unit on the Map and more particularly described in Article V 3. hereof.

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

(s) The words "Utility Services" shall include, but not be

limited to, hot and cold water, electricity, sewage disposal, garbage disposal services and all other similar services provided to the Project which are not separately billed or metered to the individual Units by the utility or party furnishing such service.

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

### ARTICLE III

#### SUBMISSION TO CONDOMINIUM OWNERSHIP

Declarant hereby submits the Property to the provisions of the Act as a Condominium Project, with said submission to become effective upon the recording of this Declaration and the Map in the office of the recorder of the county in which the Project is situated. This Declaration is submitted in accordance with the terms and the provisions of the Act and shall be construed in accordance therewith. It is the intention of Declarant that the provisions of the Act shall apply to the Property.

### ARTICLE IV

#### COVENANTS TO RUN WITH THE LAND

This Declaration contains covenants, conditions and restrictions relating to the Project which, in accordance with the provisions of the Act, are and shall be enforceable equitable servitudes, shall run with the land and shall be binding upon Declarant, its successors and assigns and upon all Unit Owners or subsequent Unit Owners, their grantees, mortgagees, successors, heirs, personal representatives, devisees, lessees, assigns and guests.

### ARTICLE V

#### DESCRIPTION OF PROPERTY

Description of Land. The land is that parcel more particularly described in Exhibit "A" of this Declaration.

2. Description of Improvements. The Project is constructed on the land in accordance with the information contained in the Map. The building in the Project is of wood frame construction and contains 45 efficiency units and 80 large studio units. The building consists of four stories, the lowest of which is partially underground. The Project also contains a swimming pool and a whirlpool hot tub or spa, and a laundry room. Electricity is separately metered to each Unit. Each Unit is unfurnished, but is carpeted and contains a refrigerator, range and oven. In addition, each studio unit contains a dishwasher, a garbage disposal and a

fire place. Declarant may sell additional furnishings with each Unit at the time of the initial sale, but such furnishings shall not constitute a part of the Unit. Each Unit has separate electric heating. Water, sewage and garbage disposal charges are not separately metered, but are treated as Common Expenses. The Project will be subject to the easements which are reserved through the Project and as may be required for utilities. Private parking is not included in the Condominium Project. However, Unit Owners, their guests and invitees shall be entitled to use common area parking lots and facilities which are or will become available in Prospector Square Subdivision, a Planned Commercial Development in which the Project is located.

3. Description and Legal Status of Units. The Map and Exhibit "C" attached hereto and hereby made a part hereof by this reference, show the unit number of each Unit, its location, and the Common Areas and Facilities to which it has access. All Units shall be capable of being independently owned, encumbered and conveyed.

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

(1) The upper boundary shall be the plane of the unfinished lower surface of the ceiling;

(2) The lower boundary shall be the plane of the unfinished upper surface of the floor; and

(3) The vertical boundaries of the Unit shall be the unfinished interior surface of the walls bounding a Unit.

4. Description of Common Areas and Facilities. The Common Areas and Facilities are as indicated on the Map. Except as otherwise provided in this Declaration, the Common Areas and Facilities also consist of the areas and facilities described in the definitions and constitute in general all of the parts of the Property except the Units. Without limiting the generality of the foregoing, the Common Areas and Facilities shall include the following, whether located within the bounds of a Unit or not:

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

(b) Driveways, parking areas, landscaped areas, patios, lawns, shrubs, trees and entrance ways;

(c) Any utility pipe or line or system servicing more than a single Unit, and all ducts, wires, conduits, and other

accessories used therewith;

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

(e) All repairs and replacements of any of the foregoing.

#### ARTICLE VI

##### ALTERATIONS

For one (1) year following the recordation hereof, Declarant reserves the right to change the interior design and interior arrangement of any Unit and to alter the boundaries between Units, or to combine Units, so long as the Declarant owns the Units so altered or combined. Any change of the boundaries between Units and any resulting alteration of the Common Areas and Facilities shall be reflected by an amendment of this Declaration and of the Map which may be executed by the Declarant alone, notwithstanding the procedures for amendment described in Article XVII of this Declaration. Any change in boundaries or combination of units as set out above shall not change the total par value of the affected units for determining fractional interests in the common areas and facilities. However, no such change shall increase the number of Units nor materially alter the boundaries of the Common Areas and Facilities nor change the fraction of ownership of Common Areas and Facilities associated with the non-altered or non-combined Units without amendment of this Declaration and of the Map in the manner described in Article XVII of this Declaration.

#### ARTICLE VII

##### STATEMENT OF PURPOSE AND RESTRICTION ON USE

1. Purpose. The purpose of the Condominium Project is to provide residential housing space for Unit Owners, their families, guests and lessees, and the family and guests of such lessees, all in accordance with the provisions of the Act.

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

(a) Each of the Units shall be occupied only as a residence and for no other purpose. No business shall be operated in or from any Unit itself other than the rental of the Unit itself, subject to applicable zoning and business regulation laws and ordinances.

(b) The Common Areas and Facilities shall be used only for the purposes for which they are intended.

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

(d) No Unit Owner shall cause or permit anything (including, without limitation, an awning, canopy, shutter, storm door or screen door) to hang, be displayed, be visible or otherwise be placed on the exterior walls or roof of any building or any part thereof, or on the outside of windows or doors, without the prior written consent of the Management Committee. No sign of any kind shall be displayed to the public view on or from any Unit or the Common Areas and Facilities without the prior written consent of the Management Committee.

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

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

(g) No pets or animals of any kind shall be allowed, kept, bred or raised in any Unit or on any of the Common Areas and Facilities in the Project, except pursuant to rules and regulations established by the Management Committee.

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

(i) No admission fees, charges for use, leases or other income generating arrangement of any type shall be employed or entered into with respect to any portion of the Common Areas and Facilities without the prior written consent of the Management Committee.



## ARTICLE VIII

### PERSON TO RECEIVE SERVICE OF PROCESS

The person to receive service of process as provided in the Act is Paul Schenk, whose address within the County in which the Project is situated is 1750 Park Avenue, Park City, Utah 84060. The person to receive service of process may be changed by the recordation by the Management Committee of an appropriate instrument.

## ARTICLE IV

### OWNERSHIP AND USE

1. Ownership of a Unit. Except with respect to any of the Common Areas and Facilities located within the bounds of a Unit, each Unit Owner shall be entitled to the exclusive ownership and possession of his Unit and to the ownership of an undivided fractional interest in the Common Areas and Facilities.

2. Nature of and Restrictions on Ownership and Use. Each Unit Owner shall have and enjoy the rights and privileges of fee simple ownership of his Unit. There shall be no requirements concerning who may own Units, it being intended that they may and shall be owned as any other property rights by persons, corporations, partnerships or trusts and in the form of common or joint tenancy. The Unit Owners may lease or rent their Units with their appurtenant rights subject to terms and conditions chosen solely by the Unit Owner and his lessee, except that all Unit Owners, their tenants and other occupants or users of the Project, shall be subject to the Act, this Declaration, the Bylaws, and all rules and regulations of the Association of Unit Owners and Management Committee.

3. Prohibition against Subdivision of Unit. Except as provided in Article VI above, no Unit Owner, by deed, plat or otherwise, shall subdivide or in the manner cause his Unit to be separated into physical tracts or parcels smaller than the whole Unit as shown on the Map, nor shall any Unit Owner cause, suffer or permit the fee ownership of his Unit to be separated or divided in annually recurring or any other time periods for which the Unit will be separately owned.

4. Ownership of Common Areas and Facilities. The Common Areas and Facilities contained in the Project are described and identified in Article V 4. of this Declaration. An undivided fractional interest in such Common Areas and Facilities shall be owned by the Unit Owners as tenants in common. No fraction ownership interest in the Common Areas and Facilities shall be separated from the Unit to which it appertains; and even though not specifically mentioned in the instrument of transfer, such a

fraction of undivided ownership interest shall automatically accompany the transfer of the Unit to which it relates. All Unit Owner's fractional ownership interest in the Common Areas and Facilities is computed on the basis of the par value of each Unit set out in Exhibit "C" and shall be the same for all purposes, including voting and assessment of Common Expenses. The fractional ownership interests in the Common Areas and Facilities are set forth in Exhibit "C" hereto. In the event the Association purchases a Unit or Units as set out in XII 4, below, then the denominator of the fraction of the ownership interest in the Common Areas and Facilities for each Unit shall be reduced by the par value of the Unit or Units so purchased, and the Management Committee may file an amendment to Exhibit "C" setting out the revised fractional interests.

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

#### ARTICLE X

##### LIMITED COMMON AREAS

Each Unit Owner shall be entitled to the exclusive use and occupancy of the Limited Common Areas reserved to his Unit as shown on the Map, subject, however, to the same restrictions on use which apply generally to the Common Areas and Facilities and to rules and regulations promulgated by the Management Committee. Such right to use the Limited Common Areas shall be appurtenant to and contingent upon ownership of the Unit associated therewith, and even though not specifically mentioned in the instrument of transfer, shall automatically pass to the grantee or transferee of such Unit. Such right of use shall not be revocable, nor may it be voluntarily or involuntarily relinquished, waived, or abandoned.

#### ARTICLE XI

##### VOTING MULTIPLE OWNERSHIP

The vote attributable to and exercisable in connection with a Unit shall be the fraction of undivided ownership interest in the Common Areas and Facilities which is appurtenant to such Unit. In the event there is more than one Owner of a particular Unit, the vote relating to such Unit shall be exercised as such Owners may determine among themselves. A vote cast at any meeting by any of such Owners shall be conclusively presumed to be the vote attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. In the event

such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

## ARTICLE XII

### MANAGEMENT

Management Committee. The business, property and affairs of the Project shall be managed, operated and maintained by the Management Committee as agent for the Association. The Management Committee shall, in connection with its exercise of any of the powers delineated below, be authorized to deal in the name of the Association. The Management Committee shall have, and is hereby granted, the following authority and powers on behalf of the Association:

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

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

(c) the power to sue;

(d) the authority to enter into contracts which in any way concern the Project, so long as any vote or consent of the Unit Owners necessitated by the subject matter of the agreement has been obtained;

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

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

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

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

2. Composition of Management Committee. The Committee shall be composed of three (3) members and shall constitute the officers of the Association. At each regular Owners' meeting, Committee members shall be elected for one (1) year terms. Except for the Management Committee members selected by Declarant as provided below, only Unit Owners and officers and agents thereof shall be eligible for Committee membership. At the annual Member's meeting of the Association, the Owner(s) of each Unit shall be entitled to a vote equal to that Unit's fractional ownership interest in the Common Areas and Facilities for each seat to be filled. Said votes may be voted in favor of as many candidates for Committee membership as the Owner(s) desire, or may be cumulated and voted for a lesser number of candidates; provided, however, that until the annual Owners' meeting held in December of 1989 or until Units to which three-fourths of the undivided interest in the Common Areas and Facilities appertain have been conveyed, whichever occurs last, Declarant alone shall be entitled to select the Committee members. Notwithstanding the foregoing limitations, until the first meeting of the Owners, the members of the Committee shall be the following persons and each shall hold office as indicated:

Dan Suda	President
Richard Johnson	Vice President
Don Cariker	Secretary-Treasurer

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

4. Approval Required. The Management Committee shall not, without the prior favorable vote or the written consent of the Owners of a majority interest in the undivided ownership of the Common Areas and Facilities, have the authority to purchase or sell any real property or add any real property to the Common Areas and Facilities. Following the sale of Units to which three-fourths of the undivided interests in the Common Areas and Facilities appertain, the Association may purchase a Unit or Units from the Declarant to be added to the Common Area and Facilities. Such a purchase shall be approved by a majority interest in the undivided

ownership in the Common Areas and Facilities as set out above.

5. Additional Facilities. The Management Committee shall, subject to any necessary approval, have the authority to provide such facilities, in addition to those for which provision has already been made, as it may deem to be in the best interests of the Unit Owners and to effect the necessary amendment of documents and maps in connection therewith.

6. Name. The Management Committee shall be known as CARRIAGE HOUSE CONDOMINIUMS MANAGEMENT COMMITTEE.

7. Manager. The Committee may carry out through a Project Manager any of its functions which are properly the subject of delegation. Any Manager so engaged shall be an independent contractor and not an agent or employee of the Committee, shall be responsible for managing the Project for the benefit of the Committee and the Unit Owners, and shall, to the extent permitted by law and the terms of the agreement with the Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself. Any agreement for professional management of the Project or any other contract providing for services of the Declarant which may be entered into by the Management Committee or the Association shall call for a term not exceeding three (3) years and shall provide that such management agreement may be terminated by either party thereto without cause and without payment of a termination fee upon ninety (90) days or less written notice. Any such agreement or contract entered during the period in which Declarant is entitled to select the Management Committee shall provide for termination upon the end of the period in which Declarant is entitled to select the Management Committee unless then renewed or ratified by the consent of Owners of a majority interest in the undivided ownership of the Common Areas and Facilities.

#### ARTICLE XIII

##### EASEMENTS

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

2. In the event that, by reason of the construction, reconstruction, settlement or shifting of any part of a building, any part of the Common Areas and Facilities encroaches or shall hereafter encroach upon any part of any Unit or any part of any Unit encroaches or shall hereafter encroach upon any part of the Common Areas and Facilities or any other Unit, valid easements for such encroachment and the maintenance of such encroachment are hereby established and shall exist for the benefit of such Unit and

the Common Areas and Facilities, as the case may be, so long as all or any part of the building containing any such Unit shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of any Unit Owner or in favor of the Unit Owners as owners of the Common Areas and Facilities if such encroachment occurred due to the willful conduct of such Unit Owner or Owners occurring after the date on which this Declaration is recorded.

#### ARTICLE XIV

##### CHANGE IN OWNERSHIP

The Management Committee shall maintain up to date records showing the name of each Owner, the address of such Owner, and the Unit which is owned by him. In the event of any transfer of a fee or undivided fee interest in a Unit either the transferor or transferee shall furnish the Management Committee with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of record in the office of the County Recorder of the county where the Project is located. The Management Committee may for all purposes act and rely on the information concerning Owners and Unit Ownership which is thus acquired by it or, at its option, the Management Committee may act and rely on current ownership information respecting any Unit or Units which is obtained from the office of the County Recorder of the county where the Project is located. The address of an Owner shall be deemed to be the address of the Unit owned by such Owner unless the Management Committee is otherwise advised.

#### ARTICLE XV

##### ASSESSMENTS

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

In assessing Unit Owners for capital improvements, no assessment for a single improvement in the nature of a capital expenditure exceeding the sum of Ten Thousand Dollars (\$10,000.00) shall be made without the same having been first voted on and approved by at least a majority of the Project's undivided ownership interest in the Common Areas and Facilities.

#### ARTICLE XVI

##### DESTRUCTION OR DAMAGE

In the event of destruction of or damage to part or all of the

improvements in the Condominium Project, the procedures of this section shall apply.

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

2. If less than seventy-five percent (75%) of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all of the Unit Owners shall be assessed for any deficiency on the basis of their respective appurtenant percent of undivided ownership interest in the Common Areas and Facilities, said assessment becoming a lien on the Units as provided in the Act.

3. If seventy-five percent (75%) or more of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Management Committee are not alone sufficient to accomplish restoration, and if the Unit Owners within one hundred (100) days after the destruction or damage by a vote of at least seventy-five percent (75%) of the entire undivided ownership interest in the Common Areas and Facilities of the Project elect to repair or reconstruct the affected improvements, restoration shall be accomplished in the manner directed under subsection 2 above.

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

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

The Management Committee shall select three (3) appraisers; each appraiser shall independently estimate the percentage of project

improvements which have been destroyed or substantially damaged; the percent which governs the application of the provisions of this section shall be the median of the three (3) estimates.

## ARTICLE XVII

### TAXES

It is understood that under the Act each Unit, together with its percentage of undivided interest in the Common Areas and Facilities in the Project, is deemed a parcel and subject to separate assessment and taxation by each assessing unit and special district for all types of taxes authorized by law. Each Unit Owner will, accordingly, pay and discharge any and all taxes which may be assessed against his Condominium.

## ARTICLE XVIII

### INSURANCE

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

(a) A multi-peril type policy covering the entire Condominium Project (both Units and Common Areas and Facilities) shall be maintained. Such policy shall provide coverage against loss or damage by fire and other hazards covered by the standard extended coverage endorsement and by debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location, and use. As a minimum, such policy shall provide coverage on a replacement cost basis in an amount not less than that necessary to comply with any co-insurance percentage specified in the policy, but not less than one hundred-percent (100%) of the full insurable value of the Project (based upon replacement cost). Such policy shall include an "Agreed Amount Endorsement" or its equivalent, and, if necessary or appropriate, an "Increased Cost of Construction Endorsement" or its equivalent.

(b) If a steam boiler is or comes to be contained in the Project, there shall be maintained boiler explosion insurance and a broad form policy of repair and replacement boiler and machinery insurance, evidenced by the standard form of boiler and machinery insurance policy. Said insurance shall, as a minimum, provide coverage in the amount of One Hundred Thousand Dollars (\$100,000.00) per accident per location.

(c) If the Project is or comes to be situated in a locale iden-



improvements which have been destroyed or substantially damaged; the percentage which governs the application of the provisions of this section shall be the median of the three (3) estimates.

#### ARTICLE XVII

##### TAXES

It is understood that under the Act each Unit, together with its percentage of undivided interest in the Common Areas and Facilities in the Project, is deemed a parcel and subject to separate assessment and taxation by each assessing unit and special district for all types of taxes authorized by law. Each Unit Owner will, accordingly, pay and discharge any and all taxes which may be assessed against his Condominium.

#### ARTICLE XVIII

##### INSURANCE

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

(a) A multi-peril type policy covering the entire Condominium Project (both Units and Common Areas and Facilities) shall be maintained. Such policy shall provide coverage against loss or damage by fire and other hazards covered by the standard extended coverage endorsement and by debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location, and use. As a minimum, such policy shall provide coverage on a replacement cost basis in an amount not less than that necessary to comply with any co-insurance percentage specified in the policy, but not less than one hundred-percent (100%) of the full insurable value of the Project (based upon replacement cost). Such policy shall include an "Agreed Amount Endorsement" or its equivalent, and, if necessary or appropriate, an "Increased Cost of Construction Endorsement" or its equivalent.

(b) If a steam boiler is or comes to be contained in the Project, there shall be maintained boiler explosion insurance and a broad form policy of repair and replacement boiler and machinery insurance, evidenced by the standard form of boiler and machinery insurance policy. Said insurance shall, as a minimum, provide coverage in the amount of One Hundred Thousand Dollars (\$100,000.00) per accident per location.

(c) If the Project is or comes to be situated in a locale iden-

tified 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 minimum amount of coverage afforded by such policy shall be the lesser of the maximum amount of insurance available under the said Act or the aggregate of the unpaid principal balances of the Mortgages affecting the individual Units. Such policy shall be in the form of the standard policy issued by members of the National Flood Insurers Association or in the form of a policy which meets the criteria established by the Flood Insurance Administration.

(d) The named insured under each policy required to be maintained by the foregoing items (a), (b) and (c) shall be in form and substance essentially as follows: "The Management Committee and the Association of Unit Owners of CARRIAGE HOUSE CONDOMINIUMS, or their authorized representative, for the use and benefit of the individual Owners."

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

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

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

3. Liability Insurance. The Management Committee or Associa-

tion of Unit Owners shall at all times maintain in force a comprehensive policy of public liability insurance covering all of the Common Areas and Facilities. Such insurance shall include a "Severability of Interest Endorsement" or its equivalent which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of other Owners, the Management Committee, or the Association of Unit Owners. The coverage afforded by such public liability insurance shall include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, garage keeper's liability (if applicable), and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location, and use. The limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000.00) for all claims for personal injury, death and/or property damage arising out of a single occurrence.

4. General Requirements Concerning Insurance. Each insurance policy maintained pursuant to the foregoing Article XVIII Sections 1. through 3. shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a current rating of B/VI or better in Best's Insurance Guide. No such policy shall be maintained where:

(a) 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, the Association of Unit Owners, a Unit, the Common Areas, or the Project;

(b) by the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members;

(c) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled from collecting insurance proceeds; or

(d) the policy provides that the insurance thereunder shall be brought into contribution with insurance purchased by the individual Unit Owners or their Mortgagees.

Each such policy shall provide that:

(a) coverage shall not be prejudiced by any act or neglect of the Unit Owners when such act or neglect is not within the control of the Association of Unit Owners or the Management Committee;

(b) coverage shall not be prejudiced by any failure by the Association or Committee to comply with any warranty or condition with regard to any portion of the Project over which the Association and Committee have no control;

(c) coverage may not be cancelled or substantially modified (including cancellation for non payment of premium) without at least thirty (30) days prior written notice to any and all insureds named therein, including any Mortgagee named as an insured; and

(d) the insurer waives any right of subrogation it might have to any and all claims against the Association, the Management Committee, any Unit Owner, and/or their respective agents, employees or tenants, and any defense it might have based upon co-insurance or upon invalidity arising from acts of the insured.

If, due to changed circumstances, excessive cost, or any other reason, any of the insurance coverage required to be obtained and maintained under Sections 1. through 3. of this Article XVIII cannot reasonably be secured, with respect to such coverage the Association or the Committee shall obtain and maintain such substitute, different or other coverage as may be reasonable and prudent under the circumstances as they then exist.

## ARTICLE XIX

### PAYMENT OF COMMON EXPENSES

1. Each Unit Owner shall pay the Management Committee his allocated portion of the Common Expenses upon the terms, at the time, and in the manner herein provided without any deduction on account of any set off or claim which the Owner may have against the Management Committee or Association. If the Unit Owner shall fail to pay any installment of Common Expenses within ten (10) days of the time when the same becomes due, the Owner shall pay interest thereon at the rate of eighteen percent (18%) per annum from the date when such installment shall become due to the date of the payment there of, together with all costs and expenses, including attorney's fees, incurred in any proceedings brought to collect such unpaid Common Expenses.

2. The Management Committee may, from time to time, up to the close of the year or other time period for which the Common Expenses have been fixed or determined, increase or diminish the amount previously fixed or determined for such year. It may include in the Common Expenses for any year, any liabilities or items of expense which accrued or became payable in the previous year, or which might have been included in the Common Expenses for a previous year, but were not included therein; and also any sums which the Management Committee may deem necessary or prudent to provide a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

3. The portion payable with respect to each Unit in and for each year or for a portion of a year shall be a sum equal to the aggregate amount of the Common Expenses for such year, or portion

of year, determined as aforesaid, multiplied by the fraction of undivided interest in the Common Areas and Facilities appurtenant to such Unit, as shown in Exhibit "C." Such assessments, together with any additional sums accruing under this Declaration, shall be payable monthly in advance, or in such payments and installments as shall be provided by the Management Committee. The Management Committee has estimated that the Common Expenses for the first year and the monthly share thereof initially attributable to each Unit will be as set forth on Exhibit "C." The latter estimate constitutes the initial monthly assessment of Common Expenses for each Unit. An additional one-time assessment equal to twice the initial monthly assessment is to be paid by the initial purchaser only of each Unit at the time of purchase, which assessment is an addition to and not in lieu of all other assessments due here under. The foregoing is only an estimate, however, and may be revised by the Management Committee as experience is accumulated.

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

5. If an Owner shall at any time let or sublet his Unit and shall default for a period of one (1) month in the payment of any assessments, the Management Committee may, at its option, so long as such default shall continue, demand and receive from any tenant or subtenants of the Owner occupying the Unit so much of the rent due or becoming due and payable as is necessary to cure said default and the payment of such rent to the Management Committee shall be sufficient payment and discharge of such tenant or subtenant and the Owner to the extent of the amount so paid.

6. Each monthly assessment and each special assessment of Common Expenses shall be separate, distinct and personal obligations of the Owner(s) of the Unit against which the same is assessed at the time the assessment is made and shall be collectible as such. Suit to recover a money judgment for unpaid Common Expenses may be maintained without foreclosure or waiving the lien (described hereafter) securing the same. If not paid when due, the amount of any assessment, whether regular or special, assessed to a Unit plus interest at eighteen percent (18%) per annum, costs of action and reasonable attorney's fees, shall become a lien upon such Unit upon recordation of a notice thereof 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 of any assessing unit, or special district; and

(b) encumbrances on the interest of the Unit Owner recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

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

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

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

10. In the event of foreclosure, the Unit Owner, if he is an owner-occupier and desires to remain in the Unit during any redemption period, shall be required to pay a reasonable rental for the Unit and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the security. The Management Committee or Manager shall have the power to bid on the Unit at foreclosure or other sale and to hold, lease, mortgage and convey the Unit.

11. Assessments for common expenses shall begin November 1, 1988. Until that date, Declarant shall be responsible for the cost of maintaining the project.

#### ARTICLE XX

##### MORTGAGEE PROTECTION

1. From and after the time a Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefor, the Committee or the Association shall notify such Mortgagee in writing in the event that the Owner of the Unit encumbered by the mortgage held by such Mortgagee neglects for a period of sixty (60) or more days to cure any failure on his part to perform any of his obligations under this Declaration.

2. No right of first refusal is contained in this Declaration. In the event this Declaration is subsequently amended to include right of first refusal, such right of first refusal shall not impair the rights of a First Mortgagee to:

(a) foreclose or take title to a Condominium pursuant to the remedies provided in the Mortgage; or

(b) accept a deed (or assignment) in lieu of foreclosure in the event of a default by a mortgagor; or

(c) sell or lease a Unit acquired by the First Mortgagee.

3. The lien or claim against a Unit for unpaid assessments or charges levied by the Management Committee or by the Association of Unit Owners pursuant to this Declaration or the Act shall be subordinate to a First Mortgage affecting such Unit. A Mortgagee who obtains title to a Unit pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall not be liable for such Unit's unpaid assessments which accrue prior to the acquisition of title to such Unit by the Mortgagee and 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 the acquisition of title to such Unit by the Mortgagee. No assessment, charge, lien or claim which is described in the preceding sentence

as being subordinate to a Mortgage or as not a burden to a Mortgagee coming into possession pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall be collected or enforced by either the Management Committee or the Association from or against a Mortgagee, a successor in title to a Mortgagee, or the Unit affected or previously affected by the Mortgage concerned (to the extent any such collection or enforcement would prejudice the interests of the Mortgagee or successor in title to the Mortgagee interested in such Unit).

4. Without the approval of Seventy-Five percent (75%) of all First Mortgagees, neither the Management Committee nor the Association of Unit Owners shall be entitled, by act, omission, or otherwise:

(a) to seek to abandon or terminate the Condominium Project or to abandon or terminate the arrangement which is established by this Declaration and the Record of Survey Map;

(b) to change the pro-rata interest or obligations of any Unit which apply for (1) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for (2) determining the pro rata share of ownership of each Unit in the Common Areas and Facilities; or

(c) to partition or subdivide any Unit;

(d) to seek to abandon, partition, subdivide, encumber, sell or transfer all or any of the Common Areas and Facilities (except for the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas and Facilities);

(e) 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;

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

5. 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, or the Association of Unit Owners, or of the Condominium Project. From and after the time a Mortgagee makes written request to the Management Committee or the Association of Unit Owners therefor, the Committee or the Association shall furnish to such Mortgagee copies of such annual operating reports and other reports or writings summarizing or reflecting the financial position or history of the Condominium



Project as may be prepared for distribution to or use by the Committee, the Association, or the Unit Owners.

6. The Management Committee and the Association shall establish an adequate reserve fund to cover the cost of reasonably predictable and necessary major repairs and replacements of the Common Areas and Facilities and shall cause such reserve to be funded by regular monthly or other periodic assessments against the Units rather than by special assessments.

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

8. Nothing contained in this Declaration shall give a Unit Owner, or any other party, priority over any rights of a First Mortgagee pursuant to its Mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of condominium Units and/or Common Areas and Facilities.

9. Any agreement for professional management of the Project or any other contract providing for services of the Declarant which may be entered into by the Management Committee or the Association shall call for a term not exceeding three (3) years (one (1) year if negotiated by the Declarant) and shall provide that such management agreement may be terminated by either party thereto without cause and without payment of a termination fee upon ninety (90) days or less written notice.

10. In the event another provision or clause of this Declaration deals with the same subject matter as is dealt with in any provision or clause of this Article, 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.

11. Except with respect to combination or division of units pursuant to Article VI which may be accomplished without consent of any Mortgagee, no amendment to this Article which has the effect of diminishing the rights, protection or security afforded to Mortgagees shall be accomplished or effective unless all of the

Mortgagees of the individual Units have given their prior written approval to such amendment. Any amendment to this Article shall be accomplished by an instrument executed by the Management Committee and filed for record in the office of the County Recorder of the county where the Project is located. In any such instrument an officer of the Management Committee shall certify that any prior written approval of Mortgagees required by this Article as a condition to amendment has been obtained.

#### ARTICLE XXI

##### EMINENT DOMAIN

In the event that eminent domain proceedings are commenced against the Project or any portion thereof, the provisions of §57-8-32.5, Utah Code Annotated 1986 shall apply. The Management Committee shall give written notice of such proceedings to all Mortgagees of record. No first lien priority of any Mortgagee shall be diminished or otherwise disturbed by virtue of such proceedings.

#### ARTICLE XXII

##### MAINTENANCE

1. Each Owner of a Unit at his own expense shall keep the interior of such 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 such Unit. Except to the extent that the Management Committee on behalf of all Unit Owners is protected by insurance against such injury, the Unit Owner shall repair all injury or damages to the Unit, building or buildings caused by the act, negligence or carelessness of the Unit Owner or that of any tenant or subtenant or any member of the Unit Owner's family or of the family of any tenant or subtenant or any agent, employee or guest of the Owner or his tenant or subtenant and all such repairs, redecorating and painting shall be of a quality and kind equal to the original work. In addition to decorating and keeping the interior of the Unit in good repair, the Unit Owner shall be responsible for the maintenance or replacement of any heating equipment, hot water equipment or plumbing fixtures that may be used exclusively by the Unit. Each Unit Owner shall be entitled to the exclusive use and possession of the Limited Common Areas appurtenant to his Unit; provided, however, that without the written permission of the Management Committee first had and obtained, a Unit Owner shall not make or permit to be made any structural alteration, in or to the Unit or in or to the exterior of the building, and shall not paint or decorate any portion of the exterior of the Unit or of the building in which the Unit is located.

2. Except as hereinafter provided, the Management Committee shall provide for such maintenance and operation of the Common Areas and Facilities as may be reasonably necessary to keep them clean, functional, attractive and generally in good condition and repair. The Management Committee shall have no obligation regarding maintenance or care of Units.

#### ARTICLE XXIII

##### RIGHT OF ENTRY

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

#### ARTICLE XXIV

##### ADMINISTRATIVE RULES AND REGULATIONS

The Management Committee shall have the power to adopt and establish by resolution, such rules and regulations as it may deem necessary for the maintenance, operation, management and control of the Project including, but not limited to, rules and regulations levying special assessments against and/or imposing other appropriate sanctions upon Unit Owners who fail to comply with any provisions of the Act, this Declaration, the Bylaws and/or such rules and regulations. The Committee may from time to time, by resolution, alter, amend and repeal such rules and regulations. When a copy of any amendment or alteration or provision for repeal of any rules or regulations has been furnished to the Unit Owners, such amendment, alteration or provision shall be taken to be a part of such rules and regulations. Unit Owners shall at all times obey such rules and regulations and see that they are faithfully observed by their respective tenants and by all other persons over whom they have or may exercise control and supervision, it being understood that such rules and regulations shall apply and be binding upon all Units Owners, tenants, subtenants and other occupants of the Units. Each and every special assessment levied against a Unit Owner under such rules and regulations shall

constitute a special assessment of Common Expenses against such Unit Owner and shall be payable and collectible in the same manner as other Common Expenses in accordance with Article XIX hereof.

#### ARTICLE XXV

##### OBLIGATION TO COMPLY HEREWITH

Each Unit Owner, tenant, subtenant or other occupant of a Unit shall comply with the provisions of the Act, this Declaration, the Bylaws, and the rules and regulations promulgated by the Management Committee, and with 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 grounds for all remedial actions granted thereby and/or for an action by the Management Committee or other aggrieved party for injunctive relief or to recover any loss or damage resulting therefrom, including costs and reasonable attorney's fees.

#### ARTICLE XXVI

##### INDEMNIFICATION OF MANAGEMENT COMMITTEE

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

#### ARTICLE XXVII

##### AMENDMENT

In addition to the amendment provisions contained in Article VI hereof, but subject to the terms of Article XX, this Declaration and/or the Map may be amended upon the affirmative vote or approval and consent of Unit Owners having ownership of not less than two-thirds of the undivided interest in the Common Areas and Facilities except in circumstances where the Act requires a greater affirmative vote or approval and consent, in which event the provisions of the Act shall be controlling. Any amendment so authorized shall be accomplished by recordation of an instrument executed by the Management Committee. In said instrument the Committee shall certify that the vote or consent required by this Article has occurred. Notwithstanding any other provision

contained herein, until the Occurrence referred to in Article XXI hereof, no amendment to the Map or to any provision of this Declaration which has or may have the effect of diminishing or impairing any right, power, authority, privilege, protection or control given to Declarant (in its capacity as Declarant) herein shall be accomplished or effect unless the instrument through which such amendment is purported to be accomplished is consented to in writing by Declarant.

#### ARTICLE XXVIII

##### CONSENT IN LIEU OF VOTE

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

1. All necessary consents must be obtained prior to the expiration of one hundred twenty (120) days after the first consent is given by any Owner;
2. Any change in ownership of a Unit which occurs after consent has been obtained from the Owner having an interest therein shall not be considered or taken into account for any purpose; and
3. Unless the consents of all Owners having an interest in the same Unit are secured, the consent of none of such Owners shall be effective.

#### ARTICLE XXIX

##### DECLARANT'S SALES PROGRAM

Notwithstanding any other provision of this Declaration, until Declarant ceases to be a Unit Owner (hereinafter referred to as the "Occurrence"). Declarant shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish or facilitate the sale of all Units owned by Declarant:

1. Declarant shall have the right to maintain sales offices and/or model Units. Such offices and/or model Units may be Units (at any location) owned or leased by Declarant.
2. Declarant shall have the right to maintain a reasonable number of promotional, advertising, and/or directional signs, banners or similar devices at any place or places on the Property,

but any such device shall be of a size and in a location as is reasonable and customary.

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

4. Declarant shall have the right from time to time to locate or relocate its sales office, model units, and/or signs, banners or similar devices, but in connection with each such location or relocation shall observe the limitations imposed by the preceding portion of this Article.

Within a reasonable period of time after the happening of the Occurrence, Declarant shall have the right to dismantle and/or remove from the Project any sales office or model unit which is not designated as a Unit by this Declaration or the Map and also to remove from the Project, any signs, banners or similar devices.

#### ARTICLE XXX

##### LIMITATION ON IMPROVEMENTS BY ASSOCIATION

Until the annual Owners meeting held in December of 1989 or until three fourths of the Units have been conveyed, whichever occurs last, neither the Association nor the Management Committee shall, without the written consent of Declarant, make any improvement to or alteration in any of the Common Areas and Facilities, other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Areas and Facilities as they existed at the time the Declaration was recorded.

#### ARTICLE XXXI

##### SEVERABILITY

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

#### ARTICLE XXXII

##### DECLARANT'S RIGHTS ASSIGNABLE

All of the rights of Declarant under this Declaration may be

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

#### ARTICLE XXXIII

##### GENDER

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

#### ARTICLE XXXIV

##### WAIVERS

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

#### ARTICLE XXXV

##### TOPICAL HEADINGS

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

#### ARTICLE XXXVI

##### EFFECTIVE DATE

This Declaration shall take effect upon recording.

IN WITNESS WHEREOF, the undersigned has caused this Declara-

800- 489 PAGE 45

tion to be executed on its behalf this 9 day of August, 1988.

CARRIAGE HOUSE CONDOMINIUMS, a  
California Joint Venture

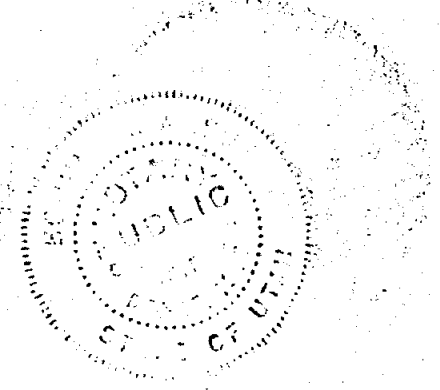
By W. La Monte Robison  
W. Lamonte Robison, Bankruptcy  
Trustee

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

On the 9 day of Aug, 1988, personally appeared before me W. La Monte Robison, who being by me duly sworn, did say that he is the duly appointed and acting bankruptcy trustee of Carriage House Condominiums, a joint venture, and that the foregoing instrument was signed on behalf of said Carriage House Condominiums by authority, and said W. La Monte Robison acknowledged to me that said joint venture executed the same.

Bonnie K. Alsup  
Notary Public  
Residing at Salt Lake County, Utah

My Commission Expires:  
12-15-89



BOD: 489 PAGE 46



EXHIBIT "A".

Lots 21A, 21B, and Lot 48, Amended Plat of Prospector Square Subdivision, recorded as Number 125443 in the Summit County, Utah Recorder's office.

Together with the following description:

Beginning at a point which is South 30°29'57" East 0.70 feet from the Southwest corner of Lot 48, Amended Plat of Prospector Square, said point being the Southwest corner of the Carriage House Condominiums and thence North 64°19'00" East 27.90 feet along the south foundation wall of said building to a southeast corner; thence North 21°18'00" East .97 feet along said lot line to the west foundation wall of said building; thence South 25°36'00" East .70 feet along said wall to the point of beginning.

Basis of bearing: South 64°24'00" West from the monument at the centerline intersection of Poison Creek Lane and Prospector Avenue to a centerline monument 838.00 feet away also in Prospector Avenue.

EXHIBIT "B"

ARTICLES OF INCORPORATION

OF

CARRIAGE HOUSE CONDOMINIUMS OWNERS' ASSOCIATION, INC.

A UTAH NONPROFIT CORPORATION

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

ARTICLE I

NAME

The name of the corporation is CARRIAGE HOUSE CONDOMINIUMS OWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association."

ARTICLE II

DURATION

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

ARTICLE III

PURPOSES

The Association is organized as a nonprofit corporation and shall be operated exclusively for the purpose of maintaining, operating, and governing Carriage House Condominiums, a Utah Condominium Project, hereinafter referred to as the "Project," which will be located upon that certain real property situated in Park City, Summit County, Utah, more particularly described on Exhibit "B-1" attached hereto and by this reference incorporated herein.

The Association is organization and shall be operated to perform the functions and provide the services contemplated in the Condominium Declaration for Carriage House Condominiums, a Utah Condominium Project, hereinafter referred to as the "Declaration," which document is to be recorded in the office of the County

Recorder of Summit County, State of Utah. No dividend shall be paid and no part of the net income of the Association, if any, shall be distributed to the Members, Trustees, or Officers of the Association, except as otherwise provided herein, in the Declaration, or under Utah law. Except as otherwise provided herein or as may be required by the context, all terms defined in the Declaration shall have such defined meanings when used herein.

#### ARTICLE IV

##### POWERS OF THE ASSOCIATION

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

A. Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration applicable to the property and recorded or to be recorded in the office of the county recorder of Summit County, State of Utah and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length (except as otherwise required by context, all terms defined in the Declaration shall have such defined meanings when used herein);

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

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

D. Have and to exercise any and all powers, rights and privileges which a corporation organized under the non-profit corporation law of the State of Utah by law may now or hereafter have or exercise.

#### ARTICLE V

##### MEMBERSHIP

BOOK 489 PAGE 49

Every person or entity who is a record owner of a fee or undivided fee interest in any Condominium which is subject by covenants of record to assessment by the Association shall be a

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

#### ARTICLE VI

##### MEMBERSHIP CERTIFICATES

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

#### ARTICLE VII

##### VOTING RIGHTS

The vote attributable to and exercisable in connection with a Condominium shall be the fraction or percent of undivided ownership interest in the Common Areas and Facilities which is appurtenant to such Condominium. In the event there is more than one Owner of a particular Condominium, the vote relating to such Condominium shall be exercised as such Owners may determine among themselves. A vote cast at any meeting by any such Owners shall be conclusively presumed to be the vote attributable to the Condominium concerned unless an objection is immediately made by another Owner of the same Condominium. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists. Until the annual members meeting in December, 1989 or until Units to which three-fourths of the undivided interest in the Common Area and Facilities appertain have been conveyed, whichever occurs last, the Declarant under the Declaration alone shall be entitled to elect Trustee and officers of the Association.

BOOK 489 PAGE 50

ARTICLE VIII

ASSESSMENTS

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

ARTICLE IX

PRINCIPAL OFFICE AND REGISTERED AGENT

The address of the initial principal office of the Association is 1940 Prospector Avenue, Park City, Utah 84060. The name and addresses of the initial registered agent of the Association is Paul Schenk, 1750 Park Avenue, Park City, Utah 84060.

ARTICLE X

BOARD OF TRUSTEES

The affairs of the Association shall be managed by a Board of Trustees, consisting of not less than three (3) nor more than nine (9) Trustees, as set by the Bylaws of the corporation. Until their successors are duly elected and qualified, the original Trustees shall be the following:

	<u>Name</u>	<u>Address</u>
1.	Dan Suda	10 South LaSalle Street Chicago, Illinois 60603
2.	Richard Johnson	620 North Henderson Street Rusk, Texas 75785
3.	Don Cariker	700 North Main Street Gladewater, Texas 75647

Except for Trustees selected by Declarant, Trustees shall be Members of the Association (or officers and agents of Members of the Association).

ARTICLE XI

OFFICERS

The President, Vice President, and Secretary-Treasurer shall be elected by the members (or by the Declarant as provided in Article VII), and those officers shall serve as the Management Committee set out in the Declaration. The President, Vice-President and Secretary shall be and remain Trustees of the Association during the entire term of their respective offices. The Board of Trustees may from time to time appoint such subordinate officers as it may deem advisable.

ARTICLE XII

BYLAWS

The initial Bylaws of the Association are attached to the Declaration. The Board of Trustees shall have the authority to amend the bylaws in a manner not inconsistent with these Articles of Incorporation or the Declaration. In the event the Board of Trustees amends the bylaws, the amended bylaws shall be recorded in the Summit County, Utah recorder's office.

ARTICLE XIII

INDEMNIFICATION

Each Trustee, officer, and member of the Management Committee of the corporation now or hereafter serving as such, shall be indemnified by the Association against any and all claims and liabilities to which he has or shall be come subject by reason of serving or having served as such Trustee, officer or member of the Management Committee, or by reason of any action alleged to have been taken, omitted, or neglected by him as such Trustee, officer or member of the Management Committee; and the Association shall reimburse each such person for all legal expenses reasonably incurred by him in connection with any such claim or liability; provided, however, that no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his own willful misconduct or gross negligence. The Association may purchase directors and officers liability insurance for the protection of the Trustees, officers, and members of the Management Committee.

ARTICLE XV

INCORPORATOR

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

Name

Address

Ken P. Jones

310 South Main, #1200  
Salt Lake City, Utah 84101

IN WITNESS WHEREOF, the above-named incorporator has executed these Articles of Incorporation this 9<sup>th</sup> day of August, 1988.

Ken P. Jones  
Ken P. Jones

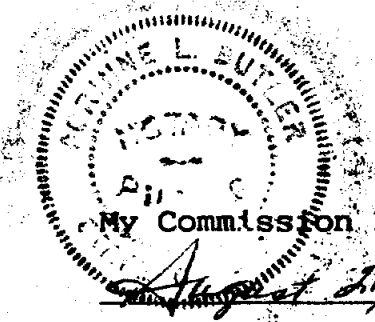
STATE OF UTAH )

) : ss.

COUNTY OF SALT LAKE )

I, Conroy L. Butler, Notary Public, hereby certify that on the 9<sup>th</sup> day of August, 1988, personally appeared before me Ken P. Jones, who being by me first duly sworn, declared that he is the person who signed the foregoing Articles of Incorporation, and that the statements contained therein are true.

Conroy L. Butler  
Notary Public  
Residing at Salt Lake County  
Utah



My Commission Expires:  
August 31, 1988

The undersigned accepts appointment as the registered agent of the corporation.

Paul Schenk

EXHIBIT "B-1"

Lots 21A, 21B, and Lot 48, Amended Plat of Prospector Square Subdivision, recorded as Number 125443 in the Summit County, Utah Recorder's office.

Together with the following description:

Beginning at a point which is South 30°29'57" East 0.70 feet from the Southwest corner of Lot 48, Amended Plat of Prospector Square, said point being the Southwest corner of the Carriage House Condominiums and thence North 64°19'00" East 27.90 feet along the south foundation wall of said building to a southeast corner; thence North 21°18'00" East .97 feet along said lot line to the west foundation wall of said building; thence South 25°36'00" East .70 feet along said wall to the point of beginning.

Basis of bearing: South 64°24'00" West from the monument at the centerline intersection of Poison Creek Lane and Prospector Avenue to a centerline monument 838.00 feet away also in Prospector Avenue.

300- 489 PAGE 54



**EXHIBIT "B"**  
**(Continued)**

**BYLAWS**

**OF**

**CARRIAGE HOUSE CONDOMINIUMS OWNERS' ASSOCIATION, INC.**  
**A Utah Nonprofit Corporation**

Pursuant to the Articles of Incorporation of the Carriage House Condominiums Owners' Association, Inc., a Utah nonprofit corporation, the following are the Bylaws for such nonprofit corporation.

**ARTICLE I**

**NAME AND PRINCIPAL OFFICE**

1.01 Name. The name of the nonprofit corporation is Carriage House Condominiums Owners' Association, Inc., herein after referred to as the "Association".

1.02 Offices. The Principal office of the Association shall be at 1940 Prospector Avenue, Park City, County of Summit, State of Utah.

**ARTICLE II**

**DEFINITIONS**

2.01 Definitions. Except as otherwise provided herein or as may be required by the context, all terms defined in Article II of the Condominium Declaration for Carriage House Condominiums, a Utah Condominium Project, hereinafter referred to as the "Declaration", shall have such defined meanings when used in these Bylaws.

**ARTICLE III**

**MEMBERS**

3.01 Annual Meetings. The annual meeting of Members shall be held on the first Thursday in December of each year at the hour of 7:00 p.m., beginning with the year 1988, for the purpose of electing Trustees and transacting such other business as may come before the meeting. If the election of Trustees shall not be

held on the day designated herein for the annual meeting of the Members, or at any adjournment thereof, the Board of Trustees shall cause the election to be held at a special meeting of the Members to be convened as soon there after as may be convenient. The Board of Trustees may from time to time by resolution change the date and time for the annual meeting of the Members.

**3.02 Special Meetings.** Special meetings of the Members may be called by the Board of Trustees, the President, the Declarant, or upon the written request of Members who own in the aggregate at least one-third of the undivided interest in the Common Areas and Facilities, such written request to state the purpose or purposes of the meeting and to be delivered to the Board of Trustees or the President.

**3.03 Place of Meetings.** The Board of Trustees may designate any place in Summit County, State of Utah as the place of meeting for any annual meeting or for any special meeting called by the Board. A waiver of notice signed by all of the Members may designate any place, either within or with out the State of Utah, as the place for holding such meeting. If no designation is made, or if a special meeting is otherwise called, the place of the meeting shall be at the principal office of the Association.

**3.04 Notice of Meetings.** The Board of Trustees shall cause written or printed notice of the time, place, and purposes of all meetings of the Members (whether annual or special) to be delivered, not more than fifty (50) nor less than ten (10) days prior to the meeting, to each Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail addressed to the Member at his registered address, with first class postage thereon prepaid. Each Member shall register with the Association such Member's current mailing address for purposes of notice hereunder. Such registered address may be changed from time to time by notice in writing to the Association. If no address is registered with the Association, a Member's Condominium address shall be deemed to be his registered address for purposes of notice hereunder.

**3.05 Members of Record.** Upon purchasing a Condominium in the Project, each Owner shall promptly furnish to the Association a certified copy of the recorded instrument by which ownership of such Condominium has been vested in such Owner, which copy shall be maintained in the records of the Association. For the purpose of determining Members entitled to notice of or to vote at any meeting of the Members, or any adjournment thereof, the Board of Trustees may designate a record date, which shall not be more than fifty (50) nor less than ten (10) days prior to the meeting, for determining Members entitled to notice of or to vote at any meeting of the Members. If no record date is designated, the date on which notice of the meeting is mailed shall be deemed to be the record date for determining Members entitled to notice of or to vote at

the meeting. The persons or entities appearing in the records of the Association on such record date as the Owners of record of a Condominium in the Project shall be deemed to be the Members of record entitled to notice of and to vote at the meeting of the Members.

3.06 Quorum. At any meeting of the Members, the presence of Members in person or by proxy owning more than fifty percent (50%) of the undivided interest in the Common Areas and Facilities shall constitute a quorum for the transaction of business. In the event a quorum is not present at a meeting, the Members present (whether represented in person or by proxy), though less than a quorum, may adjourn the meeting to a later date. Notice thereof shall be delivered to the Members as provided above. At the reconvened meeting, the Members and proxy holders present shall constitute a quorum for the transaction of business.

3.07 Proxies. At each meeting of the Members, each Member entitled to vote shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Member himself or by his attorney thereunto duly authorized in writing. If a Membership is jointly held, the instrument authorizing a proxy to act must have been executed by all holders of such Membership or their attorneys thereunto duly authorized in writing. Such instrument authorizing a proxy to act shall be delivered at the beginning of the meeting to the Secretary of the Association or to such other officer or person who may be acting as secretary of the meeting. The secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting.

3.08 Votes. With respect to each matter submitted to a vote of the Members, each Member entitled to vote at the meeting shall have the right to cast, in person or by proxy, votes equal to the fraction of undivided ownership interest in the Common Areas and Facilities appertaining to the Condominium of such Member, as shown in the Declaration. The affirmative vote of a majority of the votes entitled to be cast by the Members present or represented by proxy at a meeting at which a quorum was initially present shall be necessary for the adoption of any matter voted on by the Members, unless a greater proportion is required by the Articles of Incorporation, these Bylaws, the Declaration, or Utah law. The election of Trustees and Officers shall be by secret ballot. At each election for Trustees and officers, the Owner(s) of each Condominium shall be entitled to a vote equal to that Condominium's fractional ownership in the Common Areas and Facilities for each seat to be filled. Said votes may be voted in favor of as many candidates as the Owner(s) desire, or may be cumulated and voted for a lesser number of candidates; provided, however, that until the annual Members' meeting held in December of 1989 or until Condominiums to which three-fourths of the undivided interests in

the Common Areas and Facilities appertain have been sold, whichever occurs last, Declarant alone shall be entitled to select all of the Board members and officers. If a membership is jointly held, all or any holders thereof may attend each meeting of the Members, but such holders must act unanimously to cast the votes relating to their joint Membership.

3.09 Waiver of Irregularities. All inaccuracies and irregularities in calls or notices of meetings and in the manner of voting, form of proxies, and method of ascertaining Members present shall be deemed waived if no objection thereto is made at the meeting.

3.10 Informal Action by Members. Any action that is required or permitted to be taken at a meeting of the Members may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

#### ARTICLE IV

##### BOARD OF TRUSTEES

4.01 General Powers. The property, affairs, and business of the Association shall be managed by its Board of Trustees. The Board of Trustees may exercise all of the powers of the Association, whether derived from law or the Articles of Incorporation, except such powers as are by law, by the Articles of Incorporation, by these Bylaws, or by the Declaration vested solely in the Members. The Board of Trustees may be written contract delegate, in whole or in part, to a professional management organization or person such of its duties, responsibilities, functions, and powers as are properly delegable.

4.02 Number, Tenure and Qualifications. The number of Trustees of the Association shall be three (3). The initial Board of Trustees specified in the Articles of Incorporation shall serve until the first annual meeting of the Members held for the purpose of electing Trustees. Each Trustee shall hold office until the next annual meeting of Members and until his successor shall have been elected and qualified. All Trustees, excepting the initial Trustees, shall be Members of the Association.

4.03 Regular Meetings. The regular annual meeting of the Board of Trustees shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of the Members. The Board of Trustees may provide by resolution the time and place, within Summit County, State of Utah, for holding of additional regular meetings without other notice than such resolution. A waiver of notice signed by all trustees may designate any place, either within or outside the State of

Utah, as the place for holding a meeting.

**4.04 Special Meetings.** Special meetings of the Board of Trustees may be called by or at the request of any Trustee. The person or persons authorized to call special meetings of the Board of Trustees may fix any place, within Summit County, State of Utah, as the place for holding any special meeting of the Board of Trustees called by such person or persons. Notice of any special meeting shall be given at least five (5) days prior thereto by written notice delivered personally, or mailed to each Trustee at his registered address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the U. S. mail so addressed, with first class postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to have been delivered when the telegram is delivered to the telegraph company. Any Trustee may waive notice of a meeting. A waiver of notice signed by all Trustees may designate any place, either within or outside of Utah, as the place for holding a meeting.

**4.05 Quorum and Manner of Acting.** A majority of the then authorized number of Trustees shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees. The act of a majority of the Trustees present at any meeting at which a quorum is present shall be the act of the Board of Trustees. The Trustees shall act only as a Board, and individual Trustees shall have no powers as such.

**4.06 Compensation.** No Trustee shall receive compensation for any services that he may render to the Association as a Trustee; provided, however, that a Trustee may be reimbursed for expenses incurred in performance of his duties as a Trustee to the extent such expenses are approved by the Board of Trustees and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in his capacity as a Trustee.

**4.07 Resignation and Removal.** A Trustee may resign at any time by delivering a written resignation to either the President or the Board of Trustees. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Trustee may be removed at any time, for or without cause, by the affirmative vote of the Members who own in the aggregate at least seventy-five percent (75%) of the undivided interest in the Common Areas and Facilities at a special meeting of the Members duly called for such purpose.

**4.08 Vacancies and Newly Created Trusteeships.** If vacancies shall occur in the Board of Trustees by reason of the death, resignation or disqualification of a Trustee, or if the authorized number of Trustees shall be increased, the Trustees then in office shall continue to act, and such vacancies or newly created Trusteeships shall be filled by a vote of the Trustees then in office,

though less than a quorum in any way approved by such Trustees at the meeting. Any vacancy in the Board of Trustees occurring by reason of removal of a Trustee by the Members may be filled by election at the meeting at which such Trustee is removed. Any Trustee elected or appointed hereunder to fill a vacancy shall serve for the unexpired term of his predecessor or for the term of the newly created Trusteeship, as the case may be.

4.09 Acting Without a Meeting. Any action required or permitted to be taken by the Board of Trustees may be taken without a meeting if all members of the Board of Trustees shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Trustees. Members of the Board of Trustees, or any committee designated by the Board, may participate in a meeting of the Board or committee by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other, and participation in a meeting in this manner shall constitute presence in person at the meeting.

## ARTICLE V

### OFFICERS-MANAGEMENT COMMITTEE

5.01 Officers. The officers of the Association shall be a President, a Vice-President, a Secretary-Treasurer, and such other officers as may from time to time be appointed by the Board of Trustees. The President, Vice-President, and Secretary-Treasurer shall serve as the Management Committee of the Association, and shall have the powers and responsibilities of the Management Committee as set out in the Declaration.

5.02 Election, Tenure and Qualifications. The President, Vice-President, and Secretary-Treasurer of the Association shall be elected by the members annually at the regular annual meeting of the members, provided, however, that until the annual members meeting in December, 1989 or until condominiums to which three-fourths of the undivided interests in the Common Areas and Facilities pertain have been sold, whichever occurs last. Declarant alone shall be entitled to select all of the Officers of the Association. Each such officer (whether chosen at a regular annual meeting of the Board of Trustees or otherwise) shall hold his office until the next ensuing regular annual meeting of the Board of Trustees and until his successor shall have been chosen and qualified, or until his death, or until his resignation, disqualification, or removal in the manner provided in these Bylaws, whichever first occurs. No person shall hold two or more offices. The President, Vice-President, and Secretary-Treasurer shall be and remain Trustees of the Association during the entire term of their respective offices. No other officers need by a Member.

5.03 Subordinate Officers. The Board of Trustees may from time to time appoint such other officers or agents as it may deem advisable, each of whom shall have such title, hold office for such period, have such authority, and perform such duties as the Board of Trustees may from time to time determine. The Board of Trustees may from time to time delegate to any officer or agent the power to appoint any such subordinate officers or agents and to prescribe their respective titles, terms of office, authorities, and duties. Subordinate officers need not be Members of the Association.

5.04 Resignation and Removal. Any officer may resign at any time by delivering a written resignation to the President or the Board of Trustees. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed at any time, with or without cause, by the affirmative vote of members who own in aggregate at least seventy-five percent (75%) of the undivided interest in the Common Areas and Facilities at a special meeting of the members duly called for such purpose.

5.05 Vacancies and Newly Created Offices. If any vacancy shall occur in any office by reason of death, resignation, removal, disqualification, or any other cause, or if a new office shall be created, such vacancies or newly created offices may be filled by the Board of Trustees at any regular or special meeting.

5.06 The President . The President shall be the chief executive officer of the Association and shall exercise general supervision over its property and affairs. He shall sign on behalf of the Association all membership certificates, conveyances, mortgages and contracts, and shall do and perform all acts and things that the Board of Trustees may require of him. The President shall be invited to attend meetings of each committee.

5.07 The Vice President. The Vice President shall act in the place and stead of the President in the event of the President's absence or inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Trustees.

5.08 The Secretary-Treasurer. The Secretary-Treasurer shall keep the minutes of the Association and shall maintain such books and records as these Bylaws, the Declaration, or any resolution of the Board of Trustees may require him to keep. He shall be the custodian of the seal of the Association, if any, and shall affix such seal, if any, to all papers and instruments requiring the same. He shall have the custody and control of the funds of the Association, subject to the action of the Board of Trustees, and shall, when requested by the President to do so, report the state of the finances of the Association at each annual meeting of the Members and at any meeting of the Board of Trustees. He shall perform such other duties as the Board of Trustees may require of

him.

**5.09 Compensation.** No officer shall receive compensation for any services that he may render to the Association as an officer; provided, however, that an officer may be reimbursed for expenses incurred in performance of his duties as an officer to the extent such expenses are approved by the Board of Trustees and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in his capacity as an officer.

## ARTICLE VI

### COMMITTEES

**6.01 Designation of Committees.** The Board of Trustees may from time to time by resolution designate such committees as it may deem appropriate in carrying out its duties, responsibilities, functions, and powers. The membership of each such committee designated hereunder shall include at two (2) or more of the members of the Association. No committee member shall receive compensation for services that he may render to the Association as a committee member; provided, however, that a committee member may be reimbursed for expenses incurred in performance of his duties as a committee member to the extent that such expenses are approved by the Board of Trustees and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in his capacity as a committee member.

**6.02 Proceedings of Committees.** Each committee designated hereunder by the Board of Trustees may appoint its own presiding and recording officers and may meet at such places and times and upon such notice as such committee may from time to time determine. Each such committee shall keep a record of its proceedings and shall regularly report such proceedings to the Board of Trustees.

**6.03 Quorum and Manner of Action.** At each meeting of any committee designated hereunder by the Board of Trustees, the presence of members constituting at least a majority of the authorized membership of such committee shall constitute a quorum for the transaction of business, and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such committee. The members of any committee designated by the Board of Trustees hereunder shall act only as a committee, and the individual members thereof shall have no powers as such.

**6.04 Resignation and Removal.** Any member of any committee designated hereunder by the Board of Trustees may resign at any time by delivering a written resignation to the President, the Board of Trustees, or the presiding officer of the committee of which he is a member. Unless otherwise specified therein, such



resignation shall take effect upon delivery. The Board of Trustees may at any time, with or without cause, remove any member of any committee designated by it hereunder.

6.05 Vacancies. If any vacancy shall occur in any committee designated by the Board of Trustees hereunder, due to disqualification, death, resignation, removal, or otherwise, the remaining members shall, until the filling of such vacancy, constitute the then total authorized membership of the committee and, provided that two or more members are remaining, may continue to act. Such vacancy may be filled at any meeting of the Board of Trustees.

## ARTICLE VII

### INDEMNIFICATION

7.01 Indemnification. Each Trustee and officer of the corporation and member of the Management Committee now or hereafter serving as such, shall be indemnified by the Association against any and all claims and liabilities to which he has or shall be come subject by reason of serving or having served as such Trustee, officer, or Management Committee member, by reason of any action alleged to have been taken, omitted, or neglected by him as such Trustee, officer of Management Committee member; and the Association shall reimburse each such person for all legal expenses reasonably incurred by him in connection with any such claim or liability; provided, however, that no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his own willful misconduct or gross negligence. The Management Committee is authorized to obtain a policy of Directors and officers liability insurance at the Association's expense, insuring the Trustees and officers of the corporation.

7.02 Vote of Committee. The amount paid to any officer or Trustee or Management Committee member by way of indemnification shall not exceed his actual, reasonable, and necessary expenses incurred in connection with the matter involved, and such additional amount as may be fixed by a committee of not less than three (3) nor more than five (5) persons selected by the Board of Trustees who shall be members of the Association but not officers or directors or related to officers or directors, and any determination so made shall be binding on the indemnified officer or Trustee.

7.03 State Law. The right of indemnification hereinabove provided for shall not be exclusive of any rights to which any Trustee of the Association may otherwise be entitled by law.

ARTICLE VIII

FISCAL YEAR AND SEAL

8.01 Fiscal Year. The fiscal year of the Association shall begin on the first day of January each year and end on the 31st day of December next following, except that the first fiscal year shall be a partial year and shall begin on the date of incorporation.

8.02 Seal. The Board of Trustees may by resolution provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation, and the words "Corporate Seal".

ARTICLE IX

RULES AND REGULATIONS

9.01 Rules and Regulations. The Board of Trustees may from time to time adopt, amend, repeal, and enforce reasonable rules and regulations governing the use and enjoyment of the Project, to the extent that such rules and regulations are not inconsistent with the rights and duties set forth in the Articles of Incorporation, the Declaration, or these Bylaws. The Members shall be provided with copies of all rules and regulations adopted by the Board of Trustees, and with copies of all amendments and revisions thereof.

BOOK 489 PAGE 64

**EXHIBIT "C"**  
**OWNERSHIP OF COMMON AREAS AND INITIAL**  
**MONTHLY COMMON EXPENSES AND ASSESSMENTS**

<u>Unit No.</u>	<u>Par Value of Unit</u>	<u>Fraction of Ownership of Common Areas and Facilities</u>	<u>Initial Monthly Common Expenses and Assessment</u>
101	2	2/330	46.00
102	2	2/330	46.00
103	3	3/330	69.00
104	3	3/330	69.00
105	3	3/330	69.00
106	3	3/330	69.00
107	2	2/330	46.00
108	2	2/330	46.00
109	2	2/330	46.00
110	3	3/330	69.00
111	3	3/330	69.00
112	3	3/330	69.00
113	3	3/330	69.00
114	3	3/330	69.00
115	2	2/330	46.00
116	3	3/330	69.00
117	3	3/330	69.00
118	3	3/330	69.00
119	3	3/330	69.00
120	3	3/330	69.00
121	2	2/330	46.00
122	3	3/330	69.00
123	3	3/330	69.00
124	2	2/330	46.00
125	2	2/330	46.00
126	3	3/330	69.00
127	3	3/330	69.00
128	2	2/330	46.00
129	3	3/330	69.00
130	3	3/330	69.00
131	2	2/330	46.00
201	2	2/330	46.00
202	2	2/330	46.00
203	3	3/330	69.00
204	3	3/330	69.00
205	3	3/330	69.00
206	3	3/330	69.00
207	2	2/330	46.00
208	2	2/330	46.00
209	2	2/330	46.00
210	3	3/330	69.00
211	3	3/330	69.00
212	3	3/330	69.00
213	3	3/330	69.00
214	3	3/330	69.00

215

2

2/330

46.00

<u>Unit No.</u>	<u>Par Value of Unit</u>	<u>Fraction of Ownership of Common Areas and Facilities</u>	<u>Initial Monthly Common Expenses and Assessment</u>
216	3	3/330	69.00
217	3	3/330	69.00
218	3	3/330	69.00
219	3	3/330	69.00
220	3	3/330	69.00
221	2	2/330	46.00
222	3	3/330	69.00
223	3	3/330	69.00
224	2	2/330	46.00
225	2	2/330	46.00
226	3	3/330	69.00
227	3	3/330	69.00
228	2	2/330	46.00
229	3	3/330	69.00
230	3	3/330	69.00
231	2	2/330	46.00
301	2	2/330	46.00
302	2	2/330	46.00
303	3	3/330	69.00
304	3	3/330	69.00
305	3	3/330	69.00
306	3	3/330	69.00
307	2	2/330	46.00
308	2	2/330	46.00
309	2	2/330	46.00
310	3	3/330	69.00
311	3	3/330	69.00
312	3	3/330	69.00
313	3	3/330	69.00
314	3	3/330	69.00
315	2	2/330	46.00
316	3	3/330	69.00
317	3	3/330	69.00
318	3	3/330	69.00
319	3	3/330	69.00
320	3	3/330	69.00
321	2	2/330	46.00
322	3	3/330	69.00
323	3	3/330	69.00
324	2	2/330	46.00
325	2	2/330	46.00
326	3	3/330	69.00
327	3	3/330	69.00

328	2	2/330	46.00
-----	---	-------	-------

<u>Unit No.</u>	<u>Par Value of Unit</u>	<u>Fraction of Ownership of Common Areas and Facilities</u>	<u>Initial Monthly Common Expenses and Assessment</u>
329	3	3/330	69.00
330	3	3/330	69.00
331	2	2/330	46.00
401	2	2/330	46.00
402	2	2/330	46.00
403	3	3/330	69.00
404	3	3/330	69.00
405	3	3/330	69.00
406	3	3/330	69.00
407	2	2/330	46.00
408	2	2/330	46.00
409	2	2/330	46.00
410	3	3/330	69.00
411	3	3/330	69.00
412	3	3/330	69.00
413	3	3/330	69.00
414	3	3/330	69.00
415	2	2/330	46.00
416	3	3/330	69.00
417	3	3/330	69.00
418	3	3/330	69.00
419	3	3/330	69.00
420	3	3/330	69.00
421	2	2/330	46.00
422	3	3/330	69.00
423	3	3/330	69.00
424	2	2/330	46.00
425	2	2/330	46.00
426	3	3/330	69.00
427	3	3/330	69.00
428	2	2/330	46.00
429	3	3/330	69.00
430	3	3/330	69.00
431	2	2/330	46.00
432	2	2/330	46.00
<b>TOTAL</b>	<b>330</b>		

The Management Committee has estimated that the Common Expenses for the first year will be \$89,700. The initial monthly Common Expenses assessment for each Unit shall be as set forth above, payable in advance. An additional one-time assessment equal

to twice the initial monthly assessment shall be paid by the initial purchaser only of each Unit at the time of purchase, which assessment shall be in addition to and not in lieu of all other assessment. Assessments begin effective November 1, 1988.