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MILLER HARRISON, LLC
50 WEST BROADWAY, SUITE 450
SALT LAKE CITY, UTAH 84101

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Gary W. Ott
Recorder, Salt Lake County, UT
MILLER HARRISON LLC
BY: eCASH, DEPUTY - EF 9 P.

**SIXTH AMENDMENT TO THE
DECLARATION
ESTABLISHING A CONDOMINIUM PROJECT KNOWN AS:
TANGLEWOOD**

RECITALS

- A. On October 29, 1970, the Tanglewood Condominium Project was made subject to the Declaration Establishing a Condominium Project Known as: Tanglewood, which was recorded as Entry No. 2356149 in the offices of the Salt Lake County Recorder (hereinafter the “Declaration”).
- B. The Declaration was first amended by the Amendment to Declaration Establishing a Condominium Project Known as “Tanglewood”, which was recorded on November 9, 1970 as Entry No. 2357609 in the offices of the Salt Lake County Recorder.
- C. The Declaration was next amended by the Amendment to Declaration Establishing a Condominium Project Known as Tanglewood, which was recorded on September 10, 1974 as Entry No. 2649941 in the offices of the Salt Lake County Recorder.
- D. The Declaration was next amended by the Amendment to Declaration Establishing a Condominium Project Known as Tanglewood, which was recorded on June 7, 1991 as Entry No. 5078331 in the offices of the Salt Lake County Recorder.
- E. The Declaration was next amended by the Fourth Amendment to the Declaration Establishing a Condominium Project Known As: Tanglewood, which was recorded on November 4, 2010 as Entry No. 11068494 in the offices of the Salt Lake County Recorder.
- F. Most recently, the Declaration was amended by the Fifth Amendment to the Declaration Establishing a Condominium Project Known As: Tanglewood, which was recorded on February 13, 2015 as Entry No. 11993049 in the offices of the Salt Lake County Recorder.
- G. The Tanglewood Condominium Association, Inc. (“Association”), desiring to further amend the Declaration, hereby adopts this Sixth Amendment to the Declaration Establishing a Condominium Project Known As: Tanglewood (hereinafter the “Sixth Amendment”), said amendment having been approved by at least sixty-six and two-

thirds percent (66 2/3%) of the total votes of the Association as required by Article XI of the Declaration.

- H. This Sixth Amendment is intended to harmonize the Association's and Owners' insurance obligations with the insurance requirements of U.C.A. §57-8-43 of the Utah Condominium Ownership Act, replace any other provision of the Declaration in conflict herewith, and further amend the Declaration as so indicated below.
- I. This Amendment shall be binding against the Property as a whole and specifically, the condominium units identified on "Exhibit A" hereto.

AMENDMENT

Article XIV, Section 15A is proposed to be amended to read as follows:

15. **INSURANCE**

15.1 Insurance. The Management Committee shall obtain insurance as required in this Declaration, the Act, or other applicable laws. The Association may obtain insurance that provides more or additional coverage than the insurance required in this Declaration. Different policies may be obtained from different insurance carriers and standalone policies may be purchased instead of or in addition to embedded policies, included coverage, or endorsements to other policies. Insurance premiums shall be a common expense.

15.2 Property Insurance.

(a) Hazard Insurance. The Association shall maintain a blanket policy of property insurance covering the entire Project, including the Common Area and Facilities and all buildings including all Homes, fixtures, and building services equipment as provided in the Act. The Association may maintain broader coverage if afforded by the insurance contract.

i. The blanket policy shall exclude land and other items not normally and reasonably covered by such policies. The blanket policy shall be an "all in" or "all inclusive" insurance as those terms are used in the insurance industry and shall include insurance for any fixture, improvement, or betterment installed in or to the Home or any Limited Common Areas (if any) or otherwise permanently part of or affixed to Common Areas, Homes, or Limited Common Areas (if any), including but not limited to floor coverings, cabinets, light fixtures, electrical fixtures, heating and plumbing fixtures, paint, wall coverings, and windows.

ii. At a minimum, the blanket policy shall afford protection against loss or damage by: (1) fire, windstorm, hail, riot, aircraft, vehicles, vandalism, smoke, and theft; and (2)

all perils normally covered by “special form” property coverage.

iii. The blanket policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all property covered by such policy (including the Homes) at the time the insurance is purchased and at each renewal date. The actual replacement cost of the property shall be determined by using methods generally accepted in the insurance industry.

iv. The blanket policy shall include either of the following endorsements to assure full insurable value replacement cost coverage: (1) a Guaranteed Replacement Cost Endorsement under which the insurer agrees to replace the insurable property regardless of the cost; and (2) a Replacement Cost Endorsement under which the insurer agrees to pay up to one hundred percent (100%) of the Property’s insurable replacement cost but not more. If the policy includes a coinsurance clause, it must include an Agreed Amount Endorsement which must waive or eliminate the requirement for coinsurance.

v. Each property policy that the Association is required to maintain shall also contain or provide for the following: (i) “Inflation Guard Endorsement,” if available, (ii) “Building Ordinance or Law Endorsement,” (the endorsement must provide for contingent liability from the operation of building laws, demolition costs, and increased costs of reconstruction), and (iii) “Equipment Breakdown,” if the project has central heating or cooling or other equipment or other applicable fixtures, equipment, or installation, which shall provide that the insurer’s minimum liability per accident at least equals the lesser of two million dollars (\$2,000,000) or the insurable value of the building containing the equipment.

(b) Owner Responsibility for Payment of Deductible. If a loss occurs that is covered by a property insurance policy in the name of the Association and another property insurance policy in the name of an Owner:

i. the Association’s policy provides primary insurance coverage;

ii. notwithstanding Subsection i. above, and subject to Subsection iii. below:

- 1) the Owner is responsible for the Association’s policy deductible;
- and
- 2) the Owner’s policy, if any, applies to that portion of the loss attributable to the Association’s policy deductible.

iii. An Owner that has suffered damage to any combination of a Home or a Limited Common Area appurtenant to a Unit (if any) (“Home Damage”) as part of a loss, resulting from a single event or occurrence, that is covered by the Association’s property insurance policy (“a Covered Loss”) is responsible for an amount calculated by applying the percentage of total damage resulting in a Covered Loss that is attributable to Home

Damage (“Home Damage Percentage”) for that Home to the amount of the deductible under the Association’s property insurance policy; and

iv. If an Owner does not pay the amount required under Subsection ii. above within 30 days after substantial completion of the repairs to, as applicable, the Home or the Limited Common Area appurtenant to the Unit (if any), the Association may levy an assessment against the Owner for that amount.

(c) Flood Insurance. If any part of the Project is or comes to be situated in a Special Flood Hazard Area as designated on a Flood Insurance Rate Map, a policy of flood insurance shall be maintained covering the Project, or, at a minimum, that portion of the Project located within the Special Flood Hazard Area. That policy shall cover any machinery and equipment that are not part of a building and all Common Area within the Project (“Insurable Property”) in an amount deemed appropriate, but not less than the lesser of: (i) the maximum limit of coverage available under the National Flood Insurance Program for the Insurable Property within any portion of the Project located within a designated flood hazard area; or (ii) one hundred percent (100%) of the insurable value of the Insurable Property. If the Project is not situated in a Special Flood Hazard Area, the Association may nonetheless, in the discretion of the Management Committee, purchase flood insurance to cover water and flooding perils not otherwise covered by blanket property insurance.

(d) Earthquake Insurance. The Association may purchase earthquake insurance as the Management Committee deems appropriate. If the Management Committee elects not to purchase earthquake insurance, a majority vote of the Owners present at an Owners meeting may override the Management Committee’s decision to not purchase earthquake insurance, in which event the Management Committee shall purchase earthquake insurance within 60 days of the vote.

(e) Association’s Obligation to Segregate Property Insurance Deductible. The Association shall maintain an amount equal to the Association’s property insurance policy deductible or \$10,000, whichever is less. This requirement shall not apply to any earthquake or flood insurance deductible.

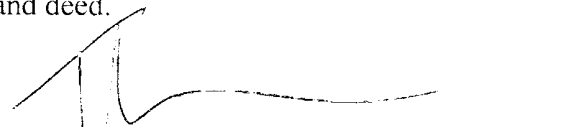
(f) Association’s Right to Not Tender Claims that are Under the Deductible. If, in the exercise of its business judgment, the Management Committee determines that a claim is likely not to exceed the Association’s property insurance policy deductible: (a) the Owner’s policy is considered the policy for primary coverage to the amount of the Association’s policy deductible; (b) an Owner who does not have a policy to cover the Association’s property insurance policy deductible is responsible for the loss to the amount of the Association’s policy deductible; and (c) the Association need not tender the claim to the Association’s insurer.

- (g) Notice Requirement for Deductible. The Association shall provide notice to each Owner of the Owner's obligation under Subsection (b) above for the Association's policy deductible and of any change in the amount of the deductible. If the Association fails to provide notice of the initial deductible, it shall be responsible for the entire deductible in case of any loss. If the Association fails to provide notice of any increase in the deductible, it shall be responsible for paying any increased amount that would otherwise have been assessed to the Owner. The failure to provide notice shall not invalidate or affect any other provision in this Declaration.
- 15.3 Comprehensive General Liability (CGL) Insurance. The Association shall obtain CGL insurance insuring the Association, the agents and employees of the Association, and the Owners, against liability incident to the use, ownership or maintenance of the Common Area or membership in the Association. The coverage limits under such policy shall not be less than Two Million Dollars (\$2,000,000.00) covering all claims for death of or injury to any one person or property damage in any single occurrence. Such insurance shall contain a Severability of Interest Endorsement or equivalent coverage which should preclude the insurer from denying the claim of an Owner because of the negligence acts of the Association or another Owner.
- 15.4 Director's and Officer's Insurance. The Association shall obtain Directors' and Officers' liability insurance protecting the Management Committee, the officers, and the Association against claims of wrongful acts, mismanagement, failure to maintain adequate reserves, failure to maintain books and records, failure to enforce the Property's governing documents, and breach of contract (if available). This policy shall: (1) include coverage for volunteers and employees, (2) include coverage for monetary and non-monetary claims, (3) provide for the coverage of claims made under any fair housing act or similar statute or that are based on any form of discrimination or civil rights claims, and (4) provide coverage for defamation, so long as each is reasonably available. In the discretion of the Management Committee, the policy may also include coverage for any manager and any employees of the manager and may provide that such coverage is secondary to any other policy that covers the manager or any employees of the manager.
- 15.5 Insurance Coverage for Theft and Embezzlement of Association Funds. The Association shall obtain insurance covering the theft or embezzlement of funds that shall: (1) provide coverage for an amount of not less than the sum of three (3) months' regular assessments in addition to the prior calendar year's highest monthly balance on all operating and reserve funds, and (2) provide coverage for theft or embezzlement of funds by: (a) officers and Management Committee members of the Association, (b) employees and volunteers of the Association, (c) any manager of the Association, (c) officers, directors, and employees of any manager of the Association, and (d) coverage for acts.
- 15.6 Worker's Compensation Insurance. The Management Committee shall purchase and maintain in effect workers' compensation insurance for all employees of the Association

to the extent that such insurance is required by law and as the Management Committee deems appropriate.

- 15.7 Certificates. Any insurer that has issued an insurance policy to the Association shall issue a certificate of insurance to the Association and upon written request, to any Owner or Mortgagee.
- 15.8 Named Insured. The named insured under any policy of insurance shall be the Association. Each Owner shall also be an insured under all property and CGI insurance policies.
- 15.9 Association has the Right to Negotiate All Claims and Losses and Receive Proceeds. Insurance proceeds for a loss under the Association's property insurance policy are payable to an Insurance Trustee if one is designated, or to the Association, and shall not be payable to a holder of a security interest. An Insurance Trustee, if any is appointed, or the Association shall hold any insurance proceeds in trust for the Association, Owners, and lien holders. Insurance proceeds shall be disbursed first for the repair or restoration of the damaged property, if the property is to be repaired and restored as provided for in this Declaration. After any repair or restoration is complete and if the damaged property has been completely repaired or restored, any remaining proceeds shall be paid to the Association. If the property is not to be repaired or restored, then any remaining proceeds after such action as is necessary related to the property has been paid for, shall be distributed to the Owners and lien holders, as their interests remain with regard to the Homes. Each Owner hereby appoints the Association, or any Insurance Trustee, as attorney-in-fact for the purpose of negotiating all losses related thereto, including the collection, receipt of, and appropriate disposition of all insurance proceeds; the execution of releases of liability; and the execution of all documents and the performance of all other acts necessary to administer such insurance and any claim. This power-of-attorney is coupled with an interest, shall be irrevocable, and shall be binding on any heirs, personal representatives, successors, or assigns of the Owner.
- 15.10 Insurance Trustee. In the discretion of the Management Committee or upon written request executed by Owners holding at least 50% of the undivided interests in the Common Areas and Facilities, the Management Committee shall hire and appoint an insurance trustee ("Insurance Trustee"), with whom the Association shall enter into an insurance trust agreement, for the purpose of exercising such rights under this paragraph as the Owners or Management Committee (as the case may be) shall require.
- 15.11 Owner Act Cannot Void Coverage Under Any Policy. Unless an Owner is acting within the scope of the Owner's authority on behalf of the Association and under direct authorization of the Association, an Owner's act or omission may not void an insurance policy or be a condition to recovery under a policy.

the Tanglewood Condominium Association, Inc., who upon oath did swear that he/she is authorized to sign the foregoing Certification of Management Committee, and acknowledged to me that he/she signed the same of his own free act and deed.



Notary/Public

EXHIBIT A
Parcel Numbers and Legal Description
Tanglewood Condominiums
18 Condominium Units

<u>PARCEL NUMBER</u>	<u>LEGAL DESCRIPTION</u>
22044040020000	BLDG 1, TYPE A, #4532, TANGLEWOOD CONDM, 5.56% INT
22044040030000	BLDG 1, TYPE A, #4534, TANGLEWOOD CONDM, 5.56% INT
22044040040000	BLDG 2, TYPE B, #4538, TANGLEWOOD CONDM, 5.56% INT
22044040050000	BLDG 2, TYPE B, #4540, TANGLEWOOD CONDM, 5.56% INT
22044040060000	BLDG 3, TYPE B, #4542, TANGLEWOOD CONDM, 5.56% INT
22044040070000	BLDG 3, TYPE B, #4544, TANGLEWOOD CONDM, 5.56% INT
22044040080000	BLDG 4, TYPE A, #4550, TANGLEWOOD CONDM, 5.56% INT
22044040090000	BLDG 4, TYPE A, #4552, TANGLEWOOD CONDM, 5.56% INT
22044040100000	BLDG 5, TYPE B, #4547, TANGLEWOOD CONDM, 5.56% INT
22044040110000	BLDG 5, TYPE B, #4549, TANGLEWOOD CONDM, 5.56% INT
22044040120000	BLDG 6, TYPE B, #4543, TANGLEWOOD CONDM, 5.56% INT
22044040130000	BLDG 6, TYPE B, #4545, TANGLEWOOD CONDM, 5.56% INT
22044040140000	BLDG 7, TYPE B, #4537, TANGLEWOOD CONDM, 5.56% INT
22044040150000	BLDG 7, TYPE B, #4539, TANGLEWOOD CONDM, 5.56% INT
22044040170000	BLDG 8, TYPE B, #4535, TANGLEWOOD CONDM, 5.56% INT
22044040160000	BLDG 8, TYPE B, #4533, TANGLEWOOD CONDM, 5.56% INT
22044040180000	BLDG 9, TYPE C, #4527, TANGLEWOOD CONDM, 5.52% INT
22044040190000	BLDG 9, TYPE C, #4529, TANGLEWOOD CONDM, 5.52% INT