

ENABLING DECLARATION OF LITTLE MOUNTAIN CANYON CONDOMINIUM

THIS DECLARATION is made and executed by Kevin Warner and Richard Korowicki & Susan Crayne (hereinafter collectively referred to as "declarants"). Pursuant to the provisions of the Utah Condominium Ownership Act, as amended, Utah Code Annotated Section 57-8-1 through and including 57-8-36 (hereinafter referred to as "Act").

RECITALS:

A. Kevin Warner, Richard Korowicki, Susan Crayne as the legal owners in fee of a parcel of land together with easements, privileges, and appurtenances thereto situated in the County of Salt Lake, State of Utah, and more particularly described as follows:

BEGINNING at a point which is 15 110°04'22"W along the section line 25.00 feet and N 48°55'38"E 31.00 feet from the northwest corner of section 34, T.111., R.2E., S.L.22N., said point of beginning being N 46°43'30"E along the monument line 189.37 feet, N 33°50'00"W 83.64 feet and N 44°37'00"W 55.64 feet from a county monument that is S 0°19'30"E 235.14 feet from said northwest corner of section 34; thence N 48°55'38"E 27.82 feet; thence S 85°29'22"E 82.35 feet; thence S 43°23'22"E 65.88 feet; thence S 46°36'33"W 95.48 feet; thence N 33°50'00"W 83.64 feet; thence N 44°37'00"W 55.64 feet to the point of beginning.

\*\*Being re-recorded to correct Unit numbers on Exhibit "A". The aforescribed property shall hereinafter be referred to as "Real Property".

B. Between declarants they own all of the legal and equitable interests of said Real Property.

C. Declarants, by recording this Declaration and filing the record of survey map filed herewith captioned "LITTLE MOUNTAIN CANYON CONDOMINIUM" Located in the Northwest quarter of the Northwest quarter of section 34 Township 11 North range 2 East, Salt Lake City, Utah, submit said Real Property and all improvements now or hereafter constructed thereon to the provisions of the Utah Condominium Ownership Act and the Condominium project to be known as the LITTLE MOUNTAIN CANYON CONDOMINIUMS.

D. Declarants intend that individual units contained in such Little Mountain Condominium project, together with the undivided ownership interest in the common areas and the limited common areas appurtenant to such units, subject to the covenants, conditions, restrictions, limitations, and easements herein set forth, shall be sold to various purchasers, there being two units in said Little Mountain Canyon Condominium project as set forth in the Record of Survey Map filed herewith as defined below.

E. The covenants, conditions, and restrictions contained in this declaration shall be enforceable as equitable servitudes and shall run with the land.

F. The administration of the Real Property shall be governed by by-laws which are embodied herein, but not specifically identified hereafter as such.

NOW THEREFORE, for the foregoing purposes, Declarants hereby declare and certify the following protective covenants, conditions, restrictions, reservations, easements, equitable servitudes, liens and charges, all governing and applicable to said Real Property,

Handwritten initials and signature: "W", "Frank", "SC".

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together with any and all appurtenances and improvements heretofore or hereafter placed thereon, all running with said Real Property, appurtenances, and improvements, with any conveyance of said Real Property or of any part or unit thereof being subject to the same:

#### SECTION I - DEFINITIONS

As used in this Declaration, the following terms shall have the following meanings:

1. Act: The term "Act" shall mean and refer to the Utah Condominium Ownership Act, as amended, Utah Code Annotated Sections 57-8-1 through and including 57-8-36, as the same may be amended from time to time.

2. Declaration: The term "Declaration" shall mean and refer to this Enabling Declaration of Little Mountain Canyon Condominium.

3. Map: The term "Map" shall mean and refer to the record of survey map filed herewith captioned "Little Mountain Canyon Condominium" located in the Northwest quarter of the Northwest quarter of Section 34 Township 1 North Range 2 East, Salt Lake County, Utah, which record of survey map bears the surveyor's certificate of LEE E. ROBINSON.

4. Condominium Project: The term "Condominium Project" shall mean and refer to said Real Property, together with all improvements and appurtenances heretofore or hereinafter placed thereon.

5. Unit: The term "Unit" shall mean and refer to a separate physical part of the Real Property intended for independent use, as defined in the Act and as shown and noted on said map with parallel diagonal lines. Mechanical equipment and appurtenances located within any one Unit or located without said Unit but designated and designed to serve only that Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, fixtures and the like, shall be considered part of the Unit, as shall all decorated interiors, all surfaces of interior structural walls, floors and ceilings, windows and window frames, door and door frames, and trim, consisting of, interalia and as appropriate, wallpaper, paint, flooring, carpeting and tile, all pipes, wires, conduits, or other public utility lines or installations constituting a part of the Unit and serving only the Unit, and any structural members or any other property of any kind, including fixtures and appliances within any Unit, which are removable without jeopardizing the soundness, safety or usefulness of the remainder of the building within which the Unit is situated shall be considered part of the Unit; excepting the water pressure tank and water softener located in the West Unit which are designated common facilities.

6. Limited Common Areas and Facilities: The term "Limited Common Areas and Facilities" shall mean and refer to those areas designated on said Map as such and as contained in the areas denoted by the single, crosshatched areas of the Map. Each Limited Common Area as denoted on the Map as touching a particular Unit, whether Unit A or Unit B, shall be reserved exclusively for the use of that Unit; such Limited Common Areas and Facilities shall also be deemed a part of the more general term "Common Areas and Facilities" as set forth below.

7. Common Areas and Facilities: The term "Common Areas and Facilities", sometimes called simply "Common Areas", shall mean and refer to:

a. The land of said Real Property upon which the buildings and other improvements are constructed as shown on said Map.

b. Those Common Areas specifically set forth and designated as such on the Map.

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c. That part of the Condominium Project not specifically included in the respective Units as hereinabove defined.

e. All Limited Common Areas and Facilities.

f. All foundations, columns, girders, beams, supports, main walls, retaining walls, roofs, exterior walkways, streets, yards, gardens, fences, open parking spaces, installation of central services such as power, light, gas, all apparatus and installations that exist for common use, such as recreational and community facilities that may be provided for.

g. All other parts of the Condominium Project normally in common use or necessary or convenient to its use, existence, maintenance, safety or management,

h. All Common Areas and Facilities as defined in the Act whether or not expressly listed herein.

8. Unit Number: The term "Unit Number" shall mean and refer to the letter designating each Unit as designated in said Map.

9. Management Committee: The term "Management Committee" shall mean the committee as provided in this Declaration charged with and having the responsibility and authority to make and enforce all of the reasonable rules and regulations covering the operation and maintenance of the Condominium Project, which committee shall be duly elected by the Unit Owners Associations, shall be governed by the purchasers and further set forth below.

10. Unit Owners Association: The term "Unit Owners Association" shall mean all of the Unit Owners acting as a group in accordance with this Declaration.

11. Unit Owner: The term "Unit Owner" shall mean the person or persons owning a Unit in fee simple and an undivided interest in the fee simple estate of the common areas and facilities and the percentage specified and established in the Declaration.

12. Common Expenses: The term "Common Expenses" shall mean and refer to:

a. All sums lawfully assessed against the Unit Owners:

b. Expenses of administration, maintenance, repair or replacement of the Common Areas and Facilities;

c. Expenses agreed upon as Common Expenses by the Unit Owners Association.

d. Expenses declared Common Expenses by provisions of the Act;

e. All items, things, and sums permitted by the Act to be lawfully assessed by regulations and other determinations and agreements pertaining to the Condominium Project as the Management Committee, the Unit Owners, or the Unit Owners Association, as hereinafter mentioned, may from time to time adopt.

13. Mortgage: The term "Mortgage" shall mean and include any mortgage, deed of trust or other security instrument by which a Unit or any part thereof is encumbered.

14. Mortgagee: The term "Mortgagee" shall mean any person named as a Mortgagee or beneficiary under or holder of a deed of trust or other security instrument by which a Unit or any part thereof is encumbered.

15. First Mortgagee: The term "First Mortgagee" shall mean and refer to any person named as a Mortgagee or beneficiary under

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or holder of a deed of trust, which mortgage or deed of trust constitutes a first and prior lien upon the Unit or any part thereof which is unencumbered.

16. First Mortgage: The term "First Mortgage" shall include any mortgage, deed of trust or other security instrument by which a Unit or any part thereof is encumbered to the extent that such mortgage, deed of trust or other security instrument constitutes a first and prior lien upon such unit.

17. To the extent applicable to the tenure hereof and not expressly inconsistent with this Declaration, the definitions contained in the Act are incorporated herein by reference and shall have the same effect as if expressly set forth herein and made a part hereof.

#### SECTION II - SUBMISSION TO THE ACT

Declarants hereby submit to the provisions of the Act all of said Real Property together with any and all appurtenances and improvements heretofore or hereinafter placed thereon.

#### SECTION III - USE OF CONDOMINIUM

1. Each of the Units in the Condominium Project is intended to be used for single family residential housing and is restricted to such use.

2. There shall be no obstruction of the Common Areas by the Unit Owners, their tenants, guests or invitees without the prior written consent of the Management Committee. The Management Committee may, by rules and regulations, prohibit or limit the use of the Common Areas as may be reasonable necessary for protecting the interests of all the Unit Owners or protecting the Units or the Common Areas. Nothing shall be kept or stored on any part of the Common Areas without the prior written consent of the Management Committee, except as specifically provided herein. Nothing shall be altered on, or constructed in or removed from the Common Areas except upon the prior written consent of the Management Committee and all First Mortgagees.

3. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would result in the cancellation of insurance on the Condominium Project or any part thereof or increase the rate of the insurance on the Condominium Project or any part thereof over what the Management Committee, but for such activity, would pay, without the prior written consent of the Management Committee and all First Mortgagees of the premises. Nothing shall be done or kept in any Unit or in the Common Area or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Unit Owner or any invitee of any Unit Owner, and each Unit Owner shall indemnify and hold the Management Committee and the other Unit Owners and any First Mortgagees harmless against all loss resulting from any such damage or waste caused by him or his invitees. No noxious, destructive or offensive activity shall be carried on in any Unit or in the Common Areas or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Unit Owners or to any person at any time lawfully residing in the Condominium Project.

4. Animals. No livestock or poultry of any kind shall be raised, bred, or kept in any Unit or in the Common Areas, except that household pets may be kept in the Units, subject to strict observances of rules and regulations which may from time to time be adopted by the Management Committee.

5. No structural alterations to any Unit shall be made by any Unit Owner without the prior written consent of the Management Committee and all First Mortgagees.

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7. No temporary dwelling shall be constructed or allowed to be kept upon the premises of the Condominium Project without the prior approval of the Management Committee and all First Mortgagees.

#### SECTION IV - INSURANCE

1. The Management Committee shall secure or cause to be secured and maintained at all times the following insurance coverage with respect to the Condominium Project:

(a) A policy or policies of fire and casualty insurance, with extended coverage endorsement, for the 100% insurable replacement value of the entire Condominium Project. Such policy or policies shall be made payable to the Management Committee, and all persons holding an interest in the Condominium Project or any of the Condominium Units, as their interests may appear, containing any such special endorsements as any First Mortgagee may require.

(b) A policy or policies insuring the Management Committee, and manager of the Condominium Project, and the Unit Owners against any liability incident to the ownership, use, or operation of the Condominium Project or of any Unit which may arise among themselves, to the public, and to any invitees or tenants of the Condominium Project or of the Unit Owners. Limits of liability under such insurance shall be not less than \$100,000 for any person injured, \$1,000,000 for all persons injured in any one accident, and \$100,000 for property damage resulting from one occurrence. Such policy shall be issued in a comprehensive liability basis and shall provide a cross liability endorsement pursuant to which the rights of the named insureds as between themselves are not prejudiced.

2. In addition to the insurance described above, the Management Committee shall secure and at all times maintain such insurance against such risks and losses as are or hereafter may be customarily insured against in connection with condominium projects similar to this Condominium Project and construction, nature and use, together with such insurance policies and modifications thereof as may be from time to time required by any First Mortgagee.

3. The Management Committee shall furnish all First Mortgagees with a copy of the policy of fire and extended coverage insurance on the Condominium Project Common Areas. Such policy of fire and extended coverage insurance shall provide that it is cancellable without at least thirty (30) days' prior written notice to the Management Committee and all First Mortgagees with respect to the Condominium Project; in addition, such policy shall give any First Mortgagee with respect to said Condominium Project, the right, but not the obligation, to pay delinquent premiums on said policy; First Mortgagees may maintain such insurance on behalf of the Unit Owners Association as such Mortgagees shall deem fit, or to obtain Fire and Extended Coverage insurance with respect to the Condominium Project for the benefit of the Unit Owners Association should adequate fire insurance fail to be provided.

4. Any premiums for insurance paid by a First Mortgagee for the benefit of the Unit Owners Association shall be immediately reimbursed by the Association for whose benefit the premiums are paid; the Management Committee shall see that such reimbursement is timely made.

5. Any premiums for insurance paid by a First Mortgagee and the benefit of the Unit Owners Association pursuant to the terms of this Declaration, shall be reimbursed, within ten days of payment,

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by the Unit Owners Association for whose benefit the premiums were paid, and, until such reimbursement is paid, the amount to be reimbursed shall constitute a lien upon the Condominium Units of the Condominium Project.

6. The multi-peril type insurance policy as required under this section shall be a blanket type policy covering the entire Condominium Project.

#### SECTION V - EASEMENTS

1. Easement for Encroachment: If any part of the Common Area encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Area or upon an adjoining Unit or Units, an easement for the maintenance of the same shall encumberances either on the Common Areas or the Units. Encroachments caused by error in the original construction of any improvement upon the Condominium Project, by error in the Map, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of the Condominium Project or any part thereof, so long as such repair encroachment is not intentional.

2. Easement for Repair of Common Areas: Some of the Common Areas are or may be located within the Units or may be conveniently accessible only through the Units. The Unit Owners of the other Unit shall have the irrevocable right, to be exercised by the Management Committee as their agent, to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the Common Areas located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Areas or to another Unit or Units. The Management Committee shall also have such right independent of the agency relationship. Damage to the interior or any part of the Unit or Units resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Areas, or as a result of emergency repairs within another Unit at the instance of the Management Committee or of Unit Owners, shall be an expense of all Unit Owners; provided however, that if such damage is the result of negligence of a Unit Owner, then such Owner shall be financially responsible for all of such damage. Such damage shall be repaired and the property shall be restored substantially to the same conditions as existed prior to the damage.

3. Right of Ingress, Egress, Lateral Support: Each Unit Owner shall have the right to ingress and egress over, upon, and across the Common Areas necessary for access to his Unit, and to the Limited Common Areas designated for use in connection with his Unit, and each Unit Owner shall have the right to the horizontal and lateral support of a Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

4. Easement to Management Committee: The Management Committee shall have a non-exclusive easement to make such use of the Common Areas as may be necessary or appropriate to perform the duties and function which it is obligated or permitted to perform pursuant to this Declaration.

5. Easements for Utility Services: Easements are reserved through the Condominium Project as may be required for utility services.

6. Reciprocal Easements: All conveyances of Units hereinafter made, whether by declarants or otherwise, shall be construed to grant and reserve such reciprocal easements as shall be necessary to effectuate the paragraphs of this section.

#### SECTION VI - MAINTENANCE OF UNITS

Each Unit Owner shall have the right at his (or their) sole cost and expense, to maintain, repair, paint, repaint, tile

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wax, paper or otherwise refinish and decorate the interior surfaces of the walls, ceilings, floors, windows, and doors forming the boundaries of his Unit and all wall, ceilings, floors, windows, and doors within such boundaries. In addition to decorating and keeping the interior of his Unit in good repair and in a clean and sanitary condition, he shall be responsible for the maintenance, repair, or replacement of any plumbing fixtures, water heater, heating equipment, air conditioner, lighting fixtures, refrigerator, dish washer, disposal equipment, range, or other appliance or fixture that may be in, or connected with, his Unit.

#### SECTION VI - OWNERSHIP AND USE OF UNITS AND COMMON AREAS

1. No Partition: The Common Areas shall be owned in common by all the Unit Owners, and no Unit Owner may bring any action for partition thereof or subdivide any Unit.

2. No Separation: No part of a Unit or the legal rights comprising ownership of a Unit may be separated from any other part thereof during the period of condominium ownership described herein, so that each Unit, the undivided interest in the Common Areas appurtenant to such Unit, and the exclusive right to use and occupy the limited Common Area appurtenant to such Unit, shall always be conveyed, devised, encumbered, and otherwise affected only together and may never be separated from one another. Every gift, devise, bequest, transfer, encumbrance, conveyance, respectively, of the entire Unit, together with all appurtenant rights created by law or by this declaration.

3. Holding Title: Title to a Unit may be held or owned by any entity in any manner in which title to any other real property may be held or owned in the State of Utah, including, but not limited to, joint tenancy or tenancy in common.

4. Nature of Ownership: The Condominium Project is hereby divided into two units, each consisting of a fee simple interest in a Unit and a fee simple interest in the Common Areas in accordance with the attached Exhibit "A" setting forth the respective undivided interests in the Common Areas appurtenant to each Unit. Such undivided interest in the Common Areas are hereby declared to be appurtenant to the respective Units. The percentage of ownership in the Common Areas shall be for all purposes including, but, not limited to, voting and assessment for the common expenses.

5. Limited Common Areas: Limited Common Areas shall consist of those areas designated as such on the map.

#### SECTION VII - MANAGEMENT COMMITTEE, RIGHTS AND OBLIGATIONS: VOTING

1. Management Committee: The business, property, and affairs of the Condominium Project shall be managed by the Management Committee composed of three members. Two of the members shall always be composed of an owner of each Unit of the Condominium Project, with the third member being comprised of such individual as the Unit Owners may select. Should there be more than one owner of a particular condominium Unit, the owners of that Unit shall select which of them they would wish to serve on such committee. The third member of the committee shall be selected by the Unit Owners at a duly held election. Each condominium Unit shall be entitled to one vote regardless of the number of owners of that Unit. There shall be no partial voting with respect to a particular condominium Unit, and if unanimity among Unit Owners of a particular unit cannot be achieved, the vote for that unit shall not be counted. The members of the Management Committee who are Unit Owners shall remain members of the committee for so long as they shall be Unit Owners; and the third, and non-owner member of the Management Committee shall serve for a three-year term. The same individual may be reelected for successive terms, and should the Unit Owners of the Unit Owners Association be unable to arrive at a selection of a third member of the Management Committee as a result of a voting tie, the First Mortgagee shall have the right, but not the obligation, to break such tie and select a third member of the Management Committee when elected; the manner of casting Unit Owner votes with respect to the voting on any subject matter shall be the

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same as provided in this paragraph for the election of the third Management Committee member. Elections shall be held in the January Unit Owners meeting.

2. Rights and Duties: The Management Committee, subject to the rights of the Unit Owners and any First Mortgagees heretofore set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including furnishings and equipment related thereto), and shall keep the same in good, clean, attractive, and sanitary condition, order, and repair. The Management Committee shall be responsible for the maintenance repair of exterior surfaces of the buildings, including, without limitation, the painting of the same buildings, including, without limitation, the painting of the same as often as necessary, the replacement of trim, the maintenance and repair of roofs, the maintenance and repair of other Common Areas, and all other improvements or material located within or used in connection with the Common Areas. The Management Committee shall have the exclusive right to contract for all goods, services and insurance payments which are to be made from the common expense fund. Specification of duties of the Management Committee as contained herein shall not be construed to limit its duties with respect to other Common Areas, as set forth in the first sentence of this paragraph. The cost of such management, operation, maintenance, and repair by the Management Committee shall be borne as provided in the following section of this Declaration referring to assessments.

3. Payment For Services: The Management Committee may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as Management Committee shall determine to be necessary or desirable for the proper operation of the Condominium Project, whether such personnel are furnished or employed directly by the Management Committee or by any person or entity with whom or which it contracts. The Management Committee may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Condominium Project for the enforcement of this Declaration. The Management Committee may arrange with others to furnish lighting, water, snow removal, grounds maintenance, and other common services to each unit with the cost of such services to be borne as provided in the following section entitled "Assessments".

4. Performance of Services by Management Committee Itself: Nothing herein shall prohibit the Management Committee or any members thereof, with the approval of 100% of the Management Committee, from undertaking, itself the repair and maintenance of the Common Areas.

5. Personal Property Ownership and Use: The Management Committee may acquire and hold for the use and benefit of all of the Unit Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Unit Owners in the same proportion as their respective interests in the Common Areas.

6. Rules and Regulations: The Management Committee may make reasonable rules and regulations governing the use of the Units and the Common Areas, which rules and regulations shall be consistent with the rights and duties established in this Declaration. The Management Committee may suspend any Unit Owner's voting rights in the meeting of Unit Owners during any period or periods during which the Unit Owner fails to comply with such rules and regulations, or with any other obligations of such Unit Owner under this Declaration. The Management Committee may also take judicial action against any Unit Owner to enforce compliance with such rules and regulations or other obligations or to obtain damages for non-compliance, all to the extent permitted

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8. Other Rights: The Management Committee shall exercise any and other right or privilege given to it expressly by this Declaration, and every other right or privilege reasonably necessary to effectuate any such right or privilege.

9. Date of Election: The third member of the Management Committee shall be elected every third year at the January meeting of the Unit Owners Association.

#### SECTION VIII - ASSESSMENT

1. Agreement to Pay Assessment: Each Unit Owner of any Unit by the acceptance of a deed or contract therefore, whether or not it be so expressed in the deed or contract, shall be deemed to covenant and agree with each other and with the Management Committee to pay to the Management Committee annual assessments made by the Management Committee for the purposes provided in this Declaration. Such assessments shall be fixed, established, and collected from time to time in the manner provided hereunder.

2. Basis of Assessments: Total annual assessments against all Units shall be based on advance estimates of cash requirements by the Management Committee to provide for the payment of all estimated expenses occurring out of or connected with the maintenance and operation of the Common Areas or furnishing utility services to the Units, which estimates may include, among other things, expenses of management, ground maintenance, taxes, and special assessments levied by governmental authority unless the Units are separately assessed, premiums for all insurance which the Management Committee is required or permitted to maintain pursuant hereto, common lighting, water charges, repairs and maintenance, wages for Management Committee employees, legal and accounting fees, any defect remaining from a previous period, the creation of a reasonable contingency reserve, surplus and/or sinking fund, and other expenses and liabilities which may be incurred by the Management Committee for the benefit of the Unit Owners under or by reason of the Declaration.

3. Apportionment of Expenses: Expenses attributed to the Common Areas and to the Condominium Project as a whole shall be apportioned among the two units in proportion to their respective undivided interests in the Common Areas.

4. Method of Payment of Assessments: Annual assessments shall be made on a calendar year basis. The Management Committee shall give written notice to each Unit Owner as to the amount of the annual assessment with respect to his Unit not less than thirty (30) days or more than sixty (60) days prior to the beginning of the next calendar year; provided, however, that the first annual assessment shall be for the balance of the calendar year 1977. Each annual assessment shall be due and payable in monthly installments on the first of each and every month and no separate notices of such monthly installments shall be required. Each monthly assessment shall bear interest at the rate of ten percent (10%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date. Such assessment shall be assessed on the first day of January of each year and shall be construed as common assessments for common expenses within the meaning of Section 57-B-20 of the Act and shall constitute a lien upon each Unit as provided and governed by said Section.

5. Amount of Assessment: Such assessment shall be charged on a yearly basis as shall be necessary to properly maintain said Common Areas, and each First Mortgagee shall be given the right to require of the Management Committee an additional assessment as it shall deem necessary for the proper maintenance of the Common Areas

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SECTION VIII - UNIT OWNERS ASSOCIATION - MEETINGS  
AND MANAGEMENT COMMITTEE MEETINGS

The Management Committee meetings shall be immediately following the Unit Owner Association meetings which shall be held the first of each and every month without further notice being required. A special meeting of the Unit Owners Association may be called by any of the Unit Owners upon ten days' written notice, and a meeting of the Management Committee may be held at any time within ten days' written notice by any member of the Management Committee. A quorum for purposes of conducting business by the Management Committee shall consist of two members, and any and all action may be taken by the Management Committee upon two-thirds vote. A quorum for purposes of conducting a Unit Owners Meeting shall be any two Unit Owners, each being an owner or part owner of a different Unit. The vote of a particular Unit may be cast by the owner or owners of that Unit present at such meeting, but no action may be taken by the Unit Owners Association without 100% concurrence of all Unit Owners present at such meeting.

SECTION IX - DAMAGE TO THE CONDOMINIUM PROJECT  
AND CONDEMNATION PROCEEDINGS

1. In the event of any damage to the Condominium Project, the Project shall be repaired with the use of insurance proceeds, unless 100% of the Unit Owners and 100% of all First Mortgagees agree otherwise, to its original status with Unit Owners responsible to pay any deficiency in insurance proceeds to repair the same.

2. In the event of any condemnation of all or part of the Condominium Project, the proceeds of any condemnation shall be paid to the Unit Owners and respective Mortgagees as their interests may appear according to general provisions of Utah law and Section XI below.

SECTION X - MANAGEMENT COMMITTEE AS AGENT OF  
UNIT OWNERS AND UNIT OWNERS ASSOCIATION

All of the Unit Owners irrevocably constitute and appoint the Management Committee as their true and lawful agent in their place, name, and stead for the purpose of dealing with the Condominium Project upon its damage or destruction, and for purposes of managing the Condominium Project.

SECTION XI - MORTGAGE PROTECTION CLAUSE

Notwithstanding any and all provisions of this Declaration to the contrary, the following provisions are hereby added to this Declaration and, in the event of any conflict with any other provisions of this Declaration, shall control:

1. Each First Mortgagee who obtains a lien upon a particular Unit shall be considered as having a lien upon not only the Unit but all of its percentage of undivided interest in the Common Areas and Facilities (including the Listed Common Areas and Facilities). When referring to a Mortgagee having an encumbrance upon a Unit as used in this section, the scope of such lien as defined in this paragraph shall be intended.

2. Each First Mortgagee of a mortgage encumbering any Unit, at his written request, is entitled to written notification from the Management Committee of any default by the Mortgagor of such Unit in the performance of such Mortgagor's obligation under this Declaration which default is not cured within 30 days after the Management Committee learns of such default.

3. Each Unit Owner, including every First Mortgagee of a mortgage encumbering any Unit which obtains title to such Unit pursuant to the remedies provided in such mortgage, or by foreclosure of such mortgage, or by deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal".

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4. Each First Mortgagee of a mortgage encumbering any Unit which attains title to such Unit pursuant to the remedies provided in such mortgage or by foreclosure of such mortgage, shall take title to such Unit free and clear of any claim of unpaid assessments or charges against such Unit which accrued prior to the acquisition of title to such unit by the Mortgagee.

5. Unless all of the First Mortgagees and Unit Owners have given their prior written approval, neither the Unit Owners Association, nor the Management Committee, nor the Unit Owners shall:

a. By act or omission seek to abandon, partition, alienate, subdivide, release, hypothecate, encumber, sell or transfer the Common Areas and the Improvements thereon, directly or indirectly;

b. Change the method of determining the obligations, assessments, dues, or other charges which may be levied against the Unit Owners;

c. By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design of the exterior appearance of the condominium units, exterior maintenance of the units or the maintenance of common property, party walls or common fences and driveways, or the upkeep of lawns and plantings in the Condominium Project;

d. Fail to maintain fire and extended coverage on insurable common area property on a current replacement cost in an amount not less than 100% of the insurable value based on current replacement cost;

e. Use hazard insurance proceeds for losses to any common area property for other than the repair, replacement or reconstruction of such improvements; or

f. Amend this Declaration in any manner such that the rights of any First Mortgagee will be affected.

6. First Mortgagees shall have the rights to examine the books and records of the Management Committee and the Unit Owners Association during normal business hours.

7. All First Mortgagees shall be given immediate notice following any damage to the Common Areas whenever the cost of reconstruction exceeds \$500.00, and as soon as the Management Committee learns of any threatened condemnation proceeding or proposed acquisition of any portion of the Condominium Project.

8. First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area property and may pay any overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of any policy, for such property, and First Mortgagees making such payment shall be immediately reimbursed therefor from the Unit Owners Association through the Management Committee.

9. First Mortgagees, pursuant to their mortgages, shall have priority over all Unit Owners in the case of a distribution of insurance proceeds or condemnation awards for losses or taking of Common Area or other property.

#### SECTION XII - AMENDMENT OF DECLARATION

This Declaration may be amended only upon 100% affirmative vote of all First Mortgagees and all Unit Owners.

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SECTION XIII - ENFORCEMENT

Each Unit Owner shall comply strictly with the provisions of this Declaration and with the rules and regulations promulgated pursuant hereto as the same may be lawfully amended from time to time, and failure to comply shall be grounds for an action to recover sums due for damage or in judgment, relief or both, maintainable by the Management Committee, or in a proper case, by an aggrieved Unit Owner; and all First Mortgagees shall have the right to enforce any and all provisions of the Declarations herein contained for the purpose of protecting their respective interests under their mortgages.

SECTION XIV - MISCELLANEOUS

1. Number and Gender: Whenever used herein, unless the context shall otherwise provide, the singular number shall include plural, plural the singular, and the use of any gender shall include all genders.

2. Severability: If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase, or word or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase, or word in any other circumstances, shall not be affected thereby.

3. Typical Readings: The headings appearing at the beginning of the paragraphs in Sections of this Declaration are only for convenience of reference and are not intended to describe, interpret, define, or otherwise affect the content, meaning, or intent of this Declaration or any paragraph or provision hereof.

4. Effective Date: This Declaration shall take effect upon recording in the Office of the County Recorder of Salt Lake County, State of Utah.

5. Service of Process: The name of the person to receive service of any process which may be authorized by law or under the provisions of this Declaration or under the provisions of the Act in Curtis K. Oberhauser, who resides at 1754 Oaksprings Drive, Salt Lake City, Utah; provided, however, that the Management Committee shall have the right to appoint a successor or substitute process agent to be designated and appointed by a duly executed instrument filed in the office of the County Recorder of Salt Lake County, State of Utah, which designation shall conform with §57-8-10(b) of the Act.

6. Granting of Utility Easements: The Management Committee shall have, and it is hereby given authority, to grant such utility easements over and across the Common Areas as shall be determined by the Management Committee and all First Mortgagees to be in their best interests.

7. Attorneys Fees: It is expressly provided that any Unit Owner against whom any action, judicial or otherwise, must be brought by the Management Committee, any Unit Owner, or any First Mortgagee, to enforce these Declarations shall be responsible to pay all costs of such action including but not limited to, reasonable attorneys fees.

8. Surface Rights: Those portions of lots 23, 24, and 25 owned by Salt Lake City and contiguous to the Real Property, over which Declarants have surface rights, shall, to the extent of such surface rights, be used by the Unit Owners Association to enhance and preserve the same.

IN WITNESS WHEREOF, the undersigned, being the Declarants,

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have caused this declaration to be executed  
this 30<sup>th</sup> day of October, 1996.

*Kevin Warner*  
Kevin Warner

*Richard Korowicki*  
Richard Korowicki

Susan Crayne  
Susan Crayne

On the 30<sup>th</sup> day of October, 1996 personally  
appeared before me Kevin Warner, Richard  
Korowicki, and Susan Crayne, the signers of  
the above instrument, who duly acknowledged  
to me that they executed the same.

State of Utah  
County of Salt Lake

Commission Expires:  
10-19-97

*Carol Vandenberg* 10-30-96  
NOTARY PUBLIC  
CAROL VANDENBERG  
2201 E. 1100 South  
Salt Lake City, Utah 84119  
COMMISSION EXPIRES  
OCT. 19 1997  
STATE OF UTAH

*Reading in  
Salt Lake City,  
Utah*

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EXHIBIT "A"

TO

LITTLE MT. CANYON CONDOMINIUM

The Condominium Project will have one building with two (2) units therein. Each unit will own the percentage of the Common Areas and Facilities (including Limited Common Areas and Facilities) as set forth below:

<u>UNIT</u>	<u>PERCENT OWNERSHIP IN COMMON AND LIMITED COMMON AREAS AND FACILITIES, (ALSO DETERMINATIVE OF VOTING RIGHTS AND PRO RATA SHARE OF OWNERS EXPENSES)</u>	
X 1	1/2	50%
Ø 2	1/2	50%

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CC RECORDER

6501497  
11/08/96 11:15 AM 37.00  
NANCY WORKMAN  
RECORDER, SALT LAKE COUNTY, UTAH  
GUARDIAN TITLE  
REC BY:D KILPACK ,DEPUTY - WI

~~6494918  
10/31/96 2:28 PM 37.00  
NANCY WORKMAN  
RECORDER, SALT LAKE COUNTY, UTAH  
KEVIN WARNER  
5885 E EMIGRATION CYN RD SLC  
UT 84108  
REC BY:V ASHBY ,DEPUTY - WI~~

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*PMK*  
*SC*  
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