

When recorded return to:  
Daniel V. Goodsell, Esq.  
Kirton, McConkie & Poelman  
60 East South Temple, #1800  
Salt Lake City, UT 84111-1004

FIRST AMENDMENT

TO THE

SNOWCREST HOTEL CONDOMINIUM

DECLARATION OF COVENANTS, CONDITIONS AND  
RESTRICTIONS AND BYLAWS

H.C.D. BY Dg 32-0

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SUMMIT COUNTY RECORDER

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*Kirton, McConkie & Poelman*

This First Amendment to the Snowcrest Hotel Condominium Declaration of  
Covenants, Conditions and Restrictions and Bylaws is made and executed this 23rd  
day of March, 1992.

WITNESSETH:

WHEREAS, the Snowcrest Hotel Condominium Declaration of Covenants,  
Conditions and Restrictions and Bylaws (the "Original CC&Rs") was made and  
executed the 11th day of January, 1980;

WHEREAS, the Original CC&Rs can be amended pursuant to paragraph 29  
thereof by approval of Unit Owners owning 75% of the voting power of the Snowcrest  
Condominium Owners' Association (the "Association"); and

WHEREAS, the undersigned, as president of the Management Committee of  
the Association, hereby certifies that 77.9% of the Unit Owners have voted in favor of  
amending the Original CC&Rs.

NOW, THEREFORE, the Original CC&Rs are hereby amended as follows:

1. The heading of the Original CC&Rs is hereby amended to read as follows:

SNOWCREST CONDOMINIUM

DECLARATION OF COVENANTS, CONDITIONS AND  
RESTRICTIONS AND BYLAWS

2. Paragraph 1 of the Original CC&Rs is hereby amended to read as follows:

1. Designation of the Project and the Association.

(a) Name of the Condominium Property. The name by which this  
condominium project shall be known is the Snowcrest Condominium Project,  
hereinafter referred to as "the Project."

(b) The Association. There is hereby created an association of owners of condominiums in the Snowcrest Condominium Project, which shall be known as the Snowcrest Condominium Owners' Association (the "Association"). The Administration of the Project shall be through the Association, a Utah nonprofit corporation, which has been organized and will be operated to perform the functions and provide the services contemplated in this declaration. The Association shall operate in accordance with the laws of the State of Utah and with the Articles of Incorporation and the Bylaws of the Association. A true and correct copy of the duly adopted Bylaws of the Association is attached hereto as Exhibit "A" and incorporated herein by reference and shall be recorded herewith.

(c) Members of the Association. Each Unit Owner shall be entitled and required to be a member of the Association. Membership shall begin immediately and automatically upon becoming a Unit Owner and shall terminate immediately and automatically upon ceasing to be a Unit Owner. If title to a Unit is held by more than one person, the membership pertinent to that Unit shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which title to the Unit is held. A Unit Owner shall be entitled to one membership for each Unit owned by him. Each membership shall be appurtenant to the Unit to which it relates and shall be transferred automatically by conveyance of that Unit. Ownership of the Unit within the Project cannot be separated for membership in the Association appurtenant thereto, and any devise, conveyance, or other disposition of a Unit shall be construed to be a devise, conveyance, or other disposition, respectively, of the owners' membership in the Association and rights appurtenant thereto. No person or entity other than an owner may be a member of the Association, a membership in the Association may not be transferred except in connection with the transfer of a Unit.

(d) Management of Association. The affairs of the Association shall be managed by the Board of Trustees.

3. Paragraph 2(i) of the Original CC&Rs is hereby amended to include the following:

(i) "Management Committee" shall mean the Board of Trustees of the Snowcrest Condominium Owners' Association.



4. Paragraph 3b of the Original CC&Rs is hereby amended to read as follows:

b. Description of Buildings.

- (1) The Project consists of one building.
- (2) The Project has a total of 54 Units.
- (3) The principal construction materials used are as follows:

The building is constructed with one hour fire resistant wood, exterior walls and glass windows. Interior walls between Units are of wood construction with type X gypsum board covering. The building is supplied with electricity, water and sewage service. The Units are individually heated by electric baseboard heaters. The building has a fire retardant asphalt shingle roof.

- (4) A description of all other significant improvements contained or to be contained in the Project are as follows: Parking facilities for the Unit Owners, and landscaping.

5. Paragraph 5 of the Original CC&Rs is hereby amended to read as follows:

5. Agent for Service of Process. Until such time as Declarant transfers the right and responsibility to elect a Management Committee to the Unit Owners as provided in the Bylaws, the name and address of the person in Summit County, Utah, for the service of notice or process in matters pertaining to the Property as provided under the Condominium Act is:

Charles W. Akerlow  
SNOWCREST CONDOMINIUM  
Empire Ave. & Three Kings Dr.  
Park City, Utah

Thereafter the person to receive service of notice or process shall be any member of the Management Committee residing in Summit County, Utah, as listed in the Affidavit filed with the Recorder of Summit County.

6. Paragraph 6 of the Original CC&Rs is hereby amended as follows:

6. Damage, Destruction or Eminent Domain.

- (a) Damage or Destruction. In the event that the building and/or other improvements on the land are damaged or destroyed by fire or other

casualty or disaster, such building and/or other improvements shall be promptly repaired, restored or reconstructed to the extent required to restore them to substantially the same condition in which they existed prior to the occurrence of the damage or destruction, with each Unit and the Common Areas and facilities having the same vertical and horizontal boundaries. Such repairs, restoration or reconstruction shall be paid for out of any insurance proceeds received on account of the damage or destruction; provided, however, that if the insurance proceeds are not sufficient for such purpose, the deficiency shall be assessed as a common expense, provided further, that if the damage or destruction shall affect only Units, such deficiencies shall be assessed against the Unit Owners affected thereby and not as a common expense.

In the event of damage or destruction to the building and/or other improvements on the land, the Management Committee shall inform each Institutional Holder of a first mortgage on the Unit in writing of such damage or destruction.

However, if three-fourths or more of the building is destroyed or substantially damaged and if the Unit Owners, by a vote of at least three-fourths of such Unit Owners, do not voluntarily, within 100 days after such destruction or damage, make provision for reconstruction, the Manager or Management Committee shall record, with the Summit County Recorder, a notice setting forth such facts, and upon the recording of such notice:

(i) The Property shall be deemed to be owned as tenants-in-common by the Unit Owners;

(ii) The undivided interest in the Property owned in common which shall appertain to each Unit Owner shall be the fraction of undivided interest previously owned by such Unit Owner in the Common Areas and facilities;

(iii) Any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the fraction of undivided interest of the Unit Owner in the Property; and

(iv) The Property shall be subject to an action for partition at the suit of any Unit owner, or in which event (the Property is not susceptible of fair partition without depreciating the value thereof) the net proceeds of sale together with the net proceeds of the insurance on the Property, if any, shall be considered as one fund and shall be divided among all the Unit Owners in proportion to their respective fractions of undivided interest in the Common Areas and facilities, after first paying out the respective shares of the Unit Owners, to the extent sufficient for



the purpose, all liens on the undivided interest in the Property owned by each Unit owner.

Notwithstanding all other provisions of this declaration, Unit Owners may, by an affirmative vote of at least three-fourths of such Unit Owners, at a meeting of Unit Owners duly called for such purpose, elect to sell or otherwise dispose of the Property. Such action shall be binding upon all Unit Owners and it shall thereupon become the duty of every Unit owner to execute and deliver such instruments and to perform all acts as in manner and form may be necessary to affect the sale.

(b) Condemnations or Eminent Domain. If any Unit or portion thereof or the Common Areas and facilities or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by a condemning authority, the Management Committee will notify in writing the Institutional Holder of any first mortgage on a Unit which would be affected by such proceedings or proposed acquisition.

(c) Distributions. Any losses or proceeds from condemnation, destruction or liquidation of all or part of the Project, or from termination of the Project, shall be payable immediately to the Association for the benefit of any Unit Owners and their mortgage holders. The Association is hereby designated and appointed to represent the Unit Owners in any proceedings, negotiations, settlements or agreements regarding acquisition of such funds to which the Unit Owners are entitled. Distribution of such funds shall be made according to the fractional interest set forth in Appendix A of this declaration, as amended.

7. Paragraph 9 of the Original CC&Rs is hereby amended as follows:

9. Notices. In addition to any other notice required by this declaration, the Management Committee shall give the holder, insurer, or guarantor of a mortgage on any Unit in the Project timely written notice of:

(a) Any condemnation or casualty loss that affects either a material portion of the Project or the Units securing its mortgage;

(b) Any 60 day delinquency on the payment of assessment or charges owed by the owner of any Unit on which it holds, insures, or guarantees the mortgage;

(c) A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Owners' Association; and

(d) Any proposed action that requires the consent of a specified percentage of the eligible mortgage holders.

The right to receive the notice provided for above, however, shall be conditioned upon the mortgage holder, insurer or guarantor sending a written request to the Association stating both claimant's name and address and the Unit number or address of the Unit number which it holds, insures or guarantees the mortgage.

Any other notice permitted or required to be delivered as otherwise provided for herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered 48 hours after a copy of same has been deposited in the U.S. postal service, first class postage prepaid, addressed to each such person at the address given by such person to the Management Committee for the purpose of service of such notice or to the Unit of such person if no address has been given. Such address may be changed from time to time by notice in writing to the Management Committee.

8. Paragraph 14 of the Original CC&Rs is hereby amended to read as follows:

14. Entry for Repairs. The Management Committee and their respective agents may enter any Unit when necessary in connection with any maintenance, landscaping or construction for which the Management Committee is responsible. The Management Committee and their respective agents may also enter any Unit to perform emergency repairs or to do other work reasonably necessary for the proper maintenance of the Project. The Management Committee shall furthermore have the right to grant permits, licenses and easements over the Common Areas for utilities, roads and other purposes necessary for the proper operation of the Project. Such entry shall be made with as little inconvenience to the Unit Owners as practicable, and any damage caused thereby shall be promptly repaired by the Management Committee out of the common expense fund.

The violation of any rules or regulations adopted by the Management Committee or the breach of any Bylaws contained herein, or the breach of any provision of this declaration, shall give the Management Committee the right, in addition to any other rights set forth herein, to enjoin, abate or remedy such breach by appropriate legal proceedings, either at law or in equity.

9. Paragraph 19 of the Original CC&Rs is hereby amended to read as follows:

19. Encroachments. None of the rights and obligations of any Unit Owners created by this declaration, Bylaws, or by any deed conveying a Unit shall be affected in any way by an encroachment: (i) by any portion of the Common Areas and



facilities upon any Unit; (ii) by any Unit upon any portion of the Common Areas and facilities; or (iii) any Unit upon another Unit due to settling or shifting of the Building or other structure, including the rebuilding of the building and other structure after fire or other casualty or an imminent domain taking or delivery of a deed in lieu of condemnation, unless there occurs an encroachment that results from the willful or negligent act or omission of the Unit owner of the encroaching Unit or of the owners of the Units to which the use of the encroaching limited Common Areas and facilities is appurtenant or of the Management Committee in the event of an encroachment by any portion of the common area and facilities other than limited Common Areas and facilities; provided, however, that a valid easement for the maintenance of any such encroachment permitted by this paragraph is hereby created so long as such encroachments exist.

10. Paragraph 26 of the Original CC&Rs is hereby amended to read as follows:

26. Common Expenses and Assessments.

(a) Common Expenses. Within thirty (30) days prior to the annual meeting, the Management Committee shall estimate the net charges to be paid during the current fiscal year, including a reasonable provision for contingencies and replacements and less any expected income and any surplus from the prior fiscal year's operation, together with the estimated utility costs for Units and Limited Common Areas and Facilities which are not separately metered or charged. Said "Estimated Cash Requirement" shall be approved at the annual meeting and assessed monthly to the Unit Owners pursuant to the Declaration and Appendix A thereof. Declarant will be liable for the amount of any assessment against Units owned by Declarant. If said estimated sum proves inadequate for any reason, including nonpayment of any Unit Owner's assessment, the Management Committee may at any time levy a further assessment, which shall be assessed to the Unit Owners in like proportion unless otherwise provided herein. Each Unit Owner shall be obligated to pay assessments made pursuant to this paragraph to the Management Committee on or before the first day of each month, or in such other reasonable manner as the Management Committee shall designate.

(i) The monthly payments made by Unit Owners shall be kept in separate accounts as the Management Committee may deem proper, including accounts for general working capital, for the general operating reserve, and for a reserve fund for replacements and major maintenance.

(ii) All funds collected hereunder shall be expended for the purposes designated in the Declaration or Bylaws.

(iii) The omission by the Management Committee before the expiration of any fiscal year to fix the Estimated Cash Requirement hereunder for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of the Declaration or a release of the Unit Owner from the obligation to pay the assessments or any installment thereof for that or any subsequent year, but the Estimated Cash Requirement fixed for the preceding year shall continue until a new requirement is fixed. Amendments to this paragraph shall be effective only upon unanimous written consent of the Unit Owners and their Mortgagees. No Unit Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the Common Areas and Facilities or by abandonment of his Unit.

(iv) The Manager or Management Committee shall keep accurate records of the receipts and expenditures affecting the Common Areas and Facilities specifying and itemizing the maintenance and repair expenses of the Common Areas and Facilities and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by any Unit Owner at convenient hours of week days.

(v) Anything contained herein to the contrary notwithstanding, the Management Committee shall at all times treat all funds of the Association of Unit Owners so as to avoid adverse income tax consequences, including, but not limited to, applying surplus funds toward expenses so that no common profits accrue to the Association and maintaining any reserves of the Association in a manner that will not result in these sums being treated as taxable income to the Association.

(b) Default in Payment of Assessments. Each assessment (including all monthly installments under subparagraph (a)(i) of this paragraph 26) and each special assessment shall be separate, distinct and personal debts and obligations of the Unit Owner against whom the same are assessed at the time the assessments are made and shall be collectible as such. Such assessments shall not pass to successors in title of Unit Owners, unless and until such successors agree to assume the obligation. The Management Committee shall have the right to impose a reasonable late charge for nonpayment of Common Expense payments within fifteen (15) days of the date of such payments became due. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing the same. The amount of any assessment, whether regular or special, assessed to the Unit Owner of any Condominium plus interest at the highest legal rate permitted by Utah law (not to exceed 18% per annum) and costs, including reasonable



attorneys' fees, shall become a lien upon such Condominium upon recordation of a notice of assessment by the Management Committee. The said lien for nonpayment of Common Expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

(i) Tax and special assessment liens on the Condominium in favor of any taxing authority, and

(ii) All amounts due or that shall become due on a Mortgage of record on the Condominium.

A certificate executed and acknowledged by a majority of the Management Committee stating the indebtedness secured by the lien provided for under this Section B upon any Condominium shall be conclusive upon the Management Committee and the Unit Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Unit Owner or any encumbrancer or prospective encumbrancer of a Condominium upon written request at a reasonable fee. Unless the written request for a certificate of indebtedness shall be complied with within thirty (30) days, all unpaid Common Expenses which became due prior to the date of the making of such request shall be subordinate to the lien held by the person making the request, provided the person making the request specifically states in the written request his intention to have this provision apply. Any encumbrancer holding a lien on a Condominium may pay any unpaid Common Expenses payable with respect to such Condominium and upon such payment such encumbrancer shall have a lien on such Condominium for the amounts paid of the same rank as the lien of his encumbrance.

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

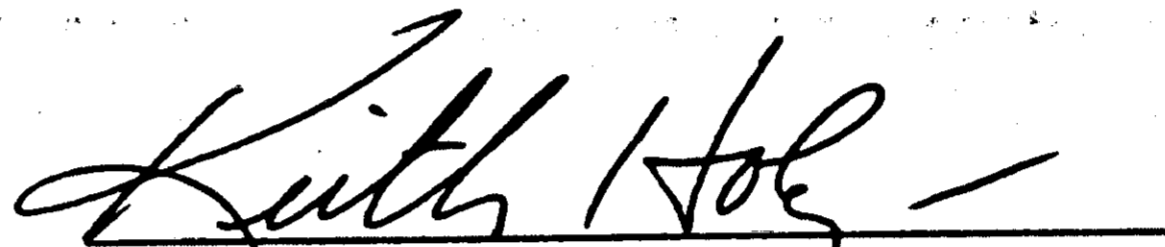
In case of foreclosure, the Unit Owner shall be required to pay a reasonable rental for the Condominium and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The Management Committee or the Manager acting

on its behalf shall have the power to buy in the Condominium at foreclosure or other sale and to hold, lease, mortgage and convey the Condominium.

11. Attached hereto as Appendix "A" and incorporated herein by reference are the Amended and Restated Bylaws of Snowcrest Condominium Owners' Association (the "Restated Bylaws"). The Restated Bylaws are to be substituted for the Original Bylaws attached as Appendix "B" to the Original CC&Rs.

12. The Original CC&Rs are in all other respects hereby ratified and approved.

IN WITNESS WHEREOF, the undersigned has caused this First Amendment to the Original CC&Rs to be duly executed as of the date and years first above written.

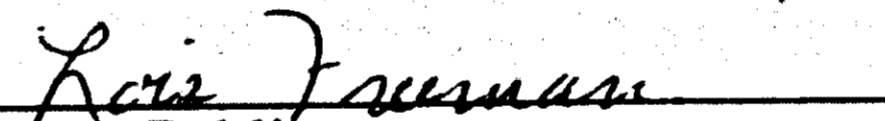


Keith Holz, President of the  
Management Committee

#### ACKNOWLEDGMENT

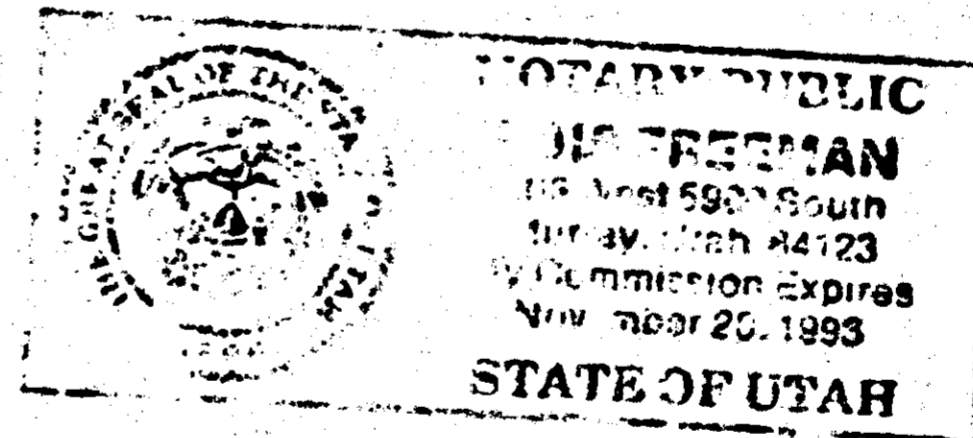
STATE OF UTAH            )  
                                      :SS  
COUNTY OF SUMMIT    )

On this 23 day of March, 1992, before me, the undersigned notary, personally appeared KEITH HOLTZ, who is personally known by me to be the person whose name is signed on the preceding document, and acknowledged to me that he signed it voluntarily for its stated purpose.

  
Notary Public  
Residing at Minny Utah

My Commission Expires:

11-20-93  
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Exhibit A

**FIRST AMENDED  
BYLAWS OF  
SNOWCREST CONDOMINIUM  
OWNERS' ASSOCIATION**

**ARTICLE I.**

**APPLICATION OF BYLAWS**

All present and future Unit Owners, Mortgagees, and occupants of Units and their lessees, renters, agents, servants, and guests, and any other persons who may use the facilities of the Property in any manner, are subject to the Declaration, these Bylaws, any Rules and Regulations made pursuant hereto and any amendment to these Bylaws upon the same being passed and duly recorded.

The acceptance of a deed or conveyance, the entering into of a contract for purchase or a lease, or the act of occupancy of a Unit shall constitute an agreement that these Bylaws and any Rules and Regulations made pursuant hereto and the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

**ARTICLE II.**

**BOARD OF TRUSTEES**

The affairs of the Association of Unit Owners shall be conducted by the Board of Trustees. The Board of Trustees is the Management Committee referred to in the Snowcrest Condominium Declaration of Covenants, Conditions and Restrictions (the "Declaration").

A. **Election.**

At each annual meeting of Association members, the Unit Owners shall elect members of the Board of Trustees for the forthcoming year; provided, however, the first Board of Trustees elected hereunder may be elected at a special meeting duly called, said Board of Trustees to serve until the first annual meeting held thereafter. Nominations for the Board of Trustees shall be made by the Unit Owners from the floor in accordance with the Parliamentary Rules set forth hereinafter at the annual meeting.



B. Term.

Members of the Board of Trustees shall serve for a term of two (2) years; provided, however, that initially two of the three members of the first Board of Trustees elected shall serve for a one-year term. The other member shall serve for a two-year term. Thereafter, all members elected each year shall serve for a two-year term. The members of the Board of Trustees shall serve until their respective successors are elected, until they are removed as Trustees or until their death, resignation or removal.

C. Resignation and Removal.

Any member of the Board of Trustees may resign at any time by giving written notice to the President of the Association and the Board of Trustees, and any member may be removed from membership on the Board of Trustees by a majority vote of Unit Owners. Whenever there shall occur a vacancy on the Board of Trustees due to death, resignation, removal or any other cause, the remaining trustees shall elect a successor to serve until the next annual meeting of the Association of Unit Owners, at which time said vacancy shall be filled for the unexpired term.

D. Compensation.

The Board of Trustees shall receive no compensation for their services.

E. Powers and Authority of the Board of Trustees.

The Board of Trustees, for the benefit of the Snowcrest Condominium Project and the Unit Owners, shall enforce the provisions of the Declaration, Bylaws and Rules and Regulations governing the Property and, subject to the provisions of Article V hereof, shall acquire or arrange for and pay for out of the Common Expense Fund the following:

1. Water, sewer, garbage collection and other necessary utility service for the Common Areas and Facilities;
2. Water, sewer and other necessary utility costs for Units and Limited Common Areas and Facilities which are not separately metered or charged;
3. A policy or policies of fire insurance, with extended coverage endorsements, for the full insurable replacement value of the Units and Common Areas and as provided in the Declaration. Insurance proceeds shall be payable and applicable as provided in the Declaration;

4. A policy or policies of public liability insurance insuring the Board of Trustees, the Association of Unit Owners and the individual Unit Owners against any liability to any person or persons incident to the ownership and/or use of the Property. Such policy or policies shall be consistent with the provisions of the Declaration;
5. Workmen's Compensation Insurance to the extent necessary to comply with any applicable laws;
6. Notwithstanding any other provision herein, the Board of Trustees shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and a fidelity bond meeting the insurance and a fidelity bond requirements for condominium projects established by Federal Home Loan Mortgage Corporation.
7. The services of a Manager providing professional services (the "Manager") to manage its affairs as provided in Article VII hereof, to the extent deemed advisable by the Board of Trustees, as well as such other personnel as the Board of Trustees shall determine shall be necessary or proper for the operation of the Common Areas and Facilities, whether such personnel are employed directly by the Board of Trustees or are furnished by the Manager.
8. Legal and accounting services necessary or proper in the operation of the Common Areas and Facilities or the enforcement of the Declaration;
9. A fidelity bond naming the Manager and such other persons as may be designated by the Board of Trustees as principals and the Unit Owners as obligees consistent with the provisions of the Declaration.
10. Painting, maintenance, repair and all landscaping of the Common Areas and Facilities and of all parking areas, and such furnishings and equipment for the Common Areas and Facilities as the Board of Trustees shall determine are necessary and proper, and the Board of Trustees shall have the exclusive right and duty to acquire the same for the Common Areas and Facilities; provided, however, that the interior surfaces of each unit shall be painted, maintained and repaired by the Unit Owner thereof, all such maintenance to be at the sole cost and expense of that particular Unit Owner;



11. Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board of Trustees is required to secure or pay for pursuant to the terms of the Declaration or Bylaws or which in its opinion shall be necessary or proper for the operation of the Common Areas and Facilities or for the enforcement of the Declaration, provided that if any such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments are provided for particular Units, the cost thereof shall be specially assessed to the owners of such Units;
12. Maintenance and repair of any Unit, if such maintenance or repair is reasonably necessary in the discretion of the Board of Trustees to protect the Common Area and Facilities or preserve the appearance and/or value of the Property, and the Unit Owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity therefore delivered by the Board of Trustees to said Unit Owner, provided that the Board of Trustees shall levy a special assessment against the Condominium of such Unit Owner for the cost of said maintenance or repair;
13. The Board of Trustees shall have the exclusive right to contract for all goods, services and insurance, payment for which is to be made from the Common Expense Fund. This provision shall not be construed to prohibit the Board of Trustees for delegating such authority to the Manager as it deems proper.

**F. Additional Powers of the Board of Trustees.**

The Board of Trustees shall have the right to acquire, operate, lease, manage and otherwise trade and deal with property, real or personal, including Condominiums, as may be necessary or convenient in the operation and management of the Property, and in accomplishing its purposes set forth in the Declaration.

**G. Regular Meetings of the Board of Trustees.**

A majority of the Board of Trustees shall constitute a quorum and, if a quorum is present, the decision of a majority of those present shall be the act of the Board of Trustees.

H. Special Meetings of the Board of Trustees

Special meetings of the Board of Trustees may be called by or at the request of the President or by any two trustees.

I. Notice of Meetings

Regular meetings of the Board of Trustees may be held without notice. The person or persons calling a special meeting of the Board of Trustees shall, at least ten days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. If an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

J. Waiver of Notice

Any member of the Board of Trustees may, at any time, waive notice of any meeting of the Board of Trustees in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at a meeting shall constitute a waiver of notice of such meeting except where a member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the members of the Board of Trustees are present at any meeting thereof, no notice shall be required and any business may be transacted at such meeting.

K. Declarant's Option to Appoint

Until the earlier of a date when twenty-eight (28) Units have been sold and closed or three years from the recording of the Declaration, the members of the Board of Trustees shall at Declarant's option be appointed by Declarant. One hundred and twenty (120) days after the earlier of the dates provided for hereinabove, the terms of all members of the management Committee who were appointed by Declarant shall expire and at such time the Association of Unit Owners shall have the responsibility of electing replacement members of the Board of Trustees.

L. Notice of Election

After the first election of the Board of Trustees, Declarant shall execute, acknowledge and record an affidavit stating the names of all of the trustees. Thereafter, any two persons who are designated of records as being members of the most recent Board of Trustees (regardless of whether or not they shall still be members) may execute, acknowledge and record an affidavit stating the names of all of the members of the then current Board of Trustees; provided, that, in the event of the disability or other incapacity of two such persons, manager shall be empowered to



execute the aforesaid affidavit. The most recently recorded of such affidavits shall be prima facie evidence that the persons named therein are all of the incumbent members of the management Committee and shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.

M. Fiscal Year.

The fiscal year shall be as determined by the Board of Trustees.

ARTICLE III.

MEETINGS OF THE ASSOCIATION OF UNIT OWNERS

The presence in person or by proxy at any meeting of the Association of Unit Owners of twenty-eight (28) Unit Owners, in response to notice to all Unit Owners of record properly given in accordance with Section 10 of the Declaration, shall constitute a quorum. Upon request, any Institutional Holder of a first Mortgage on a Unit shall be entitled to written notice of all meetings of the Association of Unit Owners and to designate a representative to attend all such meetings. In the event that the total number of Unit Owners present does not equal twenty-eight (28), the meeting shall be adjourned for 24 hours, at which time it shall reconvene and the presence of twenty-nine (29) Unit Owners shall constitute a quorum. Unless otherwise expressly provided in the Declaration, any action may be taken at any meeting of the Association of Unit Owners upon the affirmative vote of a majority of the voting power of the Unit Owners present and voting provided that a quorum is present as provided for above.

A. Annual Meeting.

There shall be a meeting of the Association of Unit Owners on the last Saturday of January of each year at 2:00 p.m. on the Property or at such other reasonable place or time (not more than 60 days before or after such date) as may be designated by written notice of the Board of Trustees delivered to the Unit Owners not less than thirty (30) days prior to the date fixed for said meeting. At or prior to such meeting, the Board of Trustees shall furnish to the Unit Owners a budget for the current fiscal year that shall itemize the estimated Common Expenses of the fiscal year with the estimated allocation thereof to each Unit Owner, and a statement of the Common Expenses, itemizing receipts and disbursements, for the preceding fiscal year, together with the allocation thereof to each Unit Owner.

B. Special Meetings.

Special meetings of the Association of Unit owners may be called at any time for the purpose of considering matters which, by the terms of the Declaration,

require the approval of all or some of the Unit Owners, or for any other reasonable purpose. Said meetings shall be called by written notice, signed by a majority of the Board of Trustees or by any ten Unit Owners and delivered not less than thirty (30) days prior to the date fixed for said meeting. Said notices shall specify the date, time and place of the meeting, and the matters to be considered thereat.

C. Parliamentary Rules.

Robert's Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration or these Bylaws.

ARTICLE IV.

OFFICERS OF THE ASSOCIATION

The officers of the Association of Unit Owners shall be a President, Vice-President, Secretary, and Treasurer. Any of the offices may, by direction of the Board of Trustees, be combined as one office. Any officer must be a Unit Owner. The President must be a member of the Board of Trustees. No officer shall receive compensation for serving as such. Officers shall be annually elected by, and may be removed and replaced by, the Board of Trustees. The Board of Trustees may in its discretion require that officers be subject to fidelity bond coverage.

A. President.

The President shall preside at all meetings of the Association of Unit Owners and of the Board of Trustees and may exercise the powers of a presiding officer of an association including the appointment of committees.

B. Vice-President.

The Vice-President shall perform the functions of the President in the absence or inability of the President.

C. Secretary.

The Secretary shall keep minutes of all proceedings of the Board of Trustees and of the meetings of the Association of Unit Owners and shall keep such books and records as may be necessary and appropriate for the records of the Association and its Board of Trustees.



D. Treasurer.

The Treasurer shall be responsible for the fiscal affairs of the Association, but may delegate the daily handling of income and expense payments to the authorized Manager employed by the Association.

ARTICLE V.

MAINTENANCE, REPAIR AND REPLACEMENT OF  
COMMON AREAS AND FACILITIES

It shall be the responsibility of the Board of Trustees to determine questions relating to the maintenance, repair and replacement of all Common Areas and Facilities. There shall be no structural alterations, capital additions to, or capital improvements of the Common Areas and Facilities requiring an expenditure or a total of \$2,000.00 in any fiscal year without thirty (30) days prior notice to all Unit Owners. Unless within the aforementioned thirty (30) day period, Unit Owners holding the majority to the total voting power of the Association of Unit Owners shall give notice of disapproval of such structural alterations, capital additions to, or capital improvements of the Common Areas and Facilities, the Unit Owners shall be deemed to have approved the same. Notwithstanding the foregoing, the Board of Trustees shall have authority to cause to be performed such repairs of the Common Areas and Facilities as it may deem necessary to preserve the same against loss or destruction.

ARTICLE VI.

COMMON EXPENSES

A. Assessments.

1. Within thirty (30) days prior to the annual meeting, the Board of Trustees shall estimate the net charges to be paid during the current fiscal year, including a reasonable provision for contingencies and replacements and less any expected income and any surplus from the prior fiscal year's operation, together with the estimated utility costs for Units and Limited Common Areas and Facilities which are not separately metered or charged. Said "Estimated Cash Requirement" shall be approved at the annual meeting and assessed monthly to the Unit Owners pursuant to the Declaration and Appendix A thereof. Declarant will be liable for the amount of any assessment against Units owned by Declarant. If said estimated sum proves inadequate for any reason, including

nonpayment of any Unit Owner's assessment, the Board of Trustees may at any time levy a further assessment, which shall be assessed to the Unit Owners in like proportion unless otherwise provided herein. Each Unit Owner shall be obligated to pay assessments made pursuant to this paragraph to the Board of Trustees on or before the first day of each month, or in such other reasonable manner as the Board of Trustees shall designate.

2. The monthly payments made by Unit Owners shall be kept in separate accounts as the Board of Trustees may deem proper, including accounts for general working capital, for the general operating reserve, and for a reserve fund for replacements and major maintenance.
3. All funds collected hereunder shall be expended for the purposes designated in the Declaration or Bylaws.
4. The omission by the Board of Trustees before the expiration of any fiscal year to fix the Estimated Cash Requirement hereunder for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of the Declaration or a release of the Unit Owner from the obligation to pay the assessments or any installment thereof for that or any subsequent year, but the Estimated Cash Requirement fixed for the preceding year shall continue until a new requirement is fixed. Amendments to this Article VI shall be effective only upon unanimous written consent of the Unit Owners and their Mortgagees. No Unit Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the Common Areas and Facilities or by abandonment of his Unit.
5. The Manager or Board of Trustees shall keep accurate records of the receipts and expenditures affecting the Common Areas and Facilities specifying and itemizing the maintenance and repair expenses of the Common Areas and Facilities and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by any Unit Owner at convenient hours of week days.
6. Anything contained herein to the contrary notwithstanding, the Board of Trustees shall at all times treat all funds of the Association of Unit Owners so as to avoid adverse income tax consequences, including, but not limited to, applying surplus funds



toward expenses so that no common profits accrue to the Association and maintaining any reserves of the Association in a manner that will not result in these sums being treated as taxable income to the Association.

**B. Default in Payment of Assessments.**

Each assessment (including all monthly installments under Article VI.A.1) and each special assessment shall be separate, distinct and personal debts and obligations of the Unit Owner against whom the same are assessed at the time the assessments are made and shall be collectible as such. The Board of Trustees shall have the right to impose a reasonable late charge for nonpayment of Common Expense payments within fifteen (15) days of the date of such payments became due. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing the same. the amount of any assessment, whether regular or special, assessed to the Unit Owner of any Condominium plus interest at the highest legal rate permitted by Utah law (not to exceed 18% per annum) and costs, including reasonable attorneys' fees, shall become a lien upon such Condominium upon recordation of a notice of assessment by the Board of Trustees. The said lien for nonpayment of Common Expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

1. Tax and special assessment liens on the Condominium in favor of any taxing authority, and
2. All amounts due or that shall become due on a Mortgage of record on the Condominium.

A certificate executed and acknowledged by a majority of the Board of Trustees stating the indebtedness secured by the lien provided for under this Section B upon any Condominium shall be conclusive upon the Board of Trustees and the Unit Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Unit Owner or any encumbrancer or prospective encumbrancer of a Condominium upon written request at a reasonable fee. Unless the written request for a certificate of indebtedness shall be complied with within thirty (30) days, all unpaid Common Expenses which became due prior to the date of the making of such request shall be subordinate to the lien held by the person making the request, provided the person making the request specifically states in the written request his intention to have this provision apply. Any encumbrancer holding a lien on a Condominium may pay any unpaid Common Expenses payable with respect to such Condominium and upon such payment such encumbrancer shall have a lien on such Condominium for the amounts paid of the same rank as the lien of his encumbrance.

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

In case of foreclosure, the Unit Owner shall be required to pay a reasonable rental for the Condominium and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The Board of Trustees or the Manager acting on its behalf shall have the power to buy in the Condominium at foreclosure or other sale and to hold, lease, mortgage and convey the Condominium.

#### ARTICLE VII.

##### RENTAL OR LEASE OF UNITS BY UNIT OWNERS

Any Unit Owner who rents or leases his Unit shall file with the Board of Trustees or Manager a copy of the rental or lease agreement affecting said Unit. The provisions of the Declaration and the Bylaws shall apply with equal force to renters or lessees of Units.

Any Unit Owner who rents or leases his Unit shall be responsible for the conduct of his tenants, and upon written notice from the Board of Trustees or the Manager said Unit Owner shall be responsible for correcting violations of the Declaration, Bylaws, or rules and Regulations committed by such tenants.

If a Unit Owner fails to correct violations by tenants within 72 hours of such notice, the Board of Trustees or Manager shall be deemed to be the agent of the Unit Owner and empowered to take any enforcement action the Unit Owner would be entitled to take, the cost of such action to be assessed to the Unit Owner and payable within thirty (30) days of assessment. Such costs shall be collected and enforced in the same manner as common assessments.

The power of the Board of Trustees or Manager hereunder shall include but not be limited to any and all legal remedies available under the laws of the state of Utah. Any Unit Owner by the act of renting or leasing his Unit shall be deemed to have consented to these procedures and shall indemnify and save harmless the Board of



Trustees and the Manager form and against any and all liability therefor. It is expressly understood that the remedies available to the management Committee or Manager shall include but not be limited to the right to seek eviction of the tenant without any liability to the Unit Owner.

#### **ARTICLE VIII.**

##### **MANAGER**

Declarant or any successor Board of Trustees may delegate any of its duties, powers or functions (including but not limited to the authority to give the certificate provided for in Article VI.B hereof and the authority to give the subordination agreements provided for in the Declaration) for such period of time and pursuant to such terms and conditions as either deems advisable to any person or firm designated to act as a Manager of the project. Any management agreement entered into shall be terminable by the management Committee with or without cause upon thirty (30) days written notice thereof, and the term of any such agreement shall not exceed one (1) year but may be renewable by agreement of the parties for successive one year periods. Provided, however, the effectuation of any decision by the Board of Trustees to terminate professional management and assume self management of the project shall require the prior written approval of each Institutional Holder of a first mortgage lien on the Units. Any such delegation which extends beyond the term of office of the delegator shall be binding upon the successor Board of Trustees. Neither Declarant nor the members of the Board of Trustees shall be liable for any omission or improper exercise by the Manager of any of such duties, powers or functions so delegated by written instrument executed by Declarant or a majority of the Board of Trustees as the case may be.

#### **ARTICLE IX.**

##### **SPECIAL COMMITTEES**

The Board of Trustees by resolution may designate one or more special committees, each committee to consist of two or more Unit Owners or Trustees, which, to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution; provided, however, that if the Special Committee is to be authorized to do any act reserved to the Board of Trustees by law, the Articles of Incorporation, Bylaws or Rules and Regulations made pursuant thereto, the Special Committee shall consist of two or more Trustees in addition to any appointed Unit Owners. The Special Committee shall not have the authority to amend, alter, or repeal the bylaws; elect, appoint or remove any member of such committee or any trustee or officer of the Association; amend the Articles of Incorporation; adopt a plan

of merger or consolidation with another corporation; authorize the sale, lease, exchange, mortgage or pledge of all or substantially all of the property or the assets of the Association; authorize the voluntary dissolution of the Association or revoke proceedings therefor; adopt a plan for the distribution of the assets of the Association on dissolution; or amend, alter or repeal any resolution of the Board of Trustees. Such Special Committee or Committees shall have such name or names as may be determined from time to time by the Board of Trustees. Such Special Committees shall keep regular minutes of their proceedings and report the same to the Board of Trustees when required. the members of such Special Committee or Committees designated shall be appointed by the Board of Trustees. The Board of Trustees may appoint Unit Owners by death, resignation, removal or inability to act for any extended period of time.

#### ARTICLE X.

#### RULES AND REGULATIONS

The Board of Trustees shall have the right to adopt and amend such Rules and Regulations as may be authorized by the Condominium Act and Declaration for the purpose of governing the details of the operation and use of the Common Areas and Facilities and setting forth restrictions on, and requirements respecting the use and maintenance of Units, the parking areas, and Common Areas and Facilities. Copies of the Rules and Regulations shall be furnished to each Unit Owner prior to the time the same shall become effective.

#### ARTICLE XI.

#### AUDIT

Any Unit Owner may at any reasonable time at his own expense cause an audit or inspection to be made of the books of account of the Manager or Board of Trustees pertaining to the Property. The Management Committee, as a Common Expense, shall obtain an annual audit by an independent public accountant of the books of account pertaining to the Property and furnish copies thereof to the Unit Owners and all Institutional Holders of first mortgages within ninety (90) days following the end of the fiscal year.



**ARTICLE XII.**

**TERMS**

The terms used herein shall have the same meanings as provided in the Declaration and the Condominium Act.

**ARTICLE XIII.**

**BOOKS AND RECORDS**

All Unit Owners and all Institutional Holders of a first mortgage on a Unit shall be entitled to inspect the books and records of Snowcrest Condominiums during normal business hours.

**ARTICLE XIV.**

**INTERPRETATION**

The provisions of these Bylaws shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a condominium property. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

**ARTICLE XV.**

**SEVERABILITY**

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

**ARTICLE XVI.**

**CAPTIONS**

The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of these Bylaws nor the intent of any provision hereof.

**ARTICLE XVII**

**FORM OF ORGANIZATION**

The Association is a Non-profit Corporation under the laws of the state of Utah.

**ARTICLE XVIII**

**EFFECTIVE DATE**

These Bylaws shall take effect upon recording of the First Amendment to the Declaration of which they are a part.

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