

AFTER RECORDING, PLEASE RETURN TO:

Robert J. Grow, Esq.  
ROOKER, LARSEN, KIMBALL & PARR  
185 South State Street, Suite 1300  
Salt Lake City, Utah 84111

7/00  
Katie L. Brown

GUARDIAN TITLE

SEP 7 9 31 AM '83

KATIE L. BROWN  
RECORDED  
SALT LAKE COUNTY  
UTAH

3840735

DECLARATION OF CONDOMINIUM  
OF THE  
SAN FRANCISCO CONDOMINIUM PROJECT

[An Expandable Condominium Project]

THIS DECLARATION is made and executed this 2<sup>ND</sup> day of September, 1983, by MILLSTREAM ASSOCIATES, INC., a Utah corporation (hereinafter referred to as "Declarant").

RECITALS:

A. Declarant is the record owner of that certain Tract of real property more particularly described in Article II hereof.

B. Various improvements have been or will be made to the Tract so as to enable its use and operation as a Condominium Project. The construction of all of such improvements has been or will be performed in accordance with the information contained in this Declaration and in the Record of Survey Map.

C. Declarant desires, by filing this Declaration and the Survey Map, to submit said Tract and all improvements now or hereafter constructed thereon to the provisions of the Act as a Condominium Project to be known as the "San Francisco Condominium Project." As more fully set forth in Article III hereof, Declarant reserves the right to expand the Project to include certain additional real property and improvements thereto.

D. Declarant intends to sell and convey to various persons fee title to the individual Units now or hereafter (through expansion) contained in the Project, together with the undivided ownership interests in the Common Areas and Facilities appurtenant to such Units, subject to the covenants, restrictions, and limitations herein set forth.

NOW, THEREFORE, for the foregoing purposes, Declarant hereby makes the following Declaration:

I. DEFINITIONS

When used in this Declaration (including in that portion hereof entitled "Recitals"), each of the following terms shall have the meaning

BOOK 5488 PAGE 2493

indicated. Any term used herein which is defined by the Act shall, to the extent permitted by the context hereof, have the meaning ascribed by the Act.

1. Act shall mean and refer to the Utah Condominium Ownership Act, Utah Code Annotated §§ 57-8-1 through 57-8-36 (Supp. 1981).

2. Declaration shall mean and refer to this Declaration of Condominium of the San Francisco Condominium Project, as the same may hereafter be modified, amended, supplemented, or expanded in accordance with law and the provisions hereof (and in particular, in accordance with the provisions of Article III, Sections 36 through 40 hereof concerning amendments and supplements to this Declaration which are to occur in conjunction with each addition to the Project of a portion of the Additional Land).

3. Record of Survey Map, Survey Map, or Map shall mean and refer to the Record of Survey Map, filed herewith, entitled "Record of Survey Map of San Francisco Condominiums," executed and acknowledged by Declarant, consisting of seven (7) sheets, and prepared and certified to by M. Carl Larsen, a duly registered Utah Land Surveyor holding Certificate No. 2970, as the same may hereafter be modified, amended, supplemented, or expanded in accordance with law and the provisions hereof (and in particular, in accordance with the provisions of Article III, Sections 36 through 40 hereof concerning amendments and supplements to the Survey Map which are to occur in conjunction with each addition to the Project of a portion of the Additional Land).

4. Management Committee or Committee shall mean and refer to the Management Committee of the San Francisco Condominium Project.

5. Common Areas and Facilities or Common Areas shall mean, refer to, and include:

(a) The real property and interests in real property which this Declaration submits to the terms of the Act, including the entirety of the Tract (but excluding individual Units).

(b) All Common Areas and Facilities designated as such in the Survey Map.

(c) All Limited Common Areas and Facilities.

(d) All foundations, roofs, and lobbies constituting a portion of or included in the improvements which comprise a part of the Project, and any halls, corridors, stairs, stairways, entrances, and exits which are designed for the use of more than one Unit.

(e) All installations for and all equipment connected with the furnishing of Project utility services such as electricity, gas, water, and sewer.

(f) All tanks, pumps, motor, fans, compressors, ducts, and in general all apparatus, installations, and facilities included within the Project and existing for common use.

(g) The Project outdoor lighting, fences, landscaping, sidewalks, open parking spaces, and roads.

(h) All portions of the Project not specifically included within the individual Units.

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

(j) All rights and obligations of the Association under any agreement executed by the Declarant or the Association, on one hand, and the Utah Department of Transportation, on the other hand, relating to the use and maintenance of the strip of real property situated between the Project perimeter and 5400 South Street.

6. Limited Common Areas and Facilities or Limited Common Areas shall mean and refer to those Common Areas and Facilities designated in this Declaration or in the Survey Map as reserved for the use of a certain Unit to the exclusion of the other Units.

7. Unit shall mean and refer to one or more rooms or spaces located in a Building and intended for independent use and which is designated as a Unit on the Record of Survey Map and in Exhibit "A" attached hereto (and incorporated herein by this reference). All walls on the perimeters of a Unit shall constitute a part of the Common Areas and Facilities. A Unit shall include any walls, partitions, floors, ceilings, and stairs which are wholly contained within its vertical and horizontal perimeters and the surfaces of any floors, ceilings, walls, or coverings which bound it; provided, however, that a Unit shall not include pipes, wires, conduits, or other utility lines running through it which are utilized for or which serve more than one Unit and shall not include any load-bearing walls or floors comprising a part of the Building in which the Unit is contained. A Unit shall also include all fixtures contained within its vertical and horizontal perimeters and intended for the sole use of such Unit.

8. Unit Number shall mean and refer to the number, letter, or combination thereof which designates a Unit in the attached Exhibit "A" and on the Record of Survey Map.

9. Condominium Unit shall mean, refer to, and include a Unit together with its appurtenant undivided ownership interest in the Common Areas and Facilities, and its appurtenant right to exclusive use of Limited Common Areas associated with such Unit.

10. Unit Owner or Owner shall mean and refer to the person who is the owner of record (in the office of the County Recorder of Salt Lake County, State of Utah) of a fee or an undivided fee interest in a Condominium Unit. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term Unit Owner or Owner shall not mean or include a mortgagee or a beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

11. Building shall mean and refer to a structure containing or to contain Units.

12. Building Number shall mean and refer to the number, letter, or combination thereof (if any) which designates a Building in the attached Exhibit "A" and on the Record of Survey Map.

13. Size shall mean and constitute the area of the floor space within a Unit, in square feet, rounded to the nearest whole number ending in zero (e.g., 1020, 1180, 1510), and computed and determined as follows on the basis of dimensions shown on the Survey Map. The measurements used in determining Size shall run from the interior surfaces of the walls surrounding the Unit concerned and each separate level, story, or floor contained within or making up the Unit shall be taken into account and, subject to the following provisions, shall augment the Size thereof. For purposes of determining Size: (i) The area of any space in a Unit intended for garage or vehicle parking purposes or as an unfinished attic shall be completely excluded; (ii) With respect to any Unit which includes or contains more than one separate level, story, or floor, the area of any basement shall be considered to be one-half (1/2) of its actual area and the area of any level, story, or floor located one or more full levels or stories above the first level or story shall be considered to be three-fourths (3/4) of its actual area; but (iii) If a Unit includes or contains only one level, story, or floor, wherever located, the area thereof shall not be discounted as provided in the preceding item (ii). So long as it substantially complies with the provisions of this Section 13 and is not arbitrary, Declarant's determination of the Size of a Unit, as set forth in this Declaration or in any amendment or supplement hereto prepared pursuant to Article III, Section 38 hereof, shall be conclusive.

14. Additional Land shall mean, refer to, and consist of the following-described parcel of real property situated in Salt Lake County, State of Utah:

See Exhibit "C" attached hereto and incorporated herein by this reference.

A description of the Additional Land is set forth in this Declaration solely for purposes of identification. This Declaration is not intended as and should not be deemed to constitute any lien, encumbrance, restriction, or limitation upon any portion of the Additional Land unless and until such portion is added to the Project in accordance with law and the provisions hereof (and in particular, in accordance with the provisions of Article III, Sections 36 through 40 hereof).

15. Common Expenses shall mean and refer to all sums which are expended on behalf of all the Unit Owners and all sums which are required by the Management Committee to perform or exercise its functions, duties, or rights under the Act, this Declaration, any Management Agreement which may be entered into for operation of the Project, and such rules and regulations as the Management Committee may from time to time make and adopt.

16. Association of Unit Owners, Owners Association, or Association shall mean and refer to all of the Owners taken as, or acting as, a group.

17. Mortgage shall mean and include both a first mortgage on any Condominium Unit and a first deed of trust on any Condominium Unit.

18. Mortgagee shall mean and include both a mortgagee under a first mortgage on any Condominium Unit and a beneficiary under a first deed of trust on any Condominium Unit.

19. Eligible Mortgagee shall mean and include a Mortgagee which has requested notice of certain matters from the Association in accordance with the sixth Paragraph of Section 41 of Article III of this Declaration.

20. Eligible Insurer or Guarantor shall mean and include an insurer or governmental guarantor of a Mortgage which has requested notice of certain matters from the Association in accordance with the sixth Paragraph of Section 41 of Article III of this Declaration.

21. Tract shall mean, refer to, and consist of the real property which Article II of this Declaration submits to the terms of the Act, together with each and every portion of the Additional Land which is added (from and after the time such portion is added) to the Project in accordance with law and the provisions of this Declaration.

22. Condominium Project or Project shall mean and refer to the San Francisco Condominium Project.

23. Declarant shall mean and refer to MILLSTREAM ASSOCIATES, INC., a Utah corporation, and/or any successor to said corporation which, either by operation of law or through a voluntary conveyance, transfer, or assignment, comes to stand in the same relation to the Project and/or to the Additional Land (or a portion thereof) as did its predecessor.

24. Affiliate of Declarant shall mean and refer to any person or entity which controls, is controlled by, or is under common control with Declarant. A person or entity shall be considered to control the Declarant if that person or entity is a general partner, officer, director, or employee of the Declarant who: (i) directly or indirectly or acting in concert with one or more persons, or through one or more subsidiaries, owns, controls, or holds with power to vote, or holds proxies representing, more than twenty percent (20%) of the voting shares of Declarant; (ii) controls in any manner the election of a majority of the directors of Declarant; or (iii) has contributed more than twenty percent (20%) of the capital of Declarant. A person or entity shall be considered to be controlled by Declarant if Declarant is a general partner, officer, director, or employee of that person or entity who: (i) directly or indirectly or acting in concert with one or more persons or through one or more subsidiaries, owns, controls, or holds with power to vote, or holds proxies representing, more than twenty percent (20%) of the voting shares of that person or entity; (ii) controls in any manner the election of a majority of the directors of that person or entity; or (iii) has contributed more than twenty percent (20%) of the capital of that person or entity.

## II. SUBMISSION

There is hereby submitted to the provisions of the Act, as the Tract initially associated with the San Francisco Condominium Project, the following-described parcel of real property situated in Salt Lake County, State of Utah:

See Exhibit "B" attached hereto and incorporated herein by this reference.

TOGETHER WITH all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant to, or accompanying the above-described parcel of real property.

ALL OF THE FOREGOING IS SUBJECT TO: all liens for current and future taxes, assessments, and charges

BOOK 5488  
PAGE 2498

imposed or levied by governmental or quasi-governmental authorities; all Patent reservations and exclusions; any mineral reservations of record and rights incident thereto; all instruments of record which affect the above-described Tract or any portion thereof, including, without limitation, any mortgage or deed of trust; all visible easements and rights-of-way; all easements and rights-of-way of record; any easements, rights-of-way, encroachments, or discrepancies shown on or revealed by the Survey Map or otherwise existing; an easement for each and every pipe, line, cable, wire, utility line, or similar facility which traverses or partially occupies the above-described Tract at such time as construction of all Project improvements is complete; and all easements necessary for ingress to, egress from, maintenance of, and replacement of all such pipes, lines, cables, wires, utility lines, and similar facilities.

RESERVING UNTO DECLARANT, however, such easements and rights of ingress and egress over, across, through, and under the above-described Tract and any improvements now or hereafter constructed thereon as may be reasonably necessary for Declarant or for any assignee or successor of Declarant (in a manner which is reasonable and not inconsistent with the provisions of this Declaration): (i) To construct and complete each of the Buildings and all of the other improvements described in this Declaration or in the Survey Map recorded concurrently herewith, and to do all things reasonably necessary or proper in connection therewith; (ii) To construct and complete on the Additional Land or any portion thereof such improvements as Declarant or said assignee or successor shall determine to build in its sole discretion (and whether or not the Additional Land or said portion has been or thereafter will be added to the Project); and (iii) To improve portions of the Tract with such other or additional improvements, facilities, or landscaping designed for the use and enjoyment of all the Owners as Declarant or as such assignee or successor may reasonably determine to be appropriate. If, pursuant to the foregoing reservations, the above-described Tract or any improvement thereon is traversed or partially occupied by a permanent improvement or utility line, a perpetual easement for such improvement or utility line shall exist. With the exception of such perpetual easements, the reservations hereby effected shall, unless sooner terminated in accordance

BOOK 5488 PAGE 2499

with their terms, expire seven (7) years after the date on which this Declaration is filed for record in the office of the County Recorder of Salt Lake County, Utah.

### III. COVENANTS, CONDITIONS, AND RESTRICTIONS

The foregoing submission is made upon and under the following covenants, conditions, and restrictions:

1. Description of Improvements. The improvements included in the Project are now or will be located upon the Tract. The significant improvements contained in the Project (other than improvements located on or otherwise associated with portions of the Additional Land) include seven (7) Buildings, fifty-seven (57) Units, a bathhouse containing dressing rooms, a swimming pool, an equipment storage shed and monument, and asphalt or concrete driveways and parking areas. The location and configuration of the improvements referred to in the foregoing sentence are depicted on the Survey Map. The Project (excluding that part thereof located on or otherwise associated with the Additional Land) also contains other improvements of a less significant nature, such as outdoor lighting, fencing, landscaping, and concrete sidewalks and walkways. The Survey Map shows the number of stories and the number of Units which are contained in the Buildings initially included in the Project. Each of said Buildings is composed of the following materials: all load bearing and non-load bearing walls are wooden frame and studded with wood; the basement floor and foundation walls are of concrete; all floors are of wooden joists covered with plywood; the roof is of wooden trusses or beams with joists surfaced with plywood and asphalt shingles; interior walls are surfaced with sheetrock or gypsum board; and exterior walls are surfaced with masonite siding.

2. Description and Legal Status of Units. The Record of Survey Map shows the Unit Number of each Unit not located within the boundaries of the Additional Land, its location, dimensions from which its Size may be determined, and the Common Areas and Facilities to which it has immediate access. Each Condominium Unit shall be capable of being separately owned, encumbered, and conveyed. The undivided ownership interest in the Common Areas and Facilities appurtenant to a Unit may not be partitioned from the balance of the Common Areas and Facilities by an action pursuant to Chapter 39 of Title 78, Utah Code Annotated (1953). The immediately foregoing sentence shall not prejudice or otherwise affect the rights set forth in Sections 30 through 34, inclusive, in the event of Substantial Destruction, Condemnation, or Obsolescence. There shall not be any restriction upon any Unit Owner's right of ingress to and egress from his Unit.



3. Contents of Exhibit "A". Exhibit "A" to this Declaration furnishes the following information with respect to each Unit contained in the Project (other than within the boundaries of the Additional Land): (i) The Unit Number; (ii) The Number of the Building in which it is contained; (iii) The Size of the Unit; and (iv) The percentage of undivided ownership interest in the Common Areas which is initially appurtenant to the Unit.

4. Computation of Undivided Interests. The percentage of undivided ownership interest in the Common Areas and Facilities which, at any point in time, is appurtenant to a Unit shall be equal to the ratio between the Size of such Unit and the aggregate Size of all Units then included in the Project. The percentage of undivided ownership interest which is initially appurtenant to each Unit currently contained in the Project has been computed in the aforesaid manner and through use of the minor adjustments described at the end of this Section 4. From time to time in the future and under the circumstances described in Sections 36 through 40 of this Article III, the undivided ownership interest appurtenant to each Unit theretofore contained in the Project may be recomputed and redetermined, but always through use of the formula described at the outset of this Section 4. In utilizing said formula, however, Declarant shall have the right to make minor adjustments in some or all of the percentage interests which result from a strict application thereof for the purpose, but only for the purpose, of assuring that at all times the total undivided ownership interest respecting the Project equals 100.00%.

5. Limited Common Areas. The Limited Common Areas and Facilities which are contained or to be contained in the Project (other than Limited Common Areas located on or otherwise associated with portions of the Additional Land) consist of all of the following which are labelled as such on the Survey Map: (i) All patios, porches, balconies, decks, and private yard areas, if any, attached or adjacent to a Unit; and (ii) The fifty-seven (57) numbered carports and parking spaces shown on the Survey Map. The exclusive use of each patio, porch, balcony, deck, private yard area, carport, or parking space is reserved to the Unit which it adjoins, with which it is associated, or as designated on the Survey Map.

6. Conveyancing. Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering a Condominium Unit shall describe the interest or estate involved substantially as follows:

Unit No. \_\_\_\_\_ contained within the San Francisco Condominium Project, as the same is identified in the Record of Survey Map recorded in Salt Lake County, Utah, as Entry No. \_\_\_\_\_ (as said Record of Survey Map may have heretofore been amended or supplemented) and in the Declaration of Condominium of the San Francisco Condominium Project recorded in Salt Lake

BOOK 5488  
PAGE 2501

County, Utah, as Entry No. \_\_\_\_\_ in Book \_\_\_\_\_ at Page \_\_\_\_\_ (as said Declaration may have heretofore been amended or supplemented). TOGETHER WITH the undivided ownership interest in said Project's Common Areas and Facilities which is appurtenant to said Unit (the referenced Declaration of Condominium providing for periodic alteration both in the magnitude of said undivided ownership interest and in the composition of the Common Areas and Facilities to which said interest relates) as more particularly described in said Declaration.

Whether or not the description employed in any such instrument is in the above-specified form, however, all provisions of this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Unit. Neither the percentage of undivided ownership interest in the Common Areas and Facilities, nor the right of exclusive use of a Limited Common Area and Facility, shall be separated from the Unit to which it appertains; and, even though not specifically mentioned in the instrument of transfer, such percentage of undivided ownership interest and such right of exclusive use shall automatically accompany the transfer of the Unit to which they relate.

7. Use Restrictions. All Units are intended to be used for residential housing and are restricted to such use. No Unit shall be used, occupied, or altered in violation of law, so as to detract from the appearance or value of any other Unit, so as to create a nuisance or to interfere with the rights of any Unit Owner, or in a way which would result in an increase in the cost of any insurance covering the Project as a whole. Without limiting the breadth of the foregoing sentence, aluminum foil, newspapers, or any other similar materials may not be used to cover the windows in any Unit. 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. No automobile or other vehicle shall be parked in front of a garage, in front of a walkway, or at any location within the Project which impairs or tends to impair vehicular or pedestrian access within the Project or to and from its various parts. No leases, charges for use, rental agreements, licenses, or similar arrangements shall be employed or entered into with respect to any portion of the Common Areas and Facilities; provided, however, that, if the Declarant determines in its sole discretion (and not subject to any obligation whatsoever to do so) to create a recreational vehicle parking area on any part of the Additional Land added to the Project, the Association shall establish and collect a monthly use fee to be charged to each Unit Owner who utilizes a recreational vehicle parking space in the recreational vehicle parking area shown on the Record of Survey Map. Such monthly use fee shall be established and maintained at a level commensurate with the charges of commercial lessors of such spaces in the

BOOK 5488  
PAGE 2502

locality, but shall in no event be less than a level that will defray all costs and expenses of the Association in any way connected with or related to the operation or ownership of such recreational vehicle parking area. The fees so collected shall be used to defray a portion of the Common Expenses. Each Unit Owner who utilizes the recreational vehicle parking area shall bear full responsibility for any loss or damage to his vehicle while parked or stored in said area, and the Association shall not be liable for any such loss or damage. The monthly use fee provided for in this Section shall be, constitute, and remain a continuing lien upon the Unit of the Owner using the recreational vehicle parking space for which such fee is charged. The provisions of Section 24 of this Article III shall apply to collection of such monthly use fee. No animals other than small household pets in reasonable numbers shall be kept or allowed in any part of the Project. The foregoing sentence shall be deemed to prohibit, inter alia, the keeping of any dog weighing more than twenty (20) pounds and the keeping in any Unit of more than two dogs and/or cats. Whenever a pet is allowed to leave a Unit, it shall be on a leash or in a cage.

8. Declarant's Sales Program. Notwithstanding the provisions of the foregoing Section 7, until the happening of the event described in the second Paragraph of this Section 8, 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 or to be owned (including, but not limited to, those Units owned or to be owned upon portions of the Additional Land added to the Project) by Declarant:

(i) Declarant shall have the right to maintain seven (7) or less sales offices and/or model apartments. Such offices and/or model apartments may be one or more Units (of any floor area and at any location) owned by it, one or more apartments (of any floor area and at any location) situated on any portion of the Additional Land, one or more separate structures or facilities placed on the Tract or any portion of the Additional Land for the purpose of aiding Declarant's sales efforts, or any combination of the foregoing. If one or more separate structures or facilities is so employed by Declarant, each shall be reasonably located given the layout of the Project and each shall have an aggregate floor area not substantially in excess of the aggregate floor area of the largest Unit then contained in the Project or the largest apartment then situated on any portion of the Additional Land, whichever is larger.

(ii) 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 Tract, but any such device shall be of a size and in a location as is reasonable and customary.

Declarant shall have the right from time to time to locate or relocate any of its sales offices, model apartments, 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 Section. Within a reasonable period of time after the happening of the event described in the second Paragraph of this Section 8, Declarant shall have the right to remove from the Project any signs, banners, or similar devices and any separate structure or facility which was placed on a portion of the Tract for the purpose of aiding Declarant's sales effort.

The event referred to in the first Paragraph of this Section 8 shall be the first to occur of the following:

(a) Declarant ceases to be a Unit Owner or all of the Additional Land has been added to the Project, whichever last occurs; or

(b) The expiration of five (5) years after the date on which this Declaration is filed for record in the office of the County Recorder of Salt Lake County, Utah.

9. Completion Obligation. Declarant hereby covenants in favor of each person who contracts with Declarant for the purchase of a Unit located or to be located on any portion of the Tract or the Additional Land that no later than twenty-three (23) months after the date on which such contract is entered into: (i) The Unit which such person has contracted to purchase, the Building within which such Unit is contained or is to be contained, and each Limited Common Area appurtenant to such Unit shall be fully constructed and ready for use or occupancy (as the case may be); and (ii) There shall be substantially completed and usable as part of the Common Areas all proposed or planned roadways, parking spaces, sidewalks, fences, outdoor lighting, landscaping, and utility lines and conduits necessary to enable full use and enjoyment of the Unit concerned.

10. Condition and Maintenance of Units and Limited Common Areas. Each Unit, and all utility facilities, lines, ducts, and other such apparatus serving solely such Unit, shall be maintained by the Owner thereof so as not to detract from the appearance of the Project and so as not to affect adversely the value or use of any other Unit or other portions of the Project. Each Unit Owner shall keep his appurtenant patio(s), porch(es), balcony(s), deck(s), and/or private yard area, if any, in a clean and orderly condition, but shall not otherwise maintain the same. The Committee shall have no obligation regarding maintenance or care which is required to be accomplished by the Owners.

11. Encroachments. In the event that any portion of the Common Areas, a Limited Common Area, a Unit, and/or a Building (whether

constructed by Declarant or reconstructed so as to substantially duplicate a Unit or Building originally constructed by Declarant) encroaches or comes to encroach on the Common Areas, another Limited Common Area, another Unit, and/or another Building, as a result of construction, reconstruction, repair, shifting, settlement, or movement of any portion of the foregoing, an easement for such encroachment and for the maintenance of the same is created hereby and shall exist so long as such encroachment exists.

12. Status and General Authority of Committee. The Condominium Project shall be managed, operated, and maintained by the Management Committee on behalf of the Association. The Committee shall, in connection with its exercise of any of the powers delineated in subparagraphs (a) through (j) below, constitute a legal entity capable of dealing in its Committee name. The Management Committee shall have, and is hereby granted, the following authority and powers:

(a) A right of entry upon any Condominium Unit and any Limited Common Area to effect emergency repairs, and a reasonable right of entry thereupon to effect other repairs, improvements, replacement, or maintenance of the Project, or any portion thereof, as necessary.

(b) The authority, without the vote or consent of the Unit Owners, Mortgagees, insurers or guarantors of Mortgages, or of any other person(s), to grant or create, on such terms as it deems advisable, reasonable permits, licenses, and easements over, under, across, and through the Common Areas and Facilities for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance and operation of the Project.

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

(d) The power to sue and be sued.

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

(f) 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.

(g) The power and authority to purchase, otherwise acquire, and accept title to, any interest in real property, so long as such

action has been authorized by any vote or consent which is necessary under the circumstances.

(h) The power and authority to add any interest in real property obtained pursuant to subparagraph (g) above to the Condominium Project, so long as such action has been authorized by the necessary vote or consent.

(i) 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.

(j) The power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions on behalf of 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.

13. Professional Management. Unless approval for self-management is obtained pursuant to Paragraph (c) of Section 42 of this Article III, the Committee shall carry out through a professional manager those of its functions which are properly the subject of delegation. The professional 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 by 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 such management agreement shall run for a reasonable period of from one to three years and shall provide that either party, with or without cause and without payment of any termination fee or being subject to any penalty, may terminate same upon not in excess of thirty (30) days written notice to the other party thereto; provided, however, that any such management agreement executed on or before the occurrence of the event described in the second Paragraph of Section 14 of this Article III shall run for a period of no more than one (1) year.

14. Composition of Management Committee. The Committee shall be composed of five members. At the first regular Owners meeting, three Committee members shall be elected for two-year terms and two members for

one-year terms. At each annual Owners meeting thereafter, any vacant seat on the Committee shall be filled with a member elected for a two-year term. Only Unit Owners and officers and agents of Owners other than individuals shall be eligible for Committee membership. At each annual meeting the percentage of undivided ownership interest appurtenant to a Unit may be voted in favor of as many candidates for Committee membership as there are seats on the Committee to be filled; provided, however, that until the happening of the event described in the second Paragraph of this Section 14, Declarant alone shall be entitled to select four of the five Committee members. Notwithstanding the foregoing provisions, until the first annual meeting of the Owners the members of the Committee, although numbering less than five, shall be the following persons and each shall hold the office(s) indicated opposite his name:

|                        |                                 |
|------------------------|---------------------------------|
| Jerrald K. Boone       | President                       |
| Sherman D. Harmer, Jr. | Vice President and<br>Treasurer |
| Alan L. Kruckenberg    | Secretary                       |

Any Committee member who fails on three successive occasions to attend Committee meetings (whether regular or special) or who has failed to attend at least 25% of all Committee meetings (whether regular or special) held during any 12-month period shall automatically forfeit his seat. In the event a Committee seat which was filled by Declarant becomes vacant prior to the happening of the event described in the second Paragraph of this Section 14 whether by reason of forfeiture or due to another cause, Declarant shall select a replacement member to sit on the Committee for the balance of the term associated with the vacated seat. In all other cases of vacancy the remaining Committee members shall elect a replacement to sit on the Committee until the expiration of the term for which the member being replaced was elected. Unless he forfeits or otherwise loses his seat as herein provided, a member shall serve on the Committee until his successor is elected and qualifies. Committee members shall be reimbursed for all expenses reasonably incurred in connection with Committee business. The Committee may fix such compensation for any member as may be reasonable in light of the Committee duties which that member is required to perform.

The event referred to in the first Paragraph of this Section 14 shall be the first to occur of the following:

(a) Units to which seventy-five percent (75%) of the undivided ownership interest in the Project's Common Areas and Facilities appertains have been conveyed by Declarant to purchasers, or all Additional Land has been added to the Project, whichever last occurs; or

BOOK 5488  
PAGE 2507

(b) The expiration of five (5) years after the date on which the first Condominium Unit is conveyed by Declarant to a purchaser.

15. Committee Officers and Agents. The Committee shall perform its functions through those members who are elected as officers by the Committee and through such agents or employees as the Committee may appoint. Any Committee officer, agent, or employee may at any time be removed with or without cause by the vote of a majority of the Committee members. The officers of the Committee, and their respective powers and functions, shall be as follows:

(a) President. The President shall be the chief executive of the Committee and shall exercise general supervision over the property and affairs of the Project. He shall preside over all meetings of the Committee and of the Unit Owners. He shall execute all instruments on behalf of the Committee.

(b) Vice-President. The Vice-President shall have all the powers of the President in the event of the latter's absence or inability to act.

(c) Secretary. The Secretary shall keep minutes of meetings of the Committee and of the Unit Owners and shall keep all records which are required or made necessary by the Act, this Declaration, or the Committee.

(d) Treasurer. The Treasurer shall have custody and control of the funds available to the Committee. If the Project comes to contain fifty (50) or more Units, the Treasurer shall cause to be prepared an annual audited financial statement for each fiscal year of Project operation. Upon request of the Committee he shall furnish it with a bond, in the amount specified by the Committee, conditioned upon the faithful performance of his duties. The offices of Secretary and Treasurer or of Vice-President and Treasurer may be held by the same Committee member.

16. Committee Meetings. A regular meeting of the Committee shall be held immediately after the adjournment of each annual Owners meeting. Other regular meetings shall be held at periodic intervals at such time and place as the Committee may provide. Either oral or written notice shall be given to each Committee Member of the time and place of each regular Committee meeting at least three days prior to such meeting. Special Committee meetings shall be held whenever called by the President or by any two members of the Committee. Reasonable effort shall be made to give either oral or written notice of a special meeting to each Committee member at least three days (but in the event of an emergency, 24 hours) before the time

BOOK 5188 PAGE 2508



fixed for the meeting. Adequate notice of a special meeting shall be deemed to have been given to a member if such effort is made, even though the member concerned does not actually receive notice. The propriety of holding any meeting which is attended by all Committee members may not be challenged on grounds of inadequate notice. A quorum for the transaction of business at any Committee meeting shall consist of a majority of all the members then in office.

17. Owners Meetings. The annual meeting of the Unit Owners shall be held at 7:00 p.m. on the second Monday in February, 1984, and on the second Monday in February of each succeeding year. Whenever such day is a legal holiday, the meeting shall occur on the first business day thereafter. The place of meeting shall be at a location in Salt Lake County, Utah specified in the notice of meeting. At least ten but not more than 30 days before the date of the annual meeting, a written notice thereof shall be personally delivered or mailed postage prepaid to each person who appears as an Owner, at the latest address for such person appearing, in the records of the Committee at the time of delivery or mailing. Such notice shall state the time, place, and general purpose of the meeting.

Special meetings of the Owners may be called by the President, by any two members of the Committee, or by Unit Owners cumulatively holding at least one-fourth of the undivided ownership interest in the Project. At least two but not more than 30 days before the date set for a special meeting, written notice thereof shall be given in the manner described in the immediately preceding Paragraph.

No notice of any Owners meeting shall be required if a waiver of such notice is signed by all of the Owners. Whenever all the Owners meet in person or by proxy such meeting may not be challenged on grounds of inadequate notice. The presence of Owners entitled to cast a majority of all the undivided ownership interest in the Project shall constitute a quorum for the transaction of business at any Owners meeting. In the event a quorum is not present at any Owners meeting, whether regular or special, the meeting may be adjourned and rescheduled for a time no earlier than 48 hours, and no later than 30 days, after the time set for the original meeting. No notice of such rescheduled meeting shall be required. The presence of Owners entitled to cast 25% of all the undivided ownership interest in the Project shall constitute a quorum at the rescheduled meeting. Notwithstanding the foregoing provisions of this Paragraph, however, in any case in which the Act or this Declaration requires the affirmative vote of at least a specified percentage of the Project's undivided ownership interest for authorization or approval of a matter, the presence of Owners entitled to cast such percentage shall be necessary to constitute a quorum at any meeting (whether original or rescheduled) at which action on such matter is taken.

BOOK 5488  
PAGE 2509

18. Voting -- Multiple Ownership. The vote attributable to and exercisable in connection with a Unit shall be the percentage of undivided ownership interest which is then appurtenant thereto. 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.

19. Lists of Unit Owners, Eligible Mortgagees, and Eligible Insurers or Guarantors. The Committee shall maintain up-to-date records showing: (i) the name of each person who is an Owner, the address of such person, and the Unit which is owned by him; (ii) the name of each person or entity who is an Eligible Mortgagee, the address of such person or entity, and the Unit which is encumbered by the Mortgage held by such person or entity; and (iii) the name of each person or entity who is an Eligible Insurer or Guarantor, the address of such person or entity, and the Unit which is encumbered by the Mortgage insured or guaranteed by such person or entity. In the event of any transfer of a fee or undivided fee interest in a Unit, either the transferor or transferee shall furnish the 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 Salt Lake County, Utah. The 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 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 Salt Lake County, Utah. The address of an Owner shall be deemed to be the address of the Unit owned by such person unless the Committee is otherwise advised.

20. Limitation on Improvements by Association. Until occurrence of the event described in the second Paragraph of Section 8 of this Article III, 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 as originally created or constructed by Declarant.

21. Capital Improvements. Additions or capital improvements to the Project which cost no more than Five Thousand Dollars (\$5,000.00) may be authorized by the Management Committee alone. Additions or capital improvements the cost of which will exceed such amount must, prior to being constructed or accomplished, be authorized by at least a majority of the undivided ownership interest in the Project. Any addition or capital improvement which would materially alter the nature of the Project must,

regardless of its cost and prior to being constructed or accomplished, be authorized by at least 67% of the Project's undivided ownership interest. All provisions of this Section 21 are subject to the limitations imposed by the foregoing Section 20.

22. Operation and Maintenance. The Management Committee shall, as a portion of the Common Expenses, pay for, or provide for the payment of, all utility services furnished to the Project which are not separately metered and billed to individual Units by the utility or other party furnishing such service. Except as otherwise provided in the balance of this Section 22 or in Section 10 of this Article III, the Committee shall provide for such maintenance and operation of the Common and Limited Common Areas and Facilities as may be reasonably necessary to make them appropriately usable in conjunction with the Units and to keep them clean, functional, attractive, and generally in good condition and repair. Without limiting the breadth of the foregoing, the Committee shall provide for maintenance and cleaning of any storm water catch basins within the Project on a weekly basis or more often if the circumstances so require.

23. Payment of Expenses. Before January 15 of each year the Committee shall prepare a budget which sets forth an itemization of the Common Expenses which are anticipated for the 12-month period commencing with the following March 1. Such budget shall take into account any deficit or surplus realized during the current fiscal year and such sums as may be necessary to fund the reserve required under the second Paragraph of this Section. The total of such expenses shall be apportioned among all the Units on the basis of their respective appurtenant percentages of undivided ownership interest (subject, however, to the provision which appears at the end of this Paragraph). Prior to the tenth (10th) day of each month during the fiscal year covered by the budget, each Unit Owner shall pay to the Committee as his share of the Common Expenses one-twelfth of the amount so apportioned to his Unit. If the aggregate of monthly payments attributable to all of the Units is too large or too small as a result of unanticipated income or expenses, or if the monthly payments attributable to a particular Unit or Units are too large or too small as a result of an additional Unit or Units being produced by the addition to the Project of a portion of the Additional Land, the Committee may from time to time effect an equitable change in the amount of said payments. The dates and manner of payment shall be determined by the Committee. The foregoing method of assessing the Common Expenses to the Units shall commence when Declarant conveys the first Unit to a purchaser and may be altered by the Committee thereafter so long as the method it adopts is consistent with good accounting practice and requires that the portion of Common Expenses borne by each Unit during a 12-month period be determined on the basis of its appurtenant undivided ownership interest as it may from time to time be adjusted in accordance with this Declaration.

The Committee shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of the Common Areas and Facilities and those Limited Common Areas which the Committee is obligated to maintain. As provided in the immediately foregoing Paragraph, such fund shall be maintained out of regular monthly payments of Common Expenses. Such fund shall be maintained in a reasonably liquid, interest bearing investment or account as determined by the Management Committee.

The Committee shall also establish a working capital fund for the initial months of the Project's operation equal to at least two months' estimated Common Expenses. Each Condominium Unit's share of the working capital fund shall be collected and transferred to the Committee at the time of closing of the sale of such Condominium Unit. The working capital fund shall be maintained in a segregated account for the use and benefit of the Association. Notwithstanding the foregoing, the contribution to the working capital fund for each unsold Condominium Unit initially contained in the Project shall be paid to the Committee within 60 days after the date of the conveyance of the first of such Condominium Units. The contribution to the working capital fund for each unsold Condominium Unit created on a portion of the Additional Land shall be paid to the Committee within 60 days after the date of the conveyance of the first Condominium Unit created on such portion of the Additional Land. With respect to each Condominium Unit for which the Declarant pays the contribution to the working capital fund, the Declarant shall be reimbursed for such contribution by the purchaser of such Unit at the time of the closing of the sale to such purchaser. The purpose of the working capital fund is to insure that the Committee will have cash available to meet unforeseen expenditures or to acquire additional equipment or services deemed necessary or desirable by the Committee. Amounts paid into the fund are not to be considered as advance payment of regular monthly payments of Common Expenses.

**24. Remedies for Nonpayment.** Should any Unit Owner fail to pay when due his share of the Common Expenses, the delinquent payment shall bear interest at the rate of eighteen percent (18%) per annum and the Committee may enforce any remedy provided in the Act or otherwise available for collection of delinquent Common Expense assessments. Regardless of the terms of any agreement to the contrary, liability for the payment of Common Expense assessments shall be joint and several, and any remedy for the collection of such assessments may be enforced against any Owner of the Unit concerned or against the Unit itself. The personal obligation of an Owner to pay his share of the Common Expenses shall not pass to successors in title unless assumed by them. Any relief obtained, whether or not through foreclosure proceedings, shall include the Committee's costs and expenses and reasonable attorneys' fees. In the event of foreclosure, after institution of the action the Committee shall, without regard to the value of the Unit or the extent of the Owner's equity therein, be entitled to the appointment of a

BOOK 5488  
PAGE 2512

receiver to collect any income or rentals which may be produced by the Unit concerned.

25. Management Committee Liability. No member of the Management Committee shall be liable to the Unit Owners for any mistake of judgment, for negligence, or on other grounds, except for such member's own individual and willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each member of the Management Committee from and against all liability to third parties arising out of any contract made by the Management Committee on behalf of the Owners, unless such contract was made in bad faith or contrary to the provisions of the Act or this Declaration. The liability of any Unit Owner arising out of any contract made by the Management Committee or out of the indemnification provision set forth in the foregoing portion of this Section 25 shall be limited to the total liability concerned multiplied by such Owner's undivided ownership interest in the Common Areas.

26. Hazard Insurance. The Management Committee shall at all times maintain in force, and pay the premiums for, hazard insurance meeting the following requirements:

(i) A "master" or "blanket" type policy of property insurance shall be maintained covering the entire Project, including: Common Areas and Facilities; Limited Common Areas; Units; fixtures, building service equipment, personal property, and supplies comprising a part of the Common Areas and Facilities or owned by the Management Committee or the Owners Association; and fixtures, equipment, or other property comprising a part of or located within any Unit and which are of a class typically encumbered by Mortgages held by the Federal National Mortgage Association (hereinafter, "FNMA") or other similar institutional Mortgage investors; but excluding land, foundations, excavation, and other items normally not covered by such policies. References herein to a "master" or "blanket" type policy of property insurance are intended to denote single entity condominium insurance coverage. As a minimum, such "master" or "blanket" policy shall afford protection against loss or damage by fire, by other perils normally covered by the standard extended coverage endorsement, and by all other perils which are customarily covered with respect to condominium projects similar to the Project in construction, location, and use, including (without limitation) all perils normally covered by the standard "all risk" endorsement, where such endorsement is available. Such "master" or "blanket" policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all elements of the Project covered by such policy, exclusive of land, foundations, excavation, and other items normally excluded from coverage.

(ii) If a steam boiler is or comes to be in operation in the Project, there shall be maintained a policy of insurance providing coverage against loss or damage resulting from steam boiler equipment accidents in an amount not less than One Hundred Thousand Dollars (\$100,000.00) per accident per location or such greater amount as deemed prudent based on the nature of the Project.

(iii) If the Project is or comes to be situated in an area identified by the Secretary of Housing and Urban Development as having special flood hazards and in which flood insurance is available under the National Flood Insurance Program ("NFIP"), a "master" or "blanket" policy of flood insurance shall be maintained covering the Buildings and any other property covered by the required form of policy (hereinafter, "Insurable Property") in an amount deemed appropriate, but not less than the lesser of: (1) the maximum limit of coverage available under NFIP for all Buildings and Insurable Property within any portion of the Project located within a designated flood hazard area; or (2) the greater of one hundred percent (100%) of current replacement cost of all such Buildings and Insurable Property or the outstanding balance of the loans guaranteed by the Veterans Administration and secured by any portion of the Project. Such policy shall be in a form which meets the criteria set forth in the most current Guidelines on the subject issued by the Federal Insurance Administrator.

(iv) The name of the insured under each policy required to be maintained by the foregoing items (i), (ii), and (iii) shall be set forth therein substantially as follows: "Association of Unit Owners of the San Francisco Condominium Project for the use and benefit of the individual Owners." [Said Owners shall be designated by name, if required.] Notwithstanding the requirement of the two immediately foregoing sentences, each such policy may be issued in the name of an authorized representative of the Association, including any Insurance Trustee with whom the Association has entered into an Insurance Trust Agreement, or any successor to such Trustee, for the use and benefit of the individual Unit Owners. Loss payable shall be in favor of the Owners Association (or Insurance Trustee), as a trustee for each Unit Owner and each such Owner's Mortgagee. Each Unit Owner and each such Owner's Mortgagee, if any, shall be beneficiaries of such policy in the percentage of such Owner's undivided ownership interest in the Common Areas and Facilities. Evidence of insurance shall be issued to each Unit Owner and Mortgagee upon request.

(v) Each policy required to be maintained by the foregoing items (i), (ii), and (iii) shall contain the standard mortgage clause,

or equivalent endorsement (without contribution), commonly accepted by private institutional Mortgage investors in the area in which the Project is located. If FNMA is a holder of one or more Mortgages on Condominium Units within the Project, such mortgage clause shall name FNMA or FNMA's servicer of such Mortgages as Mortgagee. If FNMA's servicer is named as mortgagee in such mortgage clause, such servicer's name shall be followed therein by the phrase "its successors and assigns". In addition, such mortgage clause or another appropriate provision of each such policy shall provide that the policy may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in the policy.

(vi) Each policy required to be maintained by the foregoing items (i), (ii), and (iii) shall provide for the following: recognition of any insurance trust agreement; a waiver of the right of subrogation against Unit Owners individually; the insurance is not prejudiced by any act or neglect of individual Unit Owners which is not in the control of such Unit Owners collectively; and the policy is primary in the event the Unit Owner has other insurance covering the same loss. The requirements stated in this item (vi) are generally provided by the insurer in the form of a "Special Condominium Endorsement" or its equivalent.

(vii) Each policy required to be maintained by the foregoing items (i), (ii), and (iii) shall also contain or provide the following: (1) "Agreed Amount and Inflation Guard Endorsement", if available; and (2) "Construction Code Endorsements" (such as a "Demolition Cost Endorsement", a "Contingent Liability from Operation of Building Laws Endorsement" and an "Increased Cost of Construction Endorsement"), if the Project is subject to a construction code provision which would become operative upon Partial or Substantial Destruction and require changes to undamaged portions of the Building(s), thereby imposing significant costs in the event of such Destruction of the Project by an insured peril.

**27. Fidelity Bonds.** The Management Committee shall at all times maintain in force and pay the premiums for, "blanket" fidelity bonds for all officers, members, and employees of the Committee and the Association and for all other persons handling or responsible for funds of or administered by the Committee or the Association. Furthermore, where the Committee or the Association has delegated some or all of the responsibility for the handling of funds to a management agent, such bonds are required for the management agent's officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Committee or the Association. The total amount of fidelity bond coverage required shall be based upon best business

judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Committee, the Association, or the management agent, as the case may be, at any given time during the term of each bond. Nevertheless, in no event may the amount of such bonds be less than the greater of: (i) a sum equal to three months' aggregate assessments on all Condominium Units plus reserve funds; and (ii) a sum equal to one hundred fifty percent (150%) of the estimated annual operating expenses of the Project. The bonds required shall meet the following additional requirements: (1) the fidelity bonds shall name the Committee and the Owners Association as obligees; (2) the bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions; (3) the premiums on all bonds required herein for the Committee and the Association (except for premiums on fidelity bonds maintained by a management agent for its officers, employees and agents) shall be paid by the Committee or the Association as part of the Common Expenses; and (4) the bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days' prior written notice to the Committee and the Association, to any Insurance Trustee, and to each servicer of loans on behalf of FNMA.

28. Liability Insurance. The Management Committee shall maintain in force, and pay the premium for a policy providing comprehensive general liability insurance coverage covering all of the Common Areas and Facilities, public ways in the Project, if any, and commercial spaces owned by the Association, if any, whether or not such spaces are leased to some third party. The coverage limits under such policy shall be in amounts generally required by private institutional Mortgage investors for condominium projects similar to the Project in construction, location, and use. Nevertheless, such coverage shall be for at least One Million Dollars (\$1,000,000) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under such policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance, or use of the Common Areas and Facilities, and legal liability arising out of lawsuits related to employment contracts of the Committee or the Association. Additional coverages under such policy shall include protection against such other risks as are customarily covered with respect to condominium projects similar to the Project in construction, location, and use, including but not limited to, host liquor liability, contractual and all-written contract insurance, employers liability insurance, and comprehensive automobile liability insurance. Such policy shall provide that it may not be cancelled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in such policy.



**29. Insurance Trustees and General Requirements Concerning Insurance.** Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured on behalf of the Committee and the Association, the Association's authorized representative, including any trustee with whom the Committee and the Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance. Each Unit Owner hereby appoints the Committee, or any Insurance Trustee or substitute Insurance Trustee designated by the Committee, as his or her attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Committee, or any Insurance Trustee, shall receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for Unit Owners and their mortgagees, as their interests may appear.

Each insurance policy maintained pursuant to the foregoing Sections 26, 27, and 28 shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a financial rating by Best's Key Rating Guide of Class VI or better. No such policy shall be maintained where: (i) under the terms of the carrier's charter, bylaws, or policy, contributions may be required from, or assessments may be made against, a Unit Owner, a borrower, a Mortgagee, the Management Committee, the Association of Unit Owners, FNMA, or the designee of FNMA; (ii) 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; or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled (including, without limitation, the Committee, the Association, a Unit Owner, FNMA, or the borrowers) from collecting insurance proceeds. The provisions of this Section 29 and of the foregoing Sections 26, 27, and 28 shall not be construed to limit the power or authority of the Management Committee or Association of Unit Owners to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Management Committee or Association may deem appropriate from time to time.

**30. Destruction, Condemnation, and Obsolescence.** The provisions of this Section 30 and of the following Sections 31 through 34 shall apply with respect to the destruction, condemnation, or obsolescence of the Project. As used in such Sections each of the following terms shall have the meaning indicated:

BOOK 5188  
PAGE 2517

(a) Destruction. "Substantial Destruction" shall exist whenever, as a result of any damage or destruction to the Project or any part thereof, the excess of Estimated Costs of Restoration over Available Funds is twenty-five percent (25%) or more of the estimated Restored Value of the Project. "Partial Destruction" shall mean any other damage or destruction to the Project or any part thereof.

(b) Condemnation. "Substantial Condemnation" shall exist whenever a complete taking of the Project or a taking of part of the Project has occurred under eminent domain or by grant or conveyance in lieu of condemnation, and the excess of the Estimated Costs of Restoration over Available Funds is twenty-five percent (25%) or more of the estimated Restored Value of the Project. "Partial Condemnation" shall mean any other such taking by eminent domain or grant or conveyance in lieu thereof.

(c) Obsolescence. "Substantial Obsolescence" shall exist whenever the Project or any part thereof has reached such a state of obsolescence or disrepair that the excess of Estimated Costs of Restoration over Available Funds is twenty-five percent (25%) or more of the estimated Restored Value of the Project. "Partial Obsolescence" shall mean any state of obsolescence or disrepair which does not constitute Substantial Obsolescence.

(d) Restoration. "Restoration" shall mean restoration of the Project, to the extent reasonably possible, in accordance with the Declaration, the Survey Map, and the original plans and specification for the Project and to a condition the same or substantially the same as the condition in which the Project existed prior to the damage or destruction concerned; and to the extent not so possible, "Restoration" shall mean restoration of the Project to an attractive, sound, and desirable condition. Any "Restoration" not in accordance with the Declaration, the Survey Map, and the original plans and specifications for the Project shall require the consent of Eligible Mortgagees holding Mortgages on Condominium Units which have appurtenant at least fifty-one percent (51%) of the undivided ownership interest in the Common Areas and Facilities which is then subject to Mortgages held by Eligible Mortgagees.

(e) Restored Value. "Restored Value" shall mean the value of the Project after Restoration.

(f) Estimated Costs of Restoration. "Estimated Costs of Restoration" shall mean the estimated costs of Restoration.

BOOK 5488  
PAGE 2518

(g) Available Funds. "Available Funds" shall mean any proceeds of insurance, condemnation awards, payments in lieu of condemnation, and any uncommitted funds of the Management Committee and Association, including amounts contained in any reserve or contingency fund. Available Funds shall not include that portion of insurance proceeds legally required to be paid to any party other than the Association, including a Mortgagee, or that portion of any condemnation award or payment in lieu of condemnation payable to the Owner or Mortgagee of a Condominium Unit for the condemnation or taking of the Unit in which they are interested.

31. Determination by Committee. Upon the occurrence of any damage or destruction to the Project or any part thereof, or upon a complete or partial taking of the Project under eminent domain or by grant or conveyance in lieu thereof, the Committee shall make a determination as to whether the excess of Estimated Costs of Restoration over Available Funds is twenty-five percent (25%) or more of the estimated Restored Value of the Project. In addition, the Committee shall, from time to time, review the condition of the Project to determine whether Substantial Obsolescence exists. In making such determinations the Committee may retain and rely upon one or more qualified appraisers or other professionals.

32. Restoration of Project. Restoration of the Project shall be undertaken by the Committee promptly without a vote of the Owners in the event of Partial Destruction, Partial Condemnation, or Partial Obsolescence and shall also be undertaken in the event of Substantial Destruction, Substantial Condemnation, or Substantial Obsolescence unless the failure to make Restoration is consented to by Owners collectively holding at least sixty-seven percent (67%) of the Project's undivided ownership interest and is further consented to by Eligible Mortgagees holding Mortgages on Condominium Units which have appurtenant at least fifty-one percent (51%) of the undivided ownership interest in the Common Areas and Facilities which is then subject to Mortgages held by Eligible Mortgagees. Within thirty (30) days after the Committee has determined that Substantial Destruction, Substantial Condemnation, or Substantial Obsolescence exists, it shall send to each Owner and Eligible Mortgagee a written description of the destruction, condemnation, or state of obsolescence involved, shall take appropriate steps to ascertain the preferences of the Eligible Mortgagees concerning Restoration, and shall, with or without a meeting of the Owners (but in any event in accordance with the applicable provisions of this Declaration), take appropriate steps to determine the preferences of the Owners regarding Restoration. In the event insurance proceeds, condemnation awards, or payments in lieu of condemnation actually received by the Committee or Association exceed the cost of Restoration when Restoration is undertaken, the excess shall be paid and distributed to the Owners in proportion to their respective undivided interests in the Common Areas. Payment to any Owner

BOOK 5488  
PAGE 2519

whose Condominium Unit is the subject of a Mortgage shall be made jointly to such Owner and the interested Mortgagee. In the event the cost of Restoration exceeds Available Funds, all of the Units shall be assessed for the deficiency on the basis of their respective percentages of undivided ownership interest in the Common Areas. In the event that all or any portion of one or more Units will not be the subject of Restoration (even though the Project will continue as a condominium project) or is taken in a condemnation proceeding or pursuant to any agreement in lieu thereof, the undivided ownership interest in the Common Areas and Facilities shall be immediately reallocated to the remaining Units in accordance with the method set forth in Section 4 of this Article III.

**33. Sale of Project.** Unless Restoration is accomplished in accordance with the foregoing Section 32, the Project shall be sold in the event of Substantial Destruction, Substantial Condemnation, or Substantial Obsolescence. In the event of such sale, condominium ownership under this Declaration and the Survey Map shall terminate and the proceeds of sale and any Available Funds shall be distributed by the Committee to the Owners in proportion to their respective undivided interests in the Common Areas. Payment to any Owner whose Condominium Unit is then the subject of a Mortgage shall be made jointly to such Owner and the interested Mortgagee.

**34. Authority of Committee to Represent Owners in Condemnation or to Restore or Sell.** The Committee, as attorney-in-fact for each Owner, shall represent all of the Owners and the Association in any condemnation proceeding or in negotiations, settlements, and agreements with the condemning authority for the acquisition of all or any part of the Common Areas and Facilities. The award in any condemnation proceeding and the proceeds of any settlement related thereto shall be payable to the Association for the use and benefit of the Unit Owners and their mortgagees as their interests may appear. The Committee, as attorney-in-fact for each Owner, shall have and is hereby granted full power and authority to restore or to sell the Project and each Condominium Unit therein whenever Restoration or sale, as the case may be, is undertaken as hereinabove provided. Such authority shall include the right and power to enter into any contracts, deeds, or other instruments which may be necessary or appropriate for Restoration or sale, as the case may be.

**35. Consent in Lieu of Vote.** In any case in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for authorization or approval of an act or 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 percentage of undivided ownership interest. The following additional provisions shall govern any application of this Section 35:

BOOK 5488 PAGE 2520

(a) All necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Owner.

(b) Any change in ownership of a Condominium 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.

(c) Unless the consent of all Owners having an interest in the same Unit is secured, the consent of none of such Owners shall be effective.

**36. Right to Expand and State of Title to New Units.** There is hereby granted unto Declarant, and Declarant hereby reserves, the absolute right and option to expand the Project at any time (within the limits herein prescribed) and from time to time by adding to the Project the Additional Land or a portion or portions thereof. Notwithstanding any provision of the Act or this Declaration which might be construed to the contrary, such right and option may be exercised without obtaining the vote or consent of any other person (including any Unit Owner, Mortgagee, Eligible Mortgagee, or Eligible Insurer or Guarantor) and shall be limited only as specifically provided in the Act and this Declaration. Any given portion of the Additional Land shall be deemed added to the Project at such time as a supplement to this Declaration and to the Survey Map containing the information required by the Act and by Section 38 below has been recorded with respect to the portion of the Additional Land concerned. After the recordation of such supplements, title to each Unit thereby created within the portion of the Additional Land concerned and its appurtenant percentage of undivided ownership interest in the Common Areas shall be vested in and held by Declarant, and none of the other Unit Owners shall have any claim or title to or interest in such Unit or its appurtenant percentage of undivided ownership interest. If at the time a particular portion of the Additional Land is added to the Project there is of record a mortgage or deed of trust which by its terms describes the real property thereby encumbered by a metes and bounds description or other description describing the lateral or perimetric boundaries of such real property (as distinguished from the description of a Condominium Unit), and if the parcel of real property defined by the description set forth in such mortgage or trust deed includes the portion of the Additional Land then being added to the Project, and irrespective of whether or not any partial release or reconveyance pertaining to such mortgage or trust deed has theretofore been recorded with respect to any other Condominium Unit in the Project, then and in that event such mortgage or trust deed shall, upon the addition to the Project of that portion of the Additional Land concerned and whether or not such mortgage or trust deed does so by its terms, automatically cover, encumber, and include each Unit thereby created within such portion of the Additional Land and such Unit's

BOOK 5488  
PAGE 2521

appurtenant undivided ownership interest in the Common Areas. Nothing herein shall prevent the granting of a mortgage or trust deed on any Condominium Unit produced by the addition to the Project of a portion of the Additional Land, but any such mortgage or trust deed shall be subject and inferior to the lien on or interests in such Condominium Unit which arise by operation of the immediately preceding sentence.

**37. Rights and Statements Respecting Additional Land.** Declarant hereby furnishes the following information and statements respecting the Additional Land and Declarant's right and option concerning expansion of the Project by the addition thereto of the Additional Land or a portion or portions thereof:

(a) All of the Additional Land need not be added to the Project if any of such Land is added. Rather, a portion or portions of the Additional Land may be added to the Project at any time (within the five (5) year period prescribed in Section 38 of this Article III) and from time to time.

(b) Except for the limitations and requirements set forth in the following item (d), there are no limitations or requirements relative to the size, location, or configuration of any given portion of the Additional Land which can be added to the Project or relative to the order in which particular portions of the Additional Land can be added to the Project.

(c) There are no limitations or requirements relative to the location of improvements that may be made on any portion of the Additional Land which is added to the Project.

(d) Assuming that the entirety of the Additional Land is added to the Project, the maximum number of Units which may be created on the Additional Land is one hundred and forty-two (142). The maximum number of Units per acre that may be created on any portion of the Additional Land added to the Project is thirty (30).

(e) Each Unit created on any portion of the Additional Land which is added to the Project shall be used only for residential housing (subject, however, to the matters set forth in Section 8 of this Article III).

(f) Any Building or other structure erected on a portion of the Additional Land added to the Project need not be of the same architectural style or comprised of the same materials as structures within the pre-existing Project. Nevertheless, any such Building or other structure shall be constructed in a good and workmanlike

BOOK 5488 PAGE 2522

manner and shall otherwise be consistent with the initial improvements in terms of quality of construction.

(g) In addition to the Building or Buildings, if any, created on a portion of the Additional Land added to the Project, the significant improvements made to such portion may include a recreational vehicle parking area, asphalt roadways, open parking spaces, fully enclosed garages designed to accommodate one or two automobiles each, carports, concrete sidewalks or walkways, fences, concrete patios, and porches, outdoor lighting, landscaping, additional recreational facilities, and other related improvements. All of the mentioned improvements may be of the type and in the location reasonably determined to be appropriate by Declarant, so long as such determination is not inconsistent with any limitation imposed by this Declaration.

(h) Each Building which is created on a portion of the Additional Land added to the Project may have a basement, may consist of either one, two, or three above-ground stories, may include one or more patios, porches, balconies, and/or decks, and may contain one or more Units. The aggregate floor space of any Unit (computed by measurements running from the interior surfaces of the walls surrounding the Unit, taking into account all finished and unfinished areas at each separate level, story, or floor contained within or making up the Unit, and not excluding areas underlying interior partitions, utilized in stairwells, and the like) contained in such a Building may range from a minimum of approximately 500 square feet to a maximum of approximately 1,500 square feet. Any such Unit may be of either a townhouse (multifloor) or apartment (single floor) style, and may include space located on one, two, or three levels. The overall configuration of any such Unit shall be reasonable in light of the total floor area thereof and the configuration of the Building within which it is contained.

(i) In conjunction with the addition to the Project of a portion of the Additional Land, Declarant shall have the right to create Limited Common Areas within such portion. Each of said Limited Common Areas shall be appurtenant to a Unit located within such portion of the Additional Land. Such Limited Common Areas may include and consist of: (1) patios, porches, balconies, decks and/or private yard areas attached or adjacent to a Unit located on the portion of the Additional Land concerned; and (2) storage areas or spaces, open parking spaces, carports, and/or fully enclosed garages located anywhere on such portion of the Additional Land. The size, type, and total number of Limited Common Areas created within each portion of the Additional Land which is added to the

BOOK 5488  
PAGE 2523

Project shall be reasonable in light of the number and nature of Units created within the portion of Additional Land concerned and those Limited Common Areas which are located on other portions of the Tract.

(j) In conjunction with the addition to the Project of a portion of the Additional Land, Declarant shall have the right to reserve, in the instruments through which the addition is accomplished, reasonable rights-of-way and/or easements for purposes of enabling access to, furnishing utilities to, and facilitating or enabling development of, such of the Additional Land as has then not been added to the Project.

(k) Any expansion(s) of the Project through the addition thereto of the Additional Land or portions thereof, and through the creation on the portions of the Additional Lands concerned of additional Units, shall be such that the percentage of undivided ownership interest in the Common Areas which at any point in time is appurtenant to any Unit then in the Project is not more than 4% and not less than .045%. [If no Additional Land is added to the Project, the number of Units in the Project would be fifty-seven (57), and the maximum undivided ownership percentage in the Common Areas and Facilities appurtenant to any Unit would be 2.29% and the minimum would be 1.15%. If all of the Additional Land is added to the Project, the maximum number of Units in the Project would be 199, and the undivided ownership percentage in the Common Areas and Facilities appurtenant to the largest Unit would not exceed 4.0% and the ownership percentage in the Common Areas and Facilities appurtenant to the smallest Unit would not be less than .045%. However, the number and type of Units actually constructed and thus the actual undivided ownership percentage in the Common Areas and Facilities appurtenant to any Unit may in fact be anywhere within the foregoing ranges of percentages.]

(l) All taxes, assessments, mechanic's liens, and other similar charges relating to any portion of the Additional Land added to Project and relating to any period prior to the addition of such portion to the Project, and which at the time such portion is added would become a lien on any part of the pre-existing Project, shall, prior to such addition, be either paid by the Declarant if then due or escrowed for later payment with a title company in the State of Utah if not then due.

**38. Procedure for Expansion.** The supplements to this Declaration and to the Survey Map by which addition to the Project of any portion of the Additional Land is accomplished shall be executed by Declarant, shall be in recordable form, must be filed for record in the office of the County

BOOK 5488  
PAGE 2524



Recorder of Salt Lake County, Utah on or before five (5) years from the date that this Declaration is recorded, and when taken together shall contain the following information for that portion of the Additional Land which is being added to the Project:

(a) Data sufficient to identify this Declaration and the Record of Survey Map.

(b) The legal description of the portion of the Additional Land being added to the Project.

(c) A description of the Building(s), if any, located or to be located on the portion of the Additional Land concerned and of all other significant improvements located or to be located on such portion. Such description shall provide essentially the same type of information as is provided in this Declaration with respect to the Buildings and improvements initially included in the Project.

(d) The Unit Number of each Unit being created within the portion of the Additional Land concerned and any other data necessary for the proper identification thereof.

(e) A description of any Limited Common Areas being created within the portion of the Additional Land concerned, together with a designation of the Unit to which each is appurtenant.

(f) The Survey Map information required to be furnished by Section 57-8-13(2) of the Act.

(g) Such rights-of-way and/or easements as are being reserved by Declarant pursuant to item (j) of the foregoing Section 37.

(h) An amended Exhibit "A" to this Declaration setting forth the percentage of undivided ownership interest which, after addition of that portion of the Additional Land concerned, shall appertain to each Unit in the Project, computed and derived as described in Section 4 of this Article III.

(i) Such other matters as may be necessary, desirable, or appropriate and as are not inconsistent with any limitation imposed by this Declaration.

Upon the recordation of the supplements contemplated above, the revised schedule of undivided interests contained therein shall automatically become effective for all purposes and shall completely supersede any similar schedule which was contained in any Declaration or supplement previously recorded in

BOOK 5488  
PAGE 2525

connection with the Project or any portion of the Additional Land. And upon the recordation of such supplements they shall automatically supplement this Declaration, the Survey Map, and any supplements previously recorded. At any point in time, the Declaration and Survey Map for the Project shall consist of this Declaration and the Survey Map initially effective hereunder, as amended and expanded by all supplements theretofore recorded pursuant to the terms hereof.

39. Additional Land -- Miscellaneous. Such parts of or interests in a portion of the Additional Land which is added to the Project as do not become Units shall be and remain Common Areas and Facilities. Until such time as any given portion of the Additional Land added to the Project has been fully developed and improved in the manner contemplated by the instruments through which such portion was added, unless Declarant gives its prior written consent thereto, neither the Management Committee nor the Association shall grant or create any easement, right-of-way, or similar matter affecting any part of such portion, improve or work on any part of such portion, or take any other action with respect to such portion which would or might impair Declarant's ability to exercise its rights concerning the same.

40. No Obligation to Expand. Except to the extent specifically indicated herein, this Declaration is not intended, and shall not be construed so as, to impose upon Declarant any obligation respecting, or to restrict Declarant in any way with regard to: (i) The addition to the Project of any or all of the Additional Land; (ii) The creation or construction of any Unit, Building, or other improvement; (iii) The carrying out in any particular way or within any particular time of any development or addition to the Project which may be undertaken; or (iv) The taking of any particular action with respect to the Tract, the Project, or any portion of the Additional Land. Except to the extent specifically indicated herein, no covenant, restriction, limitation, representation, or commitment in this Declaration concerning anything that is or is not to occur, apply, or be done on or relative to the Additional Land or any portion thereof shall be binding as to such of the Additional Land as is never added to the Project.

41. Mortgagee Protection. The lien or claim against a Condominium Unit for unpaid assessments or charges levied by the Management Committee or by the Association of Unit Owners pursuant to this Declaration or the Act shall be subordinate to any Mortgage recorded on or before the date such assessments or charges become due.

The lien or claim against a Condominium Unit for such unpaid assessments or charges shall not be affected by any sale or transfer of such Condominium Unit, except that a sale or transfer pursuant to a foreclosure of the Mortgage affecting such Unit or the exercise of a power of sale available thereunder shall extinguish a subordinate lien for such assessments or

charges which became payable prior to such sale or transfer. Nevertheless, any such unpaid assessments or charges which are extinguished in accordance with the foregoing sentence may be reallocated and assessed to all Condominium Units as Common Expenses. Any such sale or transfer pursuant to a foreclosure or power of sale shall not relieve the purchaser or transferee of such Unit from liability for, nor such unit from the lien of, any assessments or charges becoming due thereafter.

The Committee or the Association shall make available to Unit Owners, to lenders, and to holders, insurers, and guarantors of any Mortgage current copies of this Declaration, the Survey Map, any Association bylaws and other rules concerning the Project, and the books, records, and financial statements of the Committee and the Association. "Available", as used in this Paragraph, shall mean available for inspection upon request during normal business hours or under other reasonable circumstances.

If the Project comes to contain fifty (50) or more Condominium Units, any holder, insurer or guarantor of any Mortgage shall be entitled, upon written request, to an audited financial statement for the immediately preceding fiscal year free of charge to the party so requesting. So long as the Project contains less than 50 Condominium Units, the holders of fifty-one percent (51%) or more of the Mortgages shall be entitled to have such an audited statement prepared at their expense if one is not otherwise available. Any financial statement requested pursuant to either of the immediately foregoing two sentences shall be furnished to the requesting party within a reasonable time following such request.

Until the happening of the event described in the second Paragraph of Section 14 of this Article III, any agreement for professional management of the Condominium Project and any contract or lease, including franchises and licenses, which is entered into by the Management Committee or the Association or to which the Management Committee or the Association is a party shall provide that either party, with or without cause and without payment of any termination fee or being subject to any penalty, may terminate same upon not in excess of ninety (90) days written notice to the other party thereto, except that such agreements for professional management shall be terminable on the same basis upon not in excess of thirty (30) days written notice and shall have a maximum term of one (1) year.

Upon written request to the Committee or the Association by the holder, insurer, or guarantor of a Mortgage (which request identifies the name and address of such holder, insurer or guarantor and the Unit Number or address of the Unit encumbered by the Mortgage held or insured by such holder, insurer, or guarantor), such holder, insurer, or guarantor shall be deemed thereafter to be an Eligible Mortgagee or Eligible Insurer or Guarantor (as the case may be), shall be included on the appropriate lists maintained by

the Association, and shall be entitled to timely written notice of any of the following:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Project or any Condominium Unit on which there is a Mortgage held, insured, or guaranteed by such Eligible Mortgagee or such Eligible Insurer or Guarantor.

(b) Any delinquency in the payment of assessments or charges owed by an Owner of a Condominium Unit subject to a Mortgage held, insured or guaranteed by such Eligible Mortgagee or such Eligible Insurer or Guarantor, which delinquency remains uncured for a period of 60 days.

(c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Committee or the Association.

(d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Sections 30, 32, and 42 of this Article III.

The right of any Unit Owner to sell, transfer, or otherwise convey his or her Condominium Unit shall not be subject to any right of first refusal or similar restriction.

All leases or rental agreements for Condominium Units shall be in writing and specifically subject to the provisions, restrictions, and requirements of the Declaration, the Association bylaws (if any), and the Survey Map. No Condominium Unit may be leased or rented for a period of less than six (6) months. Neither the Committee nor the Association shall create or enforce any other restriction relating to the term of a lease or rental agreement of any Condominium Unit in the Project.

42. **Amendment.** Except as provided in and/or subject to the terms of items (a) through (e) below, the vote of at least 67% of the undivided ownership interest in the Common Areas and Facilities shall be required and shall be sufficient to amend this Declaration or the Record of Survey Map. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Management Committee. In such instrument the Committee shall certify that the vote required by this Section for amendment has occurred, and, if approval of a specified percentage of Eligible Mortgagees is required for such amendment, that such approval has been obtained. The foregoing right of amendment shall, however, be subject to the following:

BOOK 5488  
PAGE 2528

(a) Declarant shall have the right unilaterally to amend and supplement this Declaration and the Survey Map in conjunction with its addition to the Project of each portion of the Additional Land, all in the manner and to the extent, but only in the manner and to the extent, provided for in Sections 36 through 40 of this Article III.

(b) Subject to the right of the Declarant described in the foregoing item (a) and until the happening of the event described in the second Paragraph of Section 8 of this Article III, no amendment to the Survey 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 accorded to Declarant (in its capacity as Declarant) herein shall be accomplished or effective unless the instrument through which such amendment is purported to be accomplished is consented to in writing by Declarant.

(c) The consent of Eligible Mortgagees holding Mortgages on Condominium Units which have appurtenant at least 67% of the undivided ownership interest in the Common Areas and Facilities which is then subject to Mortgages held by Eligible Mortgagees shall be required to any amendment which would terminate the legal status of the Project as a condominium.

(d) The consent of Eligible Mortgagees holding Mortgages on Condominium Units which have appurtenant at least 51% of the undivided ownership interest in the Common Areas and Facilities which is then subject to Mortgages held by Eligible Mortgagees shall be required to add to or amend any material provision of this Declaration or the Survey Map which establishes, provides for, governs, or regulates any of the following: (i) voting; (ii) assessments, assessment liens, or subordination of liens; (iii) reserves for maintenance, repair, and replacement of the Common Areas and Facilities; (iv) insurance or fidelity bonds; (v) rights to use of the Common Areas and Facilities; (vi) responsibility for maintenance and repair of the several portions of the Project; (vii) expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project; (viii) the boundaries of any Unit; (ix) the interests in the Common Areas and Facilities or Limited Common Areas; (x) convertibility of Units into Common Areas or of Common Areas into Units; (xi) leasing of Condominium Units; (xii) imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Condominium Unit; (xiii) express benefits or rights of Mortgagees, Eligible Mortgagees, or Eligible Insurers or Guarantors; and

BOOK 5488  
PAGE 2529

(xiv) the requirement that the Project be professionally managed rather than self-managed. An addition or amendment shall not be considered material for purposes of this Paragraph (d) if it is for the purpose of correcting technical errors or for clarification only. Any Eligible Mortgagee to whom a written request to approve an addition or amendment to this Declaration or the Survey Map (or to approve a decision of the Owners and/or the Committee with respect to the nature of Restoration under Section 30(d) hereof or a decision not to undertake Restoration pursuant to Section 32 hereof) is mailed postage prepaid to the address for such Mortgagee shown on the list maintained by the Association and who does not deliver to the Committee or the Association a negative response within 30 days from the date of such mailing shall be deemed to have approved such request.

(e) The consent of the Veterans Administration, as per applicable regulations of the Veterans Administration, shall be required to add to or amend any material provision of this Declaration or the Survey Map which establishes, provides for, governs, or regulates any of the following: (i) termination of the legal status of the Project as a condominium; (ii) insurance or fidelity bonds; (iii) convertibility of Units into Common Areas or of Common Areas into Units; (iv) leasing of Condominium Units; and (v) imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Condominium Unit.

The consent requirements set forth in the foregoing items (c), (d), and (e) of this Section shall not be applicable to amendments to this Declaration and the Survey Map or to termination of the legal status of the Project as a condominium if such amendments or such termination are made or accomplished in accordance with the provisions of Sections 30 through 34 of this Article III in the event of Substantial Destruction, Substantial Condemnation, or Substantial Obsolescence, or if such amendments relate to the addition to the Project of any portion of the Additional Land and comply with Sections 36 through 40 of this Article III.

**43. Declarant's Rights Assignable.** All of the rights of Declarant under this Declaration, or the rights of Declarant hereunder respecting any given portion of the Additional Land, may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer, or assignment.

BOOK 5488  
PAGE 2530

44. Interpretation. To the extent the provisions of the Act are consistent with this Declaration, such provisions shall supplement the terms hereof and are incorporated herein. The captions which precede the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both other genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof.

45. Covenants to Run with Land. This Declaration and all the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of Declarant, all other signatories hereto, all parties who hereafter acquire any interest in a Unit or in the Project, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. Each Owner or occupant of a Unit shall comply with, and all interests in all Condominium Units shall be subject to, the terms of this Declaration and the provisions of any rules, regulations, agreements, instruments, supplements, amendments, and determinations contemplated by this Declaration. By acquiring any interest in a Unit or in the Project, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

46. Enforcement. Subject to the provisions of Section 25 of this Article III, the Declarant, the Management Committee, and any aggrieved Unit Owner shall have a right of action against the Declarant, the Committee, or any Unit Owner for any failure by such person or entity to comply with this Declaration, the Survey Map, or the provisions of any rules, regulations, agreements, instruments, supplements, amendments, or determinations contemplated by this Declaration.

47. Agent for Service of Process. Jerrald K. Boone, whose address is 1875 Laurelwood Circle, Salt Lake City, Utah 84121, is the person to receive service of process in the cases authorized by the Act. The Management Committee shall, however, have the right to appoint a successor or substitute process agent. Such successor or substitute agent and his address shall be specified by an appropriate instrument filed in the office of the County Recorder of Salt Lake County State of Utah.

48. Effective Date. This Declaration, any amendment or supplement hereto, and any amendment or supplement to the Survey Map shall

BOOK 5488  
PAGE 2531

take effect upon its being filed for record in the office of the County Recorder of Salt Lake County, Utah.

EXECUTED by Declarant on this 2<sup>ND</sup> day of September, 1983.

"Declarant":

MILLSTREAM ASSOCIATES, INC.,  
a Utah corporation

ATTEST:

Alan L. Kruckenberg  
Alan L. Kruckenberg  
Its Vice President

By Jerrald K. Boone  
Jerrald K. Boone  
Its President

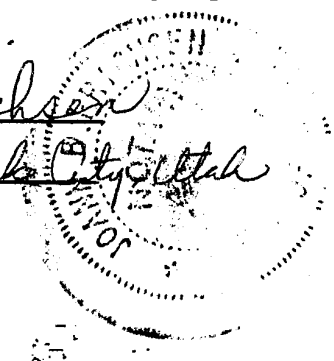
STATE OF UTAH )  
                  : ss.  
COUNTY OF SALT LAKE)

On this 2nd day of September, 1983, personally appeared before me Jerrald K. Boone and Alan L. Kruckenberg, who being by me duly sworn did say that they are the President and Vice President, respectively, of MILLSTREAM ASSOCIATES, INC., a Utah corporation, that the foregoing Declaration of Condominium was signed on behalf of said corporation by authority of its Bylaws or a resolution of its Board of Directors, and said individuals did acknowledge that said corporation executed the foregoing Declaration of Condominium.

My Commission Expires:

10/26/86

John B. Erickson  
NOTARY PUBLIC  
Residing at: Salt Lake City, Utah



BOOK 5488 PAGE 2532



EXHIBIT "A"  
TO  
DECLARATION OF CONDOMINIUM  
OF THE  
SAN FRANCISCO CONDOMINIUM PROJECT

[An Expandable Condominium]

| <u>Unit No.</u> | <u>Building No.</u> | <u>Size</u> | <u>Ownership Percentage</u> |
|-----------------|---------------------|-------------|-----------------------------|
| 1               | A                   | 580         | 1.15                        |
| 2               | A                   | 580         | 1.15                        |
| 3               | A                   | 1160        | 2.29                        |
| 4               | A                   | 1120        | 2.22                        |
| 5               | A                   | 900         | 1.77                        |
| 6               | A                   | 900         | 1.77                        |
| 7               | A                   | 780         | 1.54                        |
| 8               | A                   | 870         | 1.71                        |
| 9               | A                   | 780         | 1.54                        |
| 10              | A                   | 870         | 1.71                        |
| 11              | B                   | 900         | 1.77                        |
| 12              | B                   | 900         | 1.77                        |
| 13              | B                   | 780         | 1.54                        |
| 14              | B                   | 870         | 1.71                        |
| 15              | B                   | 780         | 1.54                        |
| 16              | B                   | 870         | 1.71                        |
| 17              | B                   | 1120        | 2.22                        |
| 18              | B                   | 1120        | 2.22                        |
| 19              | B                   | 1160        | 2.29                        |
| 20              | C                   | 580         | 1.15                        |
| 21              | C                   | 580         | 1.15                        |
| 22              | C                   | 1120        | 2.22                        |
| 23              | C                   | 1120        | 2.22                        |
| 24              | C                   | 870         | 1.71                        |
| 25              | C                   | 780         | 1.54                        |
| 26              | C                   | 870         | 1.71                        |
| 27              | C                   | 780         | 1.54                        |
| 28              | C                   | 900         | 1.77                        |
| 29              | C                   | 900         | 1.77                        |
| 30              | D                   | 1160        | 2.29                        |
| 31              | D                   | 1160        | 2.29                        |
| 32              | D                   | 870         | 1.71                        |
| 33              | D                   | 780         | 1.54                        |
| 34              | D                   | 870         | 1.71                        |
| 35              | D                   | 780         | 1.54                        |

|       |   |                |             |
|-------|---|----------------|-------------|
| 36    |   |                |             |
| 37    | D | 580            | 1.15        |
| 38    | D | 580            | 1.15        |
| 39    | E | 1120           | 2.22        |
| 40    | E | 1120           | 2.22        |
| 41    | E | 870            | 1.71        |
| 42    | E | 780            | 1.54        |
| 43    | E | 870            | 1.71        |
| 44    | E | 780            | 1.54        |
| 45    | E | 1160           | 2.29        |
| 46    | F | 1160           | 2.29        |
| 47    | F | 900            | 1.77        |
| 48    | F | 900            | 1.77        |
| 49    | F | 1160           | 2.29        |
| 50    | F | 580            | 1.15        |
| 51    | F | 580            | 1.15        |
| 52    | G | 580            | 1.15        |
| 53    | G | 580            | 1.15        |
| 54    | G | 1120           | 2.22        |
| 55    | G | 1120           | 2.22        |
| 56    | G | 1160           | 2.29        |
| 57    | G | 900            | 1.77        |
|       |   | <u>900</u>     | <u>1.77</u> |
| TOTAL |   | 50,660 sq. ft. | 100%        |

BOOK 5488  
PAGE 2534

EXHIBIT "B"  
TO  
DECLARATION OF CONDOMINIUM  
OF THE  
SAN FRANCISCO CONDOMINIUM PROJECT

[An Expandable Condominium]

The "Tract" which is referred to in and affected by said Declaration is situated in Salt Lake County, State of Utah, and is described as follows:

Beginning at a point on the North right-of-way line of 5400 South Street, said point being North 89°53'30" East 1492.99 feet, and North 0°03'00" West 59.88 feet and South 88°25'10" East 139.06 feet and North 89°52'12" East 328.96 feet from the South Quarter Corner of Section 10, Township 2 South, Range 1 West, Salt Lake Base and Meridian; and running thence North 0°05'32" East 178.18 feet; thence North 60°00' East 36.44 feet; thence North 0°05'32" East 91.88 feet; thence South 89°54'28" East 52.27 feet; thence North 0°05'32" East 153.49 feet; thence North 89°55'00" East 188.76 feet to a point on the West right-of-way line of a Salt Lake county road; thence South 27°03'00" East along said West right-of-way line 494.53 feet to an existing fence corner; thence North 89°46'00" West along an existing fence line 56.27 feet; thence South 04°24'00" East 0.76 feet to the North right-of-way line of 5400 South Street; thence South 89°52'12" West along said North right-of-way line 441.956 feet to the point of beginning.

EXHIBIT "C"  
TO  
DECLARATION OF CONDOMINIUM  
OF THE  
SAN FRANCISCO CONDOMINIUM PROJECT

[An Expandable Condominium]

The "Additional Land" which is referred to in and affected by said Declaration is situated in Salt Lake County, State of Utah, and is described as follows:

Beginning at a point on the North right-of-way line of 5400 South Street; said point being North  $89^{\circ}53'30''$  East 1492.99 feet and North  $0^{\circ}03'$  West 59.88 feet from the South quarter corner Section 10, Township 2 South, Range 1 West, Salt Lake Base and Meridian; and running thence North  $0^{\circ}03'$  West parallel to and 1.00 feet East of an existing fence line 286.00 feet; thence South  $89^{\circ}54'28''$  East 500.21 feet; thence South  $0^{\circ}05'32''$  West 91.88 feet; thence South  $60^{\circ}00'$  West 36.44 feet; thence South  $0^{\circ}05'32''$  West 178.18 feet to a point on the North right-of-way line of 5400 South Street; thence South  $89^{\circ}52'12''$  West 328.96 feet along said North right-of-way line; thence North  $88^{\circ}25'10''$  West 139.06 feet along said North right-of-way line to the point of beginning.

Beginning at a point 1.00 feet East of an existing fence line, said point being North  $89^{\circ}53'30''$  East 1492.99 feet; and North  $0^{\circ}03'$  West 345.88 feet from the South quarter corner of Section 10, Township 2 South, Range 1 West, Salt Lake Base and Meridian; and running thence North  $0^{\circ}03'$  West parallel to and 1.00 feet East of an existing fence 215.80 feet; thence North  $89^{\circ}55'$  East parallel to and 1.00 feet South of an existing fence line 709.02 feet to the West right-of-way line of a Salt Lake County Road; thence South  $27^{\circ}03'$  East along said West right-of-way line 71.81 feet; thence South  $89^{\circ}55'$  West 188.76 feet; thence South  $0^{\circ}05'32''$  West 153.49 feet; thence North  $89^{\circ}54'28''$  West 552.48 feet to the point of beginning.