

ENABLING DECLARATION OF COVENANTS,  
*Enabling* <sup>NAN</sup>  
CONDITIONS AND RESTRICTIONS OF

MEADOW WILD NO. 1 PLANNED UNIT DEVELOPMENT

THIS ENABLING DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made and executed this 20 day of APRIL 1980, by CONCEPTS, INC., a Utah corporation, hereinafter referred to as "Declarant."

W I T N E S S E T H:

WHEREAS, Declarant is the sole owner of that certain parcel of real property (herein sometimes referred to as the "subject property") located in Summit, Utah, and more particularly described on Exhibit "A," attached hereto and by this reference made a part hereof.

WHEREAS, Declarant desires to construct upon the subject property a Planned Unit Development, consisting of various improvements, all of such construction and specifications contained in the Official Subdivision Plat Maps of the Planned Unit Development; and

WHEREAS, the Declarant desires, by recording this Declaration, to submit the subject property to the terms of this Declaration, and to provide for establishment of an incorporated homeowner's association; and

WHEREAS, Declarant has obtained the acknowledgement and consent to this Declaration by all record owners of said parcel of real property, as well as the consent of all parties possessing liens affecting any portion of the subject property which, by their consents, on record with the Summit County Recorder, said third party owners and lien owners hereby join in the submission of this property to the terms of this Declaration; and

WHEREAS, Declarant intends to provide that the individual lots located within the said development, together with the undivided ownership interest in the common areas and facilities as specified herein, shall hereafter be subject to the covenants, conditions, restrictions, reservations, assessments, charges and liens herein set forth; and

Entry No. <u>179273</u>	Book <u>4186</u>
RECORDED <u>5-8-81</u>	at <u>11:52</u> M Page <u>591</u>
REQUEST of <u>ASSOCIATED TITLE COMPANY</u>	
FEE <u>\$ 23.00</u>	By <u>Wanda Y. Springgs</u>
INDEXED _____	ABSTRACT _____

WANDA Y. SPRIGGS, SUMMIT CO. RECORDER

BOOK 186 PAGE 591

WHEREAS, Declarant intends and desires to provide for the Project to enter into subsequent arrangements (in conjunction with owners of contiguous or nearby properties) for common establishment, rights in, and obligations for recreational and related common areas and facilities for the benefit of owners of the Project and owners of such other real properties,

NOW, THEREFORE, Declarant hereby declares that that certain parcel of real property described above, shall be held, sold and conveyed and occupied subject to the following easements, restrictions, covenants, conditions, assessments, charges and liens, which are for the purpose of protecting the value and desirability of the subject property; and which shall be construed as covenants of equitable servitude and shall run with the subject property and be binding on all parties having any right, title or interest in the subject property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

#### ARTICLE I

##### DEFINITIONS

When used in this Declaration, including the recitals hereto, the following terms shall have the meaning indicated:

1.1 Declaration: This Enabling Declaration of Covenants, Conditions and Restrictions of Meadow Wild No. 1, Planned Unit Development, and all amendments thereto.

1.2 Declarant: Concepts, Inc., a Utah corporation, its successors-in-interest and specific assignees-in-interest to rights and obligations under this Declaration.

1.3 Project: Meadow Wild No. 1 Planned Unit Development.

1.4 Association: Meadow Wild No. 1 Homeowners, Inc., a Utah non-profit corporation formed for management of the Project and more fully described in Article IV, below.

BOOKM 186 PAGE 592

1.5 Management Committee and Committee: The Board of Trustees of the Association, or a management committee specifically designated as such by the Board of Trustees. The committee shall have and exercise the rights, powers and responsibilities designated and delegated in this Declaration and in the Articles of Incorporation, the By-Laws and rules and regulations of the Association.

1.6 Manager: The person or entity designated by the Association to manage the affairs of the Project.

1.7 Map: The official subdivision plat maps filed and recorded in the Official Records of the Summit County Recorder.

1.8 Mortgage: Deed of Trust as well as mortgage.

1.9 Mortgagee: Beneficiary or holder under Deed of Trust as well as mortgagees.

1.10 Owner: Any person with an ownership interest in a lot, together with the undivided interest in the common areas as defined herein.

1.11 Lot: Lot shall mean and refer to each individual lot within the Project, as shown on the official subdivision plat map, which may or may not be improved and which may or may not include improvements of the type designated on the map and/or authorized by Summit County, Utah.

1.12 Person: Legal entity as well as natural person.

## ARTICLE II

### GRANT AND SUBMISSION

Declarant hereby submits the subject property defined above, and described on Exhibit "A" attached, to the provisions of this Declaration, and to the covenants, conditions, restrictions, reservations, assessment charges and liens hereunder.

## ARTICLE III

### COVENANTS, CONDITIONS AND RESTRICTIONS

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

3.1 Name: The Project, as submitted to the provisions of this Declaration, shall be known as Meadow Wild No. 1 Planned Unit Development.

3.2 Description of Lots: The Project consists of individual lots, each of which may or may not be improved and may or may not include improvements authorized on the map and/or by Summit County, Utah, all improvements shall be constructed in a style and of materials architecturally compatible with the other improvements on the Project.

3.3 Designation of Lots: The lots herein, their locations, and approximate dimensions are indicated on the map.

3.4 Common Areas and Facilities: The common areas and facilities of the Project shall be and are the grass and lawn areas, specially designated recreational vehicle and public parking areas, and any and all other common areas and facilities designated as such on the map, and any other future interests in common areas as provided in paragraph 7.8, below.

3.5 Lots and Rights to Common Areas and Facilities Inseparable: The percentage of undivided interest in the common areas and facilities shall not be separated from the lot to which it appertains and, even though not specifically mentioned in the instrument of transfer, such percentage of undivided interest and such right of exclusive use shall automatically accompany the transfer of the lot to which they relate.

3.6 Voting - Common Expense - Ownership in Common Areas and Facilities: The percentage of undivided ownership in the common areas and facilities is set forth in the attached Exhibit "B," and shall be used for all purposes including voting and sharing of the common expenses in the proportionate area that each of the lots bears to the total area of the property within the Project. The Association shall be the record owner of all common areas and facilities.

3.7 Easements and Encroachments: In the event any portion of the common areas and facilities or any fences or walls adjacent to a lot boundary in the Project are partially or totally destroyed, and then rebuilt or improved, maintained, painted, or repaired, encroachments shall be permitted as may be necessary, desirable or convenient upon the lots, and easements

for such encroachments and for the maintenance of same shall exist for such period of time as may be necessary, desirable or convenient. In addition, encroachments shall be permitted to the Association or its designate upon the lots and the common facilities as may be necessary, convenient or desirable for the installation within the Project, for the installation, placing, removal, inspection and maintenance of utility lines and utility service facilities, any emergency or necessary repairs, and lawn, trees, shrubbery and yard care or maintenance which the lot owner has failed to perform; and easements for such encroachments shall exist for such period of time as may be necessary, convenient or desirable.

3.8 Amendments: In addition to, and subject to, the amendment procedure provided by law and elsewhere in this Declaration, the lot owners shall have the right to amend this Declaration and/or the map upon the approval and consent of owners of two-thirds (2/3) of the undivided interests in the Project, which consents and approvals shall be by duly executed and recorded instruments.

#### ARTICLE IV

##### MEADOW WILD NO. 1 HOMEOWNERS, INC.

4.1 Owners Association: The administration of the Project shall be governed by this Declaration and the Articles of Incorporation and the By-Laws of Meadow Wild No. 1 Homeowners, Inc., a Utah non-profit corporation. An owner of a lot shall automatically become a member of the Association and shall remain a member for the period of his ownership.

4.2 Association Management: The Association shall conduct the general management, operation and maintenance of the Project and of the common areas and facilities and the enforcement of the provisions of this Declaration, the Articles of Incorporation and By-Laws of the Association, and rules and regulations adopted thereunder.

RECORDER'S MEMO  
LEGIBILITY OF WRITING, TYPING OR  
PRINTING UNSATISFACTORY IN THIS  
DOCUMENT WHEN RECEIVED.

4.3 Architectural Control: The Association, by and through the Committee, shall be charged and empowered with control of all construction, improvements, and landscaping on the Project to ensure consistency and compatibility of all improvements and landscaping on the Project.

#### ARTICLE V

##### LIMITATION OF USE OF LOTS AND COMMON AREAS

The lots and common areas shall be occupied and used as follows:

5.1 Purposes: No owner shall occupy or use his lot, or any improvements thereon, or permit the same or any part thereof to be occupied or used for any purpose other than for residential purposes for the owner and the owner's family or the owner's lessees or guests. No commercial or business activities of any nature shall be engaged in or conducted on the lots or in the common areas, except that the owners may lease their lots for residential purposes.

5.2 No Obstructions: Except for portions of the Project expressly designated on the map, there shall be no obstruction of the common areas and nothing shall be stored in the common areas without prior consent of the Management Committee.

5.3 Alterations and Additions: No building, fence, wall, tennis court, hot tubs or similar structure, swimming pool, or other structure, shall be commenced, erected, altered, or placed on any portion of the Project, without the prior written approval of the Management Committee. All buildings, alterations, improvements and additions and maintenance on the subject property shall be made in a workmanlike manner and shall be architecturally compatible with the balance of the Project.

5.4 Easements: Easements shall exist on all lots and other portions of the Project for drainage facilities and for installation, maintenance, placing, removal, inspection, painting, repair and improvement of fences, utilities and common areas and facilities, for necessary or emergency repairs, and for maintenance and care of lawns, trees, shrubbery up to the

BOOKM186 PAGE 596

edge or ( 1 duly ) ngs constructed in the Pr oject; a such ease-  
ments shall exist whether or not they are specified on the  
recorded map, and in according with paragraph 3.7 of Article  
III, above.

5.5 No Animals: No animals, livestock, or poultry of  
any kind shall be raised, bred, or kept on any lot or in the  
common areas, except that dogs, cats and other household pets  
may be kept provided that they are not kept, bred, or maintained  
for any commerical purpose, and provided, further, that they do  
not become an annoyance or nuisance, for any reason, to any  
owner or resident of a lot. Such animals as are permitted shall  
be strictly controlled and kept pursuant to Summit County  
ordinances and regulations, and rules and regulations of the  
Management Committee.

5.6 No Offensive Activity: No noxious or offensive  
activity shall be carried on on any lot or in the common areas,  
nor shall anything be done therein which may be or become an  
annoyance or nuisance to the other owners.

5.7 Construction in Common Areas: Nothing shall be  
altered or constructed in or removed from the common areas,  
except upon the written consent of the Management Committee.

5.8 Rules: The Management Committee is authorized to  
adopt rules for the use of the common areas, which rules shall  
be in writing and furnished to the owners.

5.9 Dumping of Garbage: Except in areas designated on  
the map or by the Management Committee, no lot or portion of the  
common areas shall be used or maintained as a dumping ground for  
rubbish, trash, garbage or other waste, nor shall any rubbish,  
trash, papers, junk or debris be burned within the Project. All  
trash, rubbish, garbage or other waste within the boundaries of  
the Project shall be kept only in sanitary containers. Each lot  
shall be kept free of trash and refuse by the owner of such lot.  
No person shall allow any unsightly, unsafe or dangerous condi-  
tions to exist on or in any lot.

5.10 Excavation: No excavation for stone, gravel or earth shall be made on the subject property unless such excavation is made in connection with the erection of a building, structure, landscaping or other improvement thereon.

5.11 Parking of Vehicles: No vehicles shall be parked overnight on any of the streets or roadways in the Project or on any common areas of the Project, except such vehicles, and upon such portions of the Project, specifically designated for this purpose on the map or by the Management Committee. In addition, no boats, campers, large trucks, motorhomes, or similar large items shall be parked or stored on any lot except in accordance with rules and regulations adopted by the Management Committee.

5.12 Gardening: Owners or occupants of a lot may plant, cultivate, and utilize individual garden plots within the boundaries of that lot; provided, that such activities are compatible with the architecture and landscaping of the Project and do not create a nuisance or unsightly condition or a violation of law; provided, further, that such activities do not interfere with any easements granted herein, and; provided, further, that the Committee shall have the right to adopt rules and regulations governing such gardening activities.

## ARTICLE VI

### INSURANCE

6.1 Obtaining of Insurance Policies: The Management Committee shall obtain and maintain, at all times, a policy or policies insuring the Management Committee, the lot owners and the manager against any liability to the public or to the owners of lots and common areas, and their invitees or tenants, incident to the ownership and/or use of the common areas of the Project, issued by such insurance companies and with such limits of liability as determined by the Management Committee. Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross-liability endorsement wherein the rights of named insureds under the policy or policies shall not be prejudiced as in respect to his, her or their action against another named insured.



6.2 Other Insurance: In addition, the Management Committee may obtain insurance for such other risks of a similar or dissimilar nature as are or shall hereafter customarily be covered with respect to common areas or other projects similar in construction, design and use.

## ARTICLE VII

### COMMON ASSESSMENTS

7.1 Payment of Assessments: Each lot owner shall pay to the Management Committee his portion of the costs and expenses required and deemed necessary, and upon the terms of payment determined by the Management Committee, in connection with water and sewer services, if applicable, to the lots in the Project and costs and expenses deemed necessary to manage, maintain and operate the common areas and facilities of the Project, and may include, among other things, the cost of: management; taxes; special assessments; fire, casualty and public liability insurance premiums; common lighting, if any; landscaping and the care of grounds, both of common areas and lawns and shrubbery on individual lots; repairs, and renovations of common areas and facilities, recreational areas and facilities, if any; garbage collection, if any; road maintenance and repairs, if any; snow removal, if any; wages, and charges; legal and accounting fees; sewer charges; cost of operating all gas-fired equipment and the cost of electricity; expenses and liabilities incurred by the Management Committee under or by reason of this Declaration, the Articles of Incorporation or By-Laws of the Association; the payment of any deficit remaining from a previous period; the creation of a reasonable contingency or other reserve or surplus fund; and any and all other costs and expenses of any nature relating to this Project. Such payments shall be made upon the terms, at the time and in the manner provided without deduction of any off-sets or claims which the owner may have against the Committee, and if any owner shall fail to pay any installment within one (1) month from the time when the same becomes due, the owners shall pay interest thereon at the rate of one and

one-half percent (1/2%) per month from the date when such installment shall become due to the date of payment thereof, and all costs and expenses, including reasonable attorney's fees, incurred by the Management Committee in collecting such unpaid assessments, whether or not formal legal proceedings have been commenced.

7.2 Collection of Assessments: The Management Committee may, from time to time, up to the close of the year for which such cash requirements have been so filed or determined, increase or diminish the amount previously fixed or determined for such year. The assessment may include a pro-rata reallocation among the lots of any unpaid assessments on a lot which are not assessable against a lot owner, subject to the provisions of Article VIII, below, and may include an assessment for all costs and expenses incurred by the Association for maintenance of lawns, trees and shrubs on that specific lot. The Committee may include in the cash requirements for any year, any liabilities or items of expense which accrued or become payable in the previous year or which might have been included in the cash requirements for a previous year, but were not included therein, and also any sums which the Management Committee may deem necessary or prudent to provide a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year. In any year in which there is an excess of assessments received over amounts actually used for the purposes described in this Declaration, such excess may, upon written consent of all of the members, be applied against and reduce the subsequent year's assessment or be refunded to the members. The preceding sentence shall automatically be repealed upon the revocation of Rev. Rul. 70-604, 1970-2, CB 9 promulgated by the Internal Revenue Service or upon a court of competent appellate jurisdiction declaring such Rev. Rul. invalid or upon amendment of the Internal Revenue Code or the Treasury Regulations thereunder obviating the requirement of a membership vote to apply such excess to the subsequent year's assessment or to refund

BOOKM186 PAGE600

the Association.

Notwithstanding any other provision herein to the contrary, assessments and any other charges shall include an adequate reserve fund for maintenance, repairs and replacement of those elements of the common areas and facilities that must be replaced on a periodic basis and are payable in regular installments rather than by special assessments.

7.3 Determination of Amounts: The pro-rata portion payable by the owner in and for each year or portion of year shall be that ratio, a sum within limits and on conditions hereinabove provided, calculated by multiplying the aggregate amount of such cash requirements for such year or portion of year, by the owner's percentage of undivided interest in the common areas and facilities. All such assessments, together with any additional sums accruing under this Declaration, shall be payable monthly in advance, or in such payments and installments as shall be required by the Management Committee, and at such times as shall be provided by the Management Committee.

7.4 Unimproved Lots: It is the express intention of this Declaration, and this Declaration shall be so construed, that the entire pro-rata assessments payable to the Management Committee herein shall be made only to the extent so as to allow occupancy of such lots. Accordingly, notwithstanding any other provision of this Declaration, the Management Committee shall have discretionary powers to assess amounts less than the entire pro-rata assessments specified above with respect to any lot on which habitable improvements have not been completed on such lot.

7.5 Powers of Management Committee: The Management Committee shall, in addition to all powers provided in this Declaration and in the Articles of Incorporation and By-Laws of the Association, have discretionary powers to prescribe the manner of maintaining the operation of the Project, and to determine the cash requirements of the Management Committee to be paid as aforesaid by the owners under this Declaration.

ENCLOSURE PAGE 601

Every such reasonable determination by the Committee within the bounds of this Declaration shall be final and conclusive as to the owners, and any expenditures made by the Committee within the bounds of this Declaration shall be deemed, as against the owners, necessary and properly made for such purposes.

7.6 Application of Lease Payments: If any owner shall, at any time, let or sublet any lot and shall default for a period of one (1) month in payment of any management assessments, the Management Committee may, at its option, so long as such default shall continue, demand and receive from any tenant or subtenant of such owner occupying the lot, the rent due or becoming due up to the amount of such assessment due, together with all penalties provided herein. Such payment of rent to the Committee shall be sufficient payment and discharge of such tenant or subtenant as between such tenant and subtenant and such owner to the extent of the amount so paid.

7.7 Collection of Assessments: Each monthly assessment and each special assessment shall be separate, distinct and personal debts and obligations of the owner against whom the same are assessed at the time the assessment is made, and shall be collectible as such. Suit to recover a money judgment for unpaid common expenses may be maintained without foreclosing or waiving the lien securing the same. The amount of assessment, whether regular or special, assessed to the owner of any lot, plus interest at one and one-half percent (1½%) per month and costs, including reasonable attorney's fees, shall become a lien upon such lot upon recordation of notice of assessment. Said lien for non-payment of common expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

(a) Tax and special assessment liens on the lot in favor of any assessment authority, or special district; and

BOOK 186 PAGE 602

(b) Encumbrances on the owner's lot and such owner's interest in the common areas recorded prior to the date such notice is recorded, which by law would be a lien prior to subsequently recorded encumbrances.

A certificate executed and acknowledged by a majority of the Management Committee stating the indebtedness secured by the lien upon any lot in the Project hereunder shall be conclusive upon the Management Committee and the owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any owner or any encumbrancer or prospective encumbrancer of a lot upon request at a reasonable fee, not to exceed Ten Dollars (\$10.00). Unless the request for a certificate of indebtedness shall be complied with within ten (10) days, all unpaid common expenses which become due prior to the date of the making of such request shall be subordinate to the lien held by the person making the request. Any encumbrancer holding a lien on the lot may pay any unpaid common expenses payable with respect to such lot and upon such payment such encumbrancer shall have a lien on such lot for the amounts paid of the same ranks as the lien of his encumbrance.

Upon payment of a delinquent assessment concerning which such a certificate has been so recorded, or other satisfaction thereof 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 non-payment of assessment may be enforced by sale by the Management Committee or by a bank or trust company or title insurance company authorized by the Management Committee, such sale to be conducted in accordance with the provisions of 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 owner shall be required to pay the costs and expenses of such proceedings and reasonable attorney's fees.

095GVDP601N000

In case of foreclosure, the owner shall be required to pay a reasonable rental for the lot from the date a foreclosure action is filed with the Court having jurisdiction over the matter, and the Plaintiff in the foreclosure action shall be entitled to the appointment of a receiver, at the time such action is filed, to collect the rental without regard to the value of the mortgaged security. In any foreclosure of sale, the owner shall also be required to pay the costs and expenses of such proceedings and reasonable attorney's fees. The Management Committee or Manager shall have the power to bid in the lot at foreclosure or other sale and to hold, lease, mortgage and convey the lot.

7.8 Additional Common Areas. At any time within ten (10) years after recording of this Declaration, the Declarant, in its discretion and by Declarant signing and recording an amendment to this Declaration, may commit the Association to participate in ownership of, and pay pro rata assessments for construction, ownership and use of tennis courts, a club house, swimming pool and attendant roads, walks and facilities constructed in cooperation with owners of properties situated within a radius of one-half (1/2) mile of the center of the Project, on the following terms and conditions:

(a) Such tennis courts may be situated on the Project or on such other real properties within a radius of one-half (1/2) mile from the center of the Projects.

(b) The Association will obtain record title to its pro rata portion of ownership of those facilities and improvements.

(c) Calculation of pro rata ownership and assessments shall be based upon the total number of residential lots or units allowed use of and ownership of the subject facilities and improvements.

BOOKM 186 PAGE 604

(d) The association shall not be required to pay more than its pro rata share of costs for the construction and operating of such facilities without vote of two-thirds (2/3) of the members of the Association.

## ARTICLE VIII

### MORTGAGE PROTECTION

Notwithstanding all other provisions herein to the contrary:

8.1 Rights of First Refusal: Any "right of first refusal" which may be granted herein shall not impair the rights of a first mortgage to:

(a) Foreclose or take title to a lot pursuant to the remedies provided in the mortgage, or

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

(c) Sell or lease a lot acquired by a mortgagee.

8.2 Title in Mortgagee: Any first mortgagee who obtains title to a lot pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such lot's unpaid dues or charges which accrue prior to the acquisition of title to such lot by the mortgagee.

8.3 Consent of Mortgagees: Unless at least two-thirds (2/3) of the first mortgagees (based upon one vote for each first mortgage owned) or owners (other than the sponsor, developer or builder) of the individual lots in the Project have given their prior written approval, the Association or any corporation or trust established by the Association shall not be entitled to:

(a) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer any common areas or facilities owned, directly or indirectly, by the Association or any corporation or trust established by the Association, for the benefit of the lots in the Project (the granting of easements for public utilities or for other public purposes consistent with the

intended use of such common areas and facilities by the Project shall not be deemed a transfer within the meaning of this clause);

(b) Change the method of determining the obligations, assessments, due or other charges which may be levied against a lot owner;

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

(d) Fail to maintain fire and extended coverage on insurable common areas and facilities on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost);

(e) Use hazard insurance proceeds for losses to any common areas and facilities for other than the repair, replacement or reconstruction of such common areas and facilities.

8.4 Taxes and Expenses: First mortgagees of lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any common areas and facilities and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such common areas and facilities and first mortgagees making such payments shall be owed immediate reimbursement therefore from the Association.

8.5 Notice of Default by Individual Lot Borrower: A first mortgagee of a lot, upon request, shall be entitled to written notification from the Association of any default in the performance by the individual lot borrower of any obligation

BOOKM186 PAGE606



under the Declaration, or other consent documents of this Planned Unit Development, which is not cured within sixty (60) days.

8.6 Management Agreements: Any agreement for professional management of the Project, or any other contract providing for services of the developer, sponsor or builder, may not exceed three (3) years. Any such agreement must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice.

8.5 No Priority: No provision herein is intended, nor shall it be construed, to give any lot owner, or any other party, priority over any rights of the first mortgagee of a lot pursuant to its mortgage in the case of a distribution to such lot owner of insurance proceeds or condemnation awards for losses to or a taking of common areas and facilities.

#### ARTICLE IX

##### MISCELLANEOUS PROVISIONS

9.1 Interpretation: The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a planned unit development. Failure to enforce any provision hereof shall not constitute a waiver of the rights to enforce said provision or any other provision hereof.

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

9.3 Counterparts: This Declaration may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

9.4 Paragraph Headings and Numbers: Headings and paragraph numbers have been inserted herein solely for convenience and reference and shall not be construed to affect the meanings, construction or effect of this Declaration.

9.5 Effective Date: This Declaration shall take effect upon recording.

ATTEST:

CONCEPTS, INC.

A Utah Corporation,

BY \_\_\_\_\_  
Its Secretary

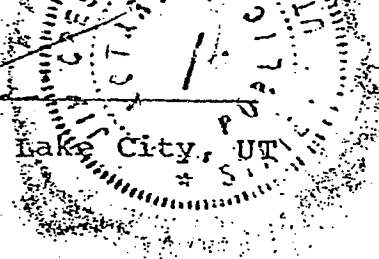
BY Raymond D. Fry  
Its President

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

On the 20 day of April, 1980, personally appeared before me Raymond D. Fry, the signer of the above and foregoing instrument who duly acknowledged to me that he is the President of CONCEPTS, INC., and that the above and foregoing instrument was signed on behalf of said corporation.

My commission expires:  
7-14-84

Raymond D. Fry  
NOTARY PUBLIC  
Residing in Salt Lake City, UT



BOOKM 186 PAGE 608

EXHIBIT "A"

BEGINNING AT A POINT WHICH IS N89°15'54"E, 2781.375 FEET ALONG THE SECTION LINE AND NORTH, 239.84 FEET FROM THE SOUTH-WEST CORNER OF SECTION 30, T.1S., R.4E., S.L.B.&M. AND RUNNING THENCE S48°00'W, 94.95 FEET TO A POINT ON A 265.00 FOOT RADIUS CURVE TO THE RIGHT (RADIUS POINT BEARS N42°00'W); THENCE WESTERLY ALONG SAID CURVE 494.89 FEET; THENCE N25°00'W, 58.76 FEET TO A POINT ON A 757.56 FOOT RADIUS CURVE TO THE LEFT (RADIUS POINT BEARS N29°02'52"W); THENCE NORTHEASTERLY ALONG SAID CURVE 435.69 FEET TO A POINT ON A 386.68 FOOT RADIUS CURVE TO THE LEFT (RADIUS POINT BEARS N62°00'W); THENCE NORTHERLY ALONG SAID CURVE 60.74 FEET; THENCE S71°00'00"E, 286.72 FEET; THENCE EAST, 321.64 FEET; THENCE SOUTH, 132.00 FEET; THENCE WEST, 65.00 FEET; THENCE SOUTH, 119.11 FEET; THENCE WEST, 99.22 FEET TO A POINT ON A 360.00 FOOT RADIUS CURVE TO THE LEFT (RADIUS POINT BEARS SOUTH); THENCE SOUTH-WESTERLY ALONG SAID CURVE 263.89 FEET TO THE POINT OF BEGINNING

CONTAINING 6.65 ACRES

## EXHIBIT "B"

<u>LOT</u>	<u>PERCENTAGE OF COMMON AREAS AND FACILITIES</u>
Lot 1	.025
Lot 2	.025
Lot 3	.025
Lot 4	.025
Lot 5	.025
Lot 6	.025
Lot 7	.025
Lot 8	.025
Lot 9	.025
Lot 10	.025
Lot 11	.025
Lot 12	.025
Lot 13	.025
Lot 14	.025
Lot 15	.025
Lot 16	.025
Lot 17	.025
Lot 18	.025
Lot 19	.025
Lot 20	.025
Lot 21	.025
Lot 22	.025
Lot 23	.025
Lot 24	.025
Lot 25	.025
Lot 26	.025
Lot 27	.025
Lot 28	.025
Lot 29	.025
Lot 30	.025
Lot 31	.025
Lot 32	.025
Lot 33	.025
Lot 34	.025
Lot 35	.025
Lot 36	.025
Lot 37	.025
Lot 38	.025
Lot 39	.025
Lot 40	<u>.025</u>
	100%

BOOKM 186 PAGE 610

THIS DOCUMENT IS FURNISHED AS AN ACCOMMODATION. THE COMPANY MAKES NO REPRESENTATIONS AS TO ITS EFFECT, SUFFICIENCY, COMPLETENESS OR ANY OTHER MATTERS THAT MIGHT BE REFERRED TO OR IMPLIED THEREIN. SHOULD YOU HAVE QUESTIONS REGARDING ITS EFFECT OR IMPACT, YOU SHOULD CONSULT INDEPENDENT LEGAL COUNSEL.

Entry No. 182870 Book M196  
RECORDED 8-21-81 at 3:31 PM Page 410-5  
CONDOMINIUMS Utah House Development  
SILVER MEADOW PHASE fee 5% WANDA Y. SPRINGS, SUMMIT CO. RECORDER  
INCLUDING COVENANTS AND RESTRICTIONS By Wanda Y. Springs  
INDEXED \_\_\_\_\_ ABSTRACT \_\_\_\_\_

DECLARATION  
SILVER SPRINGS TOWNHOUSE  
SILVER MEADOW PHASE  
INCLUDING COVENANTS AND

RESTRICTIONS

THIS DECLARATION is made as of the date hereinafter set forth by UTAH HOUSE DEVELOPMENT, INC., a Utah corporation (hereinafter the "Declarant"), pursuant to the provisions of the Utah Condominium Ownership Act.

R E C I T A L S:

A. Declarant is the owner of that certain tract of land, more particularly described in Article II hereof.

B. Declarant and other developers who may acquire an interest in the project have constructed, or are in the process of constructing, upon said tract a portion of a Condominium Project, including certain Units and other improvements (the "Project"). All of such construction has been, or is to be, performed in accordance with the plans and drawings contained in the Record of Survey Map filed for record simultaneously herewith.

C. Declarant by recording this Declaration, submits said tract and all improvements now or hereafter constructed hereon to the provisions of the Utah Condominium Ownership Act.

E. Declarant and other developers intend to sell to various purchasers the fee title to the individual Units contained in the Project, together with the undivided ownership interest in the Common Areas and Facilities appurtenant to such Units, subject to the covenants, conditions, restrictions, limitations, and easements herein set forth.

F. In order to insure the efficient preservation of the values and amenities of the Condominium Project, a Management Committee for the Project is established in the Declaration to which are delegated and assigned the powers of the incorporated Silver Springs Townhouse Owners Association for managing and enforcing and administering the covenants, conditions and restrictions set forth in this Declaration.

G. The Project created hereby is the initial phase of a larger project which ultimately may come into existence. Accordingly, Declarant reserves the right to include additional phases in accordance with the provisions of this Declaration as a part of one development consisting of this first phase and other phases to be completed at a later time.

NOW, THEREFORE, for the foregoing purposes, Declarant hereby declares and certifies as follows:

I. Definitions. The terms used herein shall have the meaning stated in the Utah Condominium Act and as follows unless the context otherwise requires.

# 189698 DL 11215 T-344-47

BOOKM 196 PAGE 410

1. Act shall mean and refer to the Utah Condominium Ownership Act (Title 57, Chapter 8, Utah Code Annotated) as the same may be amended from time to time.

2. Declaration shall mean and refer to this Declaration.

3. By-laws shall mean and refer to the By-laws attached to this Declaration and made a part hereof.

4. Map shall mean and refer to the Record of Survey Map filed herewith captioned "Record of Survey Map of Silver Meadow Phase, SILVER SPRINGS TOWNHOUSE CONDOMINIUMS."

5. Property shall mean and refer to the real property described in Article II, all improvements and the structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

6. Common Areas or the Common Areas and Facilities shall mean and refer to and include:

(a) The land on which the buildings and other improvements are constructed and submitted by this Declaration to the terms of the Act.

(b) Those Common Areas and Facilities specifically set forth and designated as such in the Map.

(c) That part of the Project not specifically included in the respective Units as hereinafter defined.

(d) All limited Common Areas and Facilities.

(e) All foundations, columns, girders, beams, supports, main walls, retaining walls, roofs, stairs, stairways, entrances and exits of the buildings, exterior walkways, streets, central services such as power, light, water, sewer, gas, all apparatus and installations existing for common use, such recreational and community facilities as may be provided for.

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

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

6. Condominium Unit or Unit means and refers to one of the townhouse Units intended for independent use as defined in the act and as shown (single cross - hatched) in the Map. Mechanical equipment and appurtenances located within any one Unit or located without said Unit but designated and designed to serve only that Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors and other air

conditioning apparatus, fixtures and the like, shall be considered part of the Unit, as shall all decorated interiors, all surfaces of interior structural walls, floors and ceilings, windows and window frames, doors and door frames, and trim, consisting of, inter alia and as appropriate, wallpaper, paint, flooring, carpeting and tile. All pipes, wires, conduits, or other public utility lines or installations constituting a part of the Unit and serving only the Unit, and any structural members of any other property of any kind, including fixtures and appliances within any Unit, which are removable without jeopardizing the soundness, safety or usefulness of the remainder of the building within which the Unit is situated shall be considered part of the Unit.

7. Management Committee or the Committee shall mean and refer to the Management Committee of the Silver Springs Townhouse Condominiums.

8. Home Owners Association or Association shall mean and refer to the Silver Springs Townhouse Owners Association, an incorporated association of the Condominium Unit Owners.

9. Common Expenses shall mean all costs necessary for use, maintenance, and repair of the Common Areas together with the replacement of those common elements that must be replaced on a periodic basis, together with all items, things and sums described in the Act which are lawfully assessed against the Unit Owners in accordance with the provisions of the Act, this Declaration, the By-laws, such rules, regulations and other determinations and agreements pertaining to the Project as the Management Committee, or the Association, as hereinafter mentioned, may from time to time adopt.

10. Mortgage shall mean any mortgage, deed of trust or other security instrument by which a Unit or any part thereof is encumbered.

11. Mortgagee shall mean any person named as a Mortgagee or beneficiary under or holder of a deed of trust.

12. Limited Common Areas and Facilities or Limited Common Areas shall mean the porches and patios, if any, and their associated facilities as reserved for use of the Unit to which they are adjacent to the exclusion of other Units, provided such areas are built or attached only after approval of the Management Committee according to the other provisions of this declaration, subject to all Common Area uses and needs. No unit shall be deemed to have a right to such an area and shall be solely in the control and discretion of the Management Committee.

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

14. Unit Owner or Owner shall mean and refer to the Owner of the fee in a Unit and the ownership of undivided interest in the Common Areas which is appurtenant thereto. The Declarant or developers of a particular Phase shall be deemed to

be the Owner of all unsold Units, whether or not completed. In the event a Unit is the subject of an executory contract of sale, the contract buyer shall, unless the seller and the buyer have otherwise agreed and have informed the Committee in writing of such agreement, be considered the Unit Owner for all purposes.

15. Entire Tract shall mean and refer to the real property described in Exhibit "B" attached hereto. The land which this Declaration submits to the terms of the Act comprises only a part of the Entire Tract. A description of the Entire Tract is set forth solely for purposes of identifying the land which may ultimately be included in the Project.

16. Silver Meadow Phase shall mean and refer to the real property described in Article II of this Declaration which is submitted to the provisions of the Act, being a portion of the Entire Tract.

17. Additional Land shall mean and refer to the portion of the Entire Tract which is not included in the Silver Meadow Phase, including all improvements constructed thereon and all appurtenances, rights and obligations which may come into existence when additional phases are submitted to the Act.

18. Condominium Project or Project shall mean and refer to the Silver Springs Development Townhouse Condominiums.

II. Submission to the Act. Declarant hereby submits to the provisions of the Act the following described real property (Silver Meadow Phase) situated in the County of Summit, State of Utah:

Beginning at a point which is N 89°15'54" E., 2960.86 feet along the Section Line and North 581.12 feet from the Southwest corner of Section 30, Township 1 South, Range 4 East, Salt Lake Base and Meridian; and running thence West, 96.00 feet; thence N 71°00'00" West, 286.72 feet to a point on a 386.68 foot radius curve to the left (radius point bears N 71°0'00" West), said point also being on the centerline of Silver Springs Drive; thence Northerly along said curve 128.23 feet to a point on a 356.27 foot radius curve to the left (radius point bears West) thence Northerly along said curve 127.47 feet to the Southwest corner of Lot 1, Silver Springs Plat 1A, thence along the boundary of said Plan 1A N 69°30'00" E. 80.70 feet to a point on a 1161.06 foot radius curve to the right (radius point bears S 20°30' 00" East); thence Easterly along said curve 344.49 feet to a point on a 387.55 foot radius curve to the left (radius point bears N 3°30'00" W); thence Easterly along said curve 24.69 feet; thence S 6°W, 264.08 feet; thence S 22°00'00" W, 106.00 feet; thence South, 85.00 feet to the point of beginning. Containing 3.38 acres.

SUBJECT TO all easements and rights of way as existing or of record, including but not limited to all presently existing or to be constructed or installed gas lines, electrical conduits, telephone lines, water distribution



and sewer collection, and related facilities which are located within the above described Parcel.

RESERVING UNTO DECLARANT, however, such easements and rights of ingress and egress over, across, through, and under the above described Parcel and any improvements now or hereafter constructed thereon as may be reasonably necessary for Declarant (in a manner which is reasonable and not inconsistent with the provisions of this Declaration or of any Map: (a) To improve portions of the Common Areas within the Project with such structures and facilities designed for the use and enjoyment of Owners of Units within such Project as Declarant may reasonably determine to be appropriate; (b) To improve the Common Areas of the above described Parcel with such structures and facilities (including, but not limited to, arterial roads) as Declarant may reasonably determine to be appropriate. If, pursuant to the foregoing reservations, the above described Parcel 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 foregoing reservations shall, unless sooner terminated in accordance with their terms expire 7 years after this Declaration is filed for record in the office of the County Recorder of Summit County, Utah.

ALSO RESERVING such rights of ingress and egress over any roads comprising a part of the above described Parcel as may be necessary to enable access to adjoining properties owned by Declarant.

III. Covenants, Conditions and Restrictions. The foregoing submission is made under the following covenants, conditions and restrictions:

1. Description of Improvements. The improvements included in the Project are now or will be located in Silver Meadow Phase above described, and all of such improvements as described in the Map. The Map indicates the number of stories, the number of Units which are to be contained in the buildings which comprise a part of such improvements, the dimensions of the Units, and other significant fact relating to such improvements. Silver Meadow Phase is divided into 18 Units contained in 4 buildings. Each of the Buildings will be newly constructed, two containing 5 Units and two containing 4 Units. No Units contain a basement, and some Units will contain a loft or upper floor.

2. Description and Legal Status of Units. The Map shows the Unit number of each Unit, its location, dimensions from which its area may be determined, the Limited Common Areas which are reserved for its use, and the Common Areas of the Project.

3. Undivided Ownership Interest in the Common Areas. Until additional phases are submitted to the Act each Unit shall have an undivided ownership interest in the Common Areas

of the Silver Meadow Phase proportionate to the size of such Unit in square feet of floor area vis-a-vis the aggregate size of all Units in square feet in the Silver Meadow Phase. Such undivided interest is set forth on Exhibit "A" attached hereto and made a part hereof. Such maximum interests will be diluted to a lower percentage interest in this Phase plus other phases of the Entire Tract if additional phases are submitted to the Act, as provided in paragraph III-26 of this Declaration. No Unit Owner may waive his right to the use and benefit of the Common Areas, or in any other way avoid his obligation for payment of Common Expenses.

4. Determination of Interest in Common Areas.  
The proportionate share of the Unit Owners in the Common Areas of the Project is based upon the square feet of floor area of a Unit vis-a-vis aggregate square feet of floor area of all Units as more particularly set forth in paragraph III-26(e) of this Declaration. The percentage ownership in the Common Areas shall apply to assessment for Common Expenses, but voting in the Association shall be on the basis of one Unit - one vote. The percentage ownership set forth on Exhibit "A" is subject to diminution to a minimum of .147% for the smallest area Unit permitted in the event all additional phases are added to the Project with the maximum number of Units set forth in paragraph III-26 below. The exact percentage ownership of the Common Areas will vary within the maximum percentage set forth in Exhibit "A" and the minimum set forth in this paragraph in proportion with the size of the Units in the Project. In the event a portion of the Project is taken through eminent domain proceedings or is sold under threat thereof, so that some Units are diminished in size or deleted from the Project, the Interest in the Common Areas shall be adjusted as provided in this paragraph, i.e. in proportion to the square feet of floor area in each Unit. For the purposes of this paragraph, the square feet of floor area shall not include basement areas which shall mean areas more than 50% below the street or entrance grade.

5. Common and Limited Common Areas. The Common Areas contained in the Project are described and identified in Article I hereof and in the Map. Neither the ownership of undivided interest in the Common Areas nor the right of exclusive use of a Limited Common Area shall be separated from the Unit to which it appertains; and even though not specifically mentioned in the instrument of conveyance, such percentage of undivided interest and such right of exclusive use shall automatically accompany the conveyance of the Unit to which they relate.

6. Silver Springs Townhouse Owners Association.  
All Unit Owners in the Silver Springs Townhouse Condominiums shall, upon becoming same, automatically become members of the Silver Springs Townhouse Owners Association which shall own maintain and administer certain facilities, maintain the Common Areas of the Projects, and enforce the covenants and restrictions as imposed herein or in rules and regulations adopted by the Association and collect and disburse the assessments and charges referred to herein or otherwise authorized by the Administration.

7. Membership and Voting Rights in the

Association.

(a) Membership. Membership in the Association shall be appurtenant to the Unit in which the Owner has the necessary interest. Neither membership in the Association nor any of the votes attributable to a membership shall be separated from the Unit to which the same appertain.

(b) Voting Rights. The Association shall have one class of voting membership which shall be, with respect to each Unit in which the interest required for membership is held, one vote for each Unit owned. Neither the issuance nor the holding of membership certificates or shares of stock shall be necessary to evidence membership in the Association. However, the Committee is authorized to issue membership certificates if it deems such to be advisable or appropriate.

(c) Multiple Ownership. 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 Association meeting by any of such Owners, whether in person or by proxy, 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 attributable to such Unit shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

8. Holding Title. Except as provided herein, title to a Unit may be held or owned by an entity and in any manner in which title to any other real property may be held or owned in the State of Utah, including, but without limitation, joint tenancy or tenancy in common, but excluding any form of time period or time sharing form of ownership.

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

10. No Partition. The Common Areas shall be owned in common by all the owners of Units, and no Unit Owner may bring action for partition thereof.

11. Use of Common Areas and Limited Common Areas. Subject to the limitations contained in the Declaration, any Unit Owner shall have the non-exclusive right to use and enjoy the Common Areas and shall have the exclusive right to use and enjoy

the Limited Common Areas designated herein (and on the Map) for exclusive use by such Unit Owner.

12. Restrictions of Use of Common Areas. Each Owner's right and easement of use and enjoyment concerning the Common Areas created hereby shall be subject to the following:

(a) The right of the Declarant and the Association to suspend an Owner's right to the use and enjoyment of any amenities included in the Common Areas for any period during which an assessment on such Member's Unit remains unpaid, and for a period not exceeding sixty (60) days for any infraction by such Member of the provisions of this Declaration or of any rules or regulations promulgated by the Association;

(b) The right of the Association to impose reasonable limitations on the number of guests per Member who at any given time are permitted to use the Common Areas;

(c) The right of the County of Summit, Silver Springs Water Co., Inc., and any other governmental or quasi-governmental body having jurisdiction over the Common Areas to access and rights in ingress and egress over and across any street, parking area, walkway, or open area contained within the Common Areas for purposes of providing police and fire protection, transporting school children, and providing any other governmental utility or municipal service; and

(d) The right of the Declarant or the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for such municipal, governmental and/or non-commercial purposes and subject to such conditions as may be agreed to by the Declarant or by the Owners, provided that no such dedication or transfer by the Association shall be effective unless written notice of the proposed agreement and action thereunder is sent to every Owner at least thirty (30) days in advance of any action taken unless an instrument signed by every Owner has been recorded, agreeing to such dedication, transfer, purpose or condition.

(e) The right of the Association to borrow money for the purpose of improving the Common Areas and to mortgage the Common Areas, or any part thereof (subject to paragraph III 31), to carry out such improvements.

13. Unit Maintenance. Each Owner shall at his own cost and expense maintain, repair, paint, re-paint, tile, wax, paper or otherwise finish and decorate the interior surfaces of the walls, ceilings, floors, windows and doors (including replacement of windows and doors) forming the boundaries of his Unit and shall maintain, repair and replace all walls, ceilings, floors, windows and doors within such boundaries. In addition to decorating and keeping the interior of his Unit in good repair and in a clean and sanitary condition, he shall be responsible for the maintenance, repair or replacement of any plumbing and plumbing fixtures, water heater, heating and air conditioning equipment, lighting fixtures, refrigerator, dishwasher, disposal

equipment, range, or other appliances or fixtures that may be in, or connected with, his Unit, including all water and other utility lines leading to his individual Unit.

14. Maintenance of Common Areas. The Association, acting through the Management Committee, shall provide for such maintenance and operation of the Common Areas and Limited Common Areas as may be necessary to keep them clean, functional, attractive and generally in good condition and repair. In addition, each Owner shall at his own cost keep the Limited Common Areas designed for use in connection with his Unit clean and free of debris at all times.

15. Easement for Encroachment. If any part of the Common Areas encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance for the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance shall and does exist. Such encroachments shall not be considered to be encumbrances either to the Common Areas or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the building(s) on the Tract, by error in the Map, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof or by addition of limited common areas as provided herein.

16. Access for Repair of Common Areas. Some of the Common Areas are or may be located within the Units or may be conveniently accessible only through the Units. The Owners of the other Units shall have the irrevocable right, to be exercised by the Association as their agent, to have access to each Unit and to all the Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Areas or to another Unit or Units. The Association shall also have such rights independent of the agency relationship. Damage to the interior of any part of a Unit or Units resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Areas or as a result of emergency repairs within another Unit at the instance of the Association or of Unit Owners shall be fully repaired and compensated for by the Association; provided, that if such damage is the result of negligence of the Owner of a Unit, then such Owner shall be financially responsible for all such damage. Such damage shall be repaired and the property shall be restored substantially to the same condition as existed prior to damage. Amounts owing by Owners pursuant hereto shall be collected by the Association by assessment pursuant to paragraph III 22 of this Declaration.

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

18. Easement to Management Bodies. The Committee and the association shall have non-exclusive easements to make such use of the Common Areas as may be necessary or appropriate to perform the duties and functions which they are obligated or permitted to perform pursuant to this Declaration.

19. Easement for Utility Services. There is hereby created a blanket easement upon, across, over and under the Tract above described in Article II for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to, water, sewers, gas, telephones, electricity, and other utility services.

20. Legal Description of a Unit. Every conveyance or contract for the sale of a Unit and every other instrument affecting title to a Unit may describe that Unit by the number shown on the Map with the appropriate reference to the Map and to this Declaration, as each shall appear on the records of the County Recorder of Summit County, Utah, and in substantially the following form:

Unit No. \_\_\_\_\_, contained within the SILVER SPRINGS TOWNHOUSE CONDOMINIUMS, SILVER MEADOW PHASE, as the same is identified in the Record of Survey Map recorded in Summit County, Utah, as Entry No. \_\_\_\_\_, in Book M- \_\_\_\_\_, at Page \_\_\_\_\_, and in the Bylaws of SILVER SPRINGS TOWNHOUSE CONDOMINIUMS Owners Association, recorded in Summit County, as Entry No. \_\_\_\_\_, in Book M- \_\_\_\_\_, at Page \_\_\_\_\_.

TOGETHER WITH: (a) The undivided ownership interest in said Condominium Project's Common Areas and Facilities which is appurtenant to said Unit, said undivided ownership interest as initially established being \_\_\_\_\_ % (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); (b) The exclusive right to use and enjoy each of the Limited Common Areas which is appurtenant to said Unit; and (c) The non-exclusive right to use and enjoy the Common Areas and Facilities included in said Condominium Project (as said Project may hereafter be expanded) in accordance with the aforesaid Declaration and Survey Map (as said Declaration and Map may hereafter be amended or supplemented) and the Utah Condominium Ownership Act.

21. Status and General Authority of Committee.

(a) Except as hereinafter provided, the Project shall be managed, operated, and maintained by the Management Committee as agent for the Unit Owners. The Committee, in connection with its exercise of any of the powers hereinafter provided, shall take such action and execute instruments in the Association's name. The Management Committee shall have, and is hereby irrevocably granted, by the Association and the Unit Owners therein as their agent and on their behalf the following authority and powers:

(1) The authority and responsibility to manage the business, property and affairs of the Association and enforce the provisions of the Declaration, the By-Laws and any rule and regulations adopted by the Association governing the

property.

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

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

(4) The power to sue and be sued in the name of the Association.

(5) The authority to enter into contracts relating to the Common Areas and other matters over which it has jurisdiction, so long as any vote or consent of the Unit Owners necessitated by the subject matter of the agreement has been obtained.

(6) The power and authority to convey or transfer any interest in real property, so long as the vote or consent necessary under the circumstances have been obtained.

(7) The power and authority to purchase, or otherwise acquire, and accept title to, in the name of the Association, any interest in real property, so long as such action has been authorized by any vote or consent which is necessary under the circumstances.

(8) The power and authority to add any interest in real property obtained pursuant to subparagraph (7) above to the Project, so long as such action has been authorized by the necessary vote or consent.

(9) The authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Committee in carrying out its functions or to insure that the Project is maintained and used in a manner consistent with the interests of the Unit Owners, including the power to assess one or more Units for its portion of Common Area charges or maintenance of the individual Unit or Limited Common Areas.

(10) The power and authority to perform any other acts and to enter into any other transactions, subject to the rights of the Home Owners Association, which may be reasonably necessary for the Management Committee to perform its functions as agent for the Unit Owners. Any instrument executed by the Management Committee relating to the Common Areas of the Project 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.

(b) Composition of Committee, Election.

Vacancy. The Management Committee shall be composed of seven (7) members, each serving for a three-year term except that at the first election two (2) Committee members shall be elected for a one-year term, two (2) members for a two-year term, and three (3) members for a three-year term. Members shall serve on the Committee until their successors are elected. Only Unit Owners or spouses of Unit Owners, and officers or directors of Owners other than individuals, shall be eligible for Committee membership. At the annual meeting each Unit Owner may cast one vote in favor of as many candidates or Committee memberships as there are seats on the Committee to be filled; provided, however, that until title to Units representing seventy-five percent (75%) of the votes of Unit Owners shall have been conveyed by Declarant to the purchasers thereof the Declarant along shall have the Right to select the Management Committee or act as the Management Committee itself; such Right shall automatically terminate two years after the recording of this Declaration without regard to whether 75% of the Units have been sold. However, Declarant may waive the Right at any time prior to the conveyance of Units representing 75% of the votes of Unit Owners by (i) notifying Unit Owners in writing of such waiver of the Right, and (ii) filing for record in the office of the Summit County Recorder a written notice of waiver of the Right, whereupon Unit Owners shall promptly hold a meeting to elect a new Management Committee, it being established hereby that the control of the Unit Owners in the Management Committee shall automatically vest thirty (30) days following the date such waiver is recorded by Declarant. In the event a Committee seat which was filled by the Declarant becomes vacant Declarant shall have the right to select a replacement member to sit on the Committee for the balance of the term associated with the vacant 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.

A committee member may be removed from office upon the affirmative vote of not less than three-fourths of the Unit Owners at a meeting of the Unit Owners duly held.

(c) Right of Delegation to Manager. The Management Committee may carry out any of its functions which are capable of delegation through a manager. The Manager so engaged shall be responsible for managing the Common Areas and shall, to the extent permitted by law and the terms of the agreement with the Management Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself.

(d) Payment for Services, etc. The Management Committee may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Management Committee shall determine to be necessary or desirable for the proper operation of its functions in the Project. The Management Committee may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this



Declaration. It is recognized that the Committee shall arrange for snow removal, garbage removal, ground maintenance and other common services to the Project.

(e) Personal Property Ownership and Use.

The Management Committee as agent for the Association may acquire and hold in the name of the Association for the use and the benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interests in the Common Areas. Such interest shall not be transferrable except with the transfer of a Unit. A transfer of a Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference by the transferor of a Unit. Each Owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Unit under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosed Unit to the extent permitted and subject to the requirements of applicable laws.

(f) Rules and Regulations.

The Management Committee may make reasonable rules and regulations governing the operations and use of the Common Areas and of other matters over which it has jurisdiction, which rules and regulations shall be consistent with the rights and duties established in this Declaration. The Management Committee may suspend any Owner's voting rights at the meeting of the Unit Owners during any period or periods during which such Owner fails to comply with such rules and regulations, or with any other obligations of such Owners under this Declaration. The Management Committee may also take judicial action against any Owner to enforce compliance with such rules and regulations or other obligations or to obtain damages for noncompliance, all to the extent permitted by law.

(g) Capital Improvements.

There shall be no structural alterations, capital additions to, or capital improvements of, the Common Areas requiring expenditure in excess of \$3,000.00 without the prior approval of Unit Owners holding a majority of the voting power.

22. Assessments.

(a) Agreement to Pay Assessments.

Each Owner of a Unit by the acceptance of a deed or contract therefore, whether or not it be so expressed in the deed or contract, shall be deemed to covenant and agree with each other and with the Committee and the Association to pay annual assessments made by them or either of them for the purposes provided in this Declaration, and special assessments for capital improvements and other matters as provided in this Declaration, including individual assessments against a particular Unit for repairs or maintenance of said Unit, where the Owner of said Unit after written notice of not less than fifteen (15) days, fails to perform his duties in maintaining his Unit as required by this Declaration, or Rules and Regulations adopted by the Committee. Such assessments shall

be fixed, established and collected from time to time in the manner provided hereunder.

(b) Basis of Assessments. The total annual assessments against all Units shall be based upon advance estimates of cash requirements by the Committee to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Areas, which estimates shall include among other things, expenses of management; taxes and special assessments levied by governmental authorities until the Units are separately assessed as provided herein; premiums for all insurance which the Management Committee is required or permitted to maintain pursuant hereto; common lighting; water charges; replacements, repairs and maintenance of the Common Areas; the Projects agreed share of the costs of repair and maintenance and capital improvements in adjoining common facilities which are available for use by the Unit Owners; wages for employees of the Management Committee; legal and accounting fees; any deficit remaining from a previous period; the creation of a reasonable contingency reserve; reserve fund for major replacements and improvements, and any other expenses and liabilities which may be incurred by the Committee for the benefit of the Owners under or by reason of this Declaration.

(c) Apportionment of Expenses. Expenses attributable to the Common Areas and to the Project as a whole shall be apportioned among and assessed against all Units in proportion to their respective undivided interest in the Common Areas.

(d) Method, Payment of Assessments, Etc. Annual assessments shall be made on a calendar year basis and shall commence at the time the first Unit is sold by Declarant to a third party. The Committee shall give written notice to each Owner as to the amount of the annual assessment with respect to his Unit not less than thirty (30) days nor more than sixty (60) days prior to the beginning of the next calendar year, provided, however, that the first annual assessment shall be for the balance of the calendar year remaining after the day of the sale of such first Unit. Each annual assessment shall be due and payable in monthly installments. Each monthly assessment shall bear interest at the rate of eighteen percent (18%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date. Upon sale of a Unit, whether by conveyance of title or entering into a contract of sale, the monthly assessments attributable to the Unit will be apportioned to the date of sale by the seller and purchaser on a pro rata basis and thereafter each monthly payment shall be due and payable on the first day of each and every month in advance.

(e) Special Assessment. In addition to the annual assessments authorized hereunder, the Association acting through the Committee, may levy in any assessment year, special assessments, payable over such a period as the Committee may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Common Areas of the Project or any other part

thereof, or for any other expenses incurred or to be incurred as provided in this Declaration. This paragraph shall not be construed as an independent source of authority for the Association or the Committee as its agent, or either of them, to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other paragraphs hereof. Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to their respective undivided interest in the Common Areas. Notice in writing of the amount of such special assessment and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. A special assessment shall bear interest at the rate of eighteen percent (18%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date.

(f) Lien for Unpaid Assessments. All sums assessed to any Unit pursuant to this section, together with interest thereon as provided herein, shall be secured by a lien on such unit in favor of the Body making the assessment. Such lien shall be superior to all other liens and encumbrances on such Unit, except only for: (a) valid tax and special assessment liens on the Unit in favor of any governmental assessing authority; and (b) encumbrances on the interest of the Unit Owner recorded prior to the date notice of the lien provided for herein is recorded which by law would be a lien prior to subsequently recorded encumbrances. All other lienors acquiring liens on any Unit after this Declaration shall have been recorded shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

To evidence a lien for sums assessed pursuant to this section, the Committee may prepare a written notice of lien setting forth the amount of the assessment, the due date, the amount remaining unpaid, the name of the Owner of the Unit and a description of the Unit. Such a notice shall be signed by the Committee and may be recorded in the office of the County Recorder of Summit County, Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced as the sole option of the Committee by foreclosure in the same manner in which mortgages or trust deeds on real property may be foreclosed in Utah. In any such foreclosure the Owner shall be required to pay the cost and expenses of such proceeding, the cost and expenses of filing the notice of lien and all reasonable attorney's fees. All such costs, expenses and fees shall be secured by the lien being foreclosed. The lien shall also secure, and the Owner shall also be required to pay to the Association any assessments against the Unit which shall become due during the period of foreclosure. The Committee acting for the Association shall have the right and the power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof.

A release of notice of lien shall be executed

by the Committee and recorded in the office of the County Recorder of Summit County, Utah, upon payment of all sums and secured by a lien which has been made the subject of a recorded notice of lien.

Any encumbrancer holding a lien on a Unit may pay, but shall not be required to pay, any amounts secured by the lien created by this section, and upon such payments such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

The Committee shall report to any encumbrancer of a Unit any unpaid assessments remaining unpaid for longer than sixty (60) days after the same shall have become due; provided, however, that such encumbrancer first shall have furnished to the assessing body written notice of such encumbrance.

(g) Personal Obligation-Assessments. The amount of any annual or special assessment against any Unit shall be the personal obligation of the Owner thereof to the Committee and the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by either the Committee or the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of his Unit.

(h) Information Concerning Unpaid Assessments. Upon payment of a reasonable fee not to exceed thirty dollars (\$30.00) and upon written request of any Owner or Mortgagee, prospective Mortgagee or prospective purchaser of a Unit, the Management Committee shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Unit; the amount of the current yearly assessment and the portion thereof which has theretofore been paid; credit for advance payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums; but not limited to, an Owner's share of prepaid insurance premiums; and such statement of account shall be complied with within ten (10) days, all unpaid assessments which to the date of making such request shall be subordinate to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligations of the purchaser shall be released automatically if the statement is not furnished within a ten (10) day period provided herein and thereafter an additional written request is made by such purchaser and is not complied with within ten (10) days, and the purchaser subsequently acquires the Unit.

(i) Purchaser's Obligation. Subject to the provisions of subparagraph (h) and this paragraph, a purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments. The foregoing notwithstanding, purchasers of

Units at foreclosure or trustees sales held by Mortgagees or their trustees shall not be responsible for unpaid assessments which were assessed prior to the time of sale.

23. Use of Condominium.

(a) Single Family Housing Use. Each of the Units in the Project (including both the Silver Meadow Phase and any Additional Land added to the Project) shall be used exclusively for single family residential housing.

(b) Restrictions on Renting. No Unit Owner may lease or rent his Unit for transient or hotel purposes, over night lodging being specifically prohibited. No Unit Owner may lease or rent less than the entire Unit. All persons occupying a Unit who are not members of the Unit Owner's immediate family or guests of the Unit Owner, shall do so only under a written lease which shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and By-laws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease.

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

(d) Appearance of Condominium Community. No change may be made to the exterior or interior of any Unit which would affect the appearance of the Unit from the outside without first obtaining the written approval of the Committee. The Committee may in its discretion prohibit any change which in its opinion would change the overall appearance of the community or create a disunity in appearance of the community.

(e) Overnight Parking and Storage of Vehicles. No vehicle of any kind, including but not limited to, automobiles, trucks, buses, tractors, trailers, camping vehicles, boats, boat trailers, snowmobiles, mobile homes, two and three wheeled motor vehicles, or other wheeled vehicles shall be permitted to be parked on any through street within the Condominium Project between the hours of 12:00 midnight and 10:00 a.m. of any morning or at any other time while it is snowing.

The storage of any automobiles, trucks, buses, tractors, trailers, camping vehicles, boats, boat trailers, snowmobiles, mobile homes, two and three wheeled motor vehicles, or other wheeled vehicles shall be forbidden unless such vehicles are kept from the view of the general public and/or vehicular

BOOKM 196 PAGE 426

circulation.

(f) Miscellaneous Restrictions. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would result in the cancellation of the insurance on the Project or any part thereof or increase of the rate of the insurance on the Project or any part thereof over what the Management Committee, but for such activity, would pay, without the prior written consent of the Management Committee. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Management Committee and the other Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees; provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee of any other Owner. No noxious, destructive or offensive activity shall be carried on in any Unit or in the Common Areas or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project.

(g) Animals. No livestock or poultry of any kind shall be raised, bred, or kept in any Unit or in the Common Areas, but household pets may be kept in the Units and the Limited Common Areas reserved for the exclusive use of such Unit, subject to strict observance of rules and regulations adopted by the Management Committee.

(h) No Violation of Rules and Regulations. No Owner shall violate the rules and regulations for the use of the Units and of the Common Areas as adopted from time to time by the Management Committee.

(i) Restrictions in Alterations. No structural alterations to any Unit shall be made by any Owner without the prior written consent of the Management Committee.

(j) Nuisance. The result of every act or omission, whereby any provision, condition, restriction, covenant, easement or reservation contained in this Declaration is violated in whole or in part, is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result, and may be exercised by the homeowners association.

(k) Declarant's and Other Developers Right to Sell Units. Notwithstanding anything contained herein to the contrary, until the Declarant or other developers of the Project have completed and sold all of the Units, neither the Unit Owners who have purchased Units from the Declarant or other developers nor the Management Bodies, or either of them, shall interfere with the completion of the contemplated improvements and sale of the remaining Units. The Declarant and such other developers may make such use of the unsold Units and the Common Areas as may facilitate

BOOK 107 PAGE 107

such completion and sale, including but not limited to, the maintenance of a sales office, the showing of the Units, the recreational facilities and the display of signs.

24. Insurance and Bond. The Management Committee in behalf of the Association shall secure and maintain at all times the following insurance and bond coverages:

(a) A multi-peril type policy covering the entire Project providing as a minimum fire and extended coverage and all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location and use on a replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based upon replacement cost).

(b) Fidelity bond coverage against dishonest acts on the part of directors, managers, trustees, employees or volunteers responsible for handling funds belonging to or administered by the Association if the Project has more than thirty (30) Units. The fidelity bond or insurance must name the Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than one and one-half times the insured's estimated annual operating expenses and reserves. In connection with such coverage an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

(c) If at any time the Project is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards, a "blanket" policy of flood insurance on the Project must be maintained in the amount of the aggregate of the outstanding principal balances of the mortgage loans on the Condominium Units comprising the Project or the maximum limit of coverage available under the National Flood Insurance Act of 1968, as amended, whichever is less.

(d) The Association must have a comprehensive policy of public liability insurance covering all of the common element, commercial spaces and public ways in the project. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Condominium Unit Owner because of Negligent acts of the Association of owners or other Unit Owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for projects similar in construction, location and use. If the Project has more than thirty (30) units, coverage shall be for at least \$1,000,000 per occurrence, for personal injury and/or property damage.

(e) The following additional provisions shall apply with respect to insurance:

(1) The name of the insured under each required policy must be stated in form and substance similar to

BOOKM 195 PAGE 428

the following: "Silver Springs Townhouse Owners Association for use and benefit of the individual owners" (designated by name, if required).

(2) Each such policy must contain the standard mortgagee clause which must be endorsed to provide that Association for the use and benefit of Mortgagees as their interest may appear, or must be otherwise endorsed to fully protect the Mortgagee's interest.

(3) Policies are unacceptable where: (i) under the terms of the carrier's charter, by-laws or policy, contributions or assessment may be made against the Unit Owner or his Mortgagee or its designees, or (ii) by the terms of the carrier's charter, by-laws or policy, loss payment 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 Unit Owner or his Mortgagee or its designees from collecting insurance proceeds.

(4) All policies of hazard insurance must contain or have attached the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the Project is located. The mortgagee clause must provide that the insurance carrier shall notify the first Mortgagee named in reduction in or cancellation of the policy.

(5) In addition to the insurance described above, the Committee shall secure and at all times maintain insurance against such risks as are or hereafter may be customarily insured against the connection with condominium projects similar to the Project in construction, nature, and use.

(6) The Committee shall have the authority to adjust losses.

(7) Insurance secured and maintained by the Committee shall not be brought into contribution with insurance held by the individual Unit Owners or their mortgages.

(8) Each policy of insurance obtained by the Committee shall, if possible, provide: A waiver of the insurer's subrogation rights with respect to the Committee, the Manager, the Unit Owners, and their respective servants, agents, and guests; that it cannot be cancelled, suspended, or invalidated due to the conduct of any member, officer, or employee of the Committee or of the Manager without a prior written demand that the defect be cured; that any "no other insurance" clause therein shall not apply with respect to insurance held individually by the Unit Owners.

(9) Any Unit Owner may obtain additional insurance at his own expense, so long as such additional insurance does not have the effect of decreasing the amount which may be realized under any policy maintained by the Committee. Any Unit Owner who individually obtains insurance covering any portion of



the Project shall supply the Committee with a copy of his policy within thirty (30) days after he acquires such insurance.

(10) All policies shall be written by a company licensed to write insurance in the State of Utah and all hazard insurance policies shall be written by a hazard insurance carrier holding financial rating by Best's Insurance Reports of Class VI or better.

(11) Notwithstanding anything herein contained to the contrary, insurance coverage must be in such amounts and meet other requirements of the Federal National Mortgage Association.

25. Damage to Project. In the event of damage to or destruction of part or all of the improvements in the Condominium Project, the following procedures shall apply:

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

(b) If less than 75% of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all the Unit Owners shall be assessed for any deficiency on the basis of their respective percentages of undivided interest in the Common Areas and Facilities.

(c) If 75% or more of the project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Management Committee are not alone sufficient to accomplish restoration, and if the Unit Owners within 100 days after the destruction or damage by a vote of at least 75% elect to repair or reconstruct the affected improvements, restoration shall be accomplished in the manner directed under subparagraph (b) above.

(d) If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Committee are insufficient to accomplish restoration, and if the Unit Owners do not, within 100 days after the destruction or damage, by a vote of at least 75% elect to repair or reconstruct the affected improvements, the Management Committee shall promptly record with the Summit County Recorder a notice setting forth such facts. Upon the recording of such notice the provisions of subsections (1) through (4) of Section 57-8-31, Utah Code Annotated (1953) shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units.

Any reconstruction or repair which is required to be carried out by this paragraph shall be accomplished at the instance and direction of the Management Committee. Any

determination which is required to be made by this paragraph 25 regarding the extent of damage to or destruction of Project improvements shall be made by three (3) MAI appraisers selected by the Management Committee. The decision of any two such appraisers shall be conclusive.

26. Expansion of the Project.

(a) Reservation of Option to Expand.

Declarant hereby reserves the option to expand the Condominium Project to include a maximum of 139 additional Units in the Project. This option to expand shall expire seven (7) years from the effective date of the Declaration unless sooner terminated by Declarant's recorded Waiver of such option, there being no other circumstances which will cause the option to expire prior to said seven years. Such right may be exercised without first obtaining the consent or vote of Unit Owners and shall be limited only as herein specifically provided. Such Units shall be constructed on the portion of the Entire Tract not included in Silver Meadow Phase. The total number of Units in the Project, as expanded, shall not exceed 157 Units and the maximum number of Units per acre contained in any additional phase of the Project shall not exceed seven Units per acre.

(b) Amended Declarations and Amended Maps.

Such expansion may be accomplished by the filing for record by Declarant in the office of the County Recorder of Summit County, Utah, no later than seven (7) years from the date this Declaration is recorded, an amendment or amendments to this Declaration containing a legal description of the site or sites for new Units, together with an amended Map or Maps containing the same information with respect to the new Units as was required on the Map with respect to the Silver Meadow Phase Units. The expansion may be accomplished in phases by successive amendments or in one amendment.

(c) Expansion of Definitions.

In the event of such expansion the definitions used in this Declaration automatically shall be expanded to encompass and refer to the Project as so expanded. All conveyances of Units after such expansion shall be effective to transfer rights in the Project, as expanded by use of the form of description set forth in paragraph 20 hereof, with additional references to the Amended Declaration and the Amended Map. The recordation in the office of the Summit County Recorder of an Amended Map incident to any expansion shall operate automatically to grant, transfer, and convey to then Owners of Units in the Project as it existed before such expansion, undivided interests in the new Common Areas added to the Project as a result of such expansion. Such recordation shall also operate to vest in any then Mortgagee of any Unit in the Project as it existed the interest so acquired by the Owner of the Unit, encumbering the new Common Areas added to the Project as a result of such expansion.

(d) Right of Declarant to Adjust Percentages of Common Areas. Each deed of a Unit shall be deemed to irrevocably reserve to the Declarant the power to appoint to Unit

Owners, from time to time, the percentages in the Common Areas set forth in the Amended Declaration. The proportionate interest of each Unit Owner in the Common Areas after any expansion of the Project shall be based on the square feet of floor area that this Unit bears to the total square feet of floor area of all Units of the Project as expanded. A power coupled with an interest is hereby granted to the Declarant, its successors and assigns, as attorney in fact to shift percentages of the Common Areas in accordance with the Amended Declarations recorded pursuant hereto and each deed of a Unit in the Project shall be deemed a grant of such power to said attorney in fact. Various provisions of this Declaration and deeds and mortgages of the Units may contain clauses designed to accomplish a shifting of the Common Areas. None of said provisions shall invalidate the other, but each shall be deemed supplementary to the other toward the end that a valid shifting of the Common Areas can be accomplished. Notwithstanding anything to the contrary herein, no change in the percentage of undivided interest in the Common Areas may be effected more than seven (7) years after the effective date of this Declaration.

Accordingly, upon the recordation of an Amended Declaration and Amended Map incident to any expansion, the revised schedule of undivided interest in the Common Areas contained therein shall automatically become effective for all purposes and shall fully supercede any schedule which was contained in any declaration associated with any prior phase. In the event the provisions of the separate instruments relating to the Project conflict irreconcilably, the terms of that instrument which was recorded most recently shall control.

(e) Undivided Interests in the Common Areas; Disposition of Remainder of Common Areas. The Project may include Units of different types. Units are constructed or to be constructed substantially according to the floor plans shown on the Map. The undivided interests of each Silver Meadow Phase Unit in Silver Meadow Phase Common Areas, as set forth in paragraph III-3 of this Declaration, has been calculated by dividing the square feet of floor area in the Silver Meadow Phase, and rounding any residual after the fourth decimal to the nearest fourth decimal digit.

All additional phases on the Additional Land may contain up to 139 additional new Units, and if all of such additional Units are added to the Project by an Amendment or Amendments to this Declaration, the total square feet of Units in the Project may vary between 110,000 square feet and 471,000 square feet, and each new Unit (both the initial Phase and any additional phases) will have an undivided interest in the Common Areas equal to its square feet of floor area divided by the total square feet of floor area. However, no assurance is given that additional Units will be added to the Project.

(f) Additional Land. Additional Land may be added to and merged with the existing Project at such time as Declarant executes and records an amendment to the Declaration reallocating undivided interests in the Common Areas between all Units in existing phases and the Additional Land added and depicting such additional Units on an Amended Map as required by

the Utah Condominium Ownership Act, as amended.

(g) Other Provisions Concerning Expansion.  
If the Condominium Project is expanded as hereinbefore contained, then it is further provided that:

(1) Portions of the Additional Land may be added to the Project at different times without any limitations.

(2) Such additions will be made in compliance with a Development Agreement which Declarant requires each developer of a phase of this Project to agree to, and a copy of which may be examined at Declarant's office. The Development Agreement is intended to produce a certain degree of harmony between each phase of the Project.

(3) Units on the Additional Land shall be compatible with structures in the initial Phase in terms of quality of construction, materials used, and architectural style.

(4) No assurances are made concerning:

(a) Whether any Units on the Additional Land will be substantially identical to Units in the initial Phase.

(b) The locations of any improvements that may be made on any portion of the Additional Land that may be added to the Project.

(c) Type, size, or maximum number of Limited Common Areas which may be created within any portion of the Additional Land added to the Project.

27. Restrictions on Size of and Materials Used in Improvements. The improvements included in the Project, including improvements located on Additional Land shall initially be constructed and shall be repaired and maintained and may not be altered to deviate from the following requirements:

(a) Each unit shall contain on the ground floor not less than 550 square feet nor more than 1200 square feet. The total square feet of each unit shall be not less than 700 square feet nor more than 3000 square feet.

(b) No improvements shall be erected to a height greater than thirty (30) feet above a point representing the average natural contour of the land on the perimeter of the improvement.

(c) Every unit must have enclosed parking for one automobile.

(d) All improvements will be constructed to provide an insulation factor of not less than R-13 in exterior walls, R-24 in roofs and R-11 in floors.

(e) Outside materials shall be restricted

to stained (not painted) cedar, redwood, wood products, natural rock or brick. Concrete, other than concrete foundations or other products may be approved or rejected at the discretion of the Committee.

(f) All windows and sliding glass doors shall be constructed with double paned glass as a minimum. No reflective finish other than glass, shall be used on exterior surfaces, other than surfaces of hardware fixtures, including but without limitation, the exterior surface of any of the following: roofs, all projections above roofs, retaining walls, doors, trim, fences, pipes, equipment, mail boxes, and newspaper tubes.

(g) All roofs shall have a pitch of not less than four in twelve, and roofing material shall be limited to hand split cedar, redwood or aspen shingles or such other wood shingles as may be approved by the Committee.

(h) All storage or utility buildings, garbage and refuse containers, air conditioning equipment: clothes drying lines, utility, pipes, etc. must be located in such a manner as not to be conspicuous from the front of the unit or from other units.

(i) Any light used to illuminate garages, patios, parking areas or for any other purpose shall be so arranged as to reflect light away from adjacent units and away from the vision of passing motorists.

(j) All buildings will be supplied with electricity, water and sewage service. The units shall be individually heated by gas furnaces, although solar heating where possible is to be encouraged through proper siting, efficient design and use of materials.

(k) All Units and Common Area facilities shall be fitted and furnished with water conserving toilets, faucets, showerheads and such other water conserving devices as may be approved by Silver Springs Water Co., Inc. A list of approved devices and appliances is available at the office of Silver Springs Water Co., Inc.

28. Rules and Regulations. The Association, acting by and through the Committee, shall have authority to promulgate and enforce such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Association in carrying out any of its functions.

29. Amendment. Any amendment to the Covenants (other than an automatic amendment due to additional land being added to the Project) shall require the affirmative vote of at least two thirds of all votes which Members present in person or represented by proxy are entitled to cast at a meeting duly called for such purpose. Written notice setting forth the purpose of the meeting and the substance of the amendments proposed shall be sent to all members at least seven (7) but not more than thirty (30) days prior to the meeting date. The quorum required for any

such meeting shall be as follows: At the first meeting called the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes shall constitute a quorum. If a quorum is not present at the first meeting or any subsequent meeting, another meeting may be called (subject to the notice requirements set forth herein) at which a quorum shall be one-half of the quorum which was required at the immediately preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the immediately preceding meeting. Any amendment authorized pursuant to this Section shall be accomplished through the recordation of any instrument executed by the Association. In such instrument a member of the Management Committee shall certify that the vote required by this paragraph for amendment has occurred.

30. Consent Equivalent to Vote. In those cases in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for the authorization or approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who collectively total at least the necessary percentage of Owners.

31. Service of Process. Michael V. Hardman, an officer of the Declarant whose address is Highway 224, Snyderville, Box 209, Park City, Utah 84060, is the person to receive service of process in 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 Summit County, State of Utah. Provided, however, that the agent for service of process named in the Declaration relating to the Phase most recently added to the Project shall automatically constitute such agent for the Project, and shall automatically replace any agent previously named by the Management Committee or any agent designated in any enabling declaration relating to a previously added Phase.

32. Mortgagee Protection. Notwithstanding anything to the contrary contained in the Declaration:

(a) An adequate reserve fund for maintenance, repairs and replacement of the Common Areas must be established and shall be funded by regular monthly payments rather than by special assessments.

(b) There shall be established a working capital fund for the initial months of operation of the Project equal to a minimum amount of two (2) months' estimated Common Area charge for each Unit.

(c) Any "right of first refusal" contained in the condominium constituent documents shall not impair the rights of a first Mortgagee to foreclose or take title to a Condominium Unit pursuant to the remedies provided in the mortgage, or accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor, or interfere with a subsequent

BOOK 10, PAGE 1

sale or lease of a Unit so acquired by the Mortgagee.

(d) The holders of first mortgages shall have the right to examine the books and records of the Committee and the Association and to require annual reports or other appropriate financial data.

(e) Any management agreement for the Project, of any other contract providing for services of the developer, sponsor or builder shall be terminable by either party without cause and without payment of a termination fee on sixty (60) days' written notice thereof and the term of any such agreement shall not exceed three (3) years.

(f) In the event of substantial damage to or destruction of any Unit or any part of the Common Areas, the institutional holder of any first mortgage on a Unit shall be entitled to timely written notice to any such damage or destruction. No Unit Owner or other party shall be entitled to priority over such institutional holder with respect to the distribution to such Unit of any insurance proceeds.

(g) If any Unit or portion thereof or the Common Areas 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 institutional holder of any first mortgage of a Unit shall be entitled to timely written notice of any such proceeding or proposed acquisition and no Unit Owner or other party shall have priority over such institutional holder with respect to the distribution to such Unit of the proceeds of any award or settlement.

(h) The provisions in paragraph III 23(b) restricting leases of Units shall not apply to a lender in possession of a Unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure.

(i) Each holder of a first mortgage lien (including any purchaser from such holder) on a Unit who comes into possession of or title to a Unit by virtue of foreclosure of the purchaser at a foreclosure sale, shall take the Unit free of and shall not be liable for any unpaid claims or assessments and charges against the Unit which accrue prior to the time of such possession or acquisition of title.

(j) Any holder of a first mortgage, upon request, is entitled to written notification from the Management Committee acting for the Association of any default by the Mortgagor of such Unit in the performance of such Mortgagor's obligation under the Declaration which is not cured within sixty (60) days.

(k) Any lien which the Association acting through the Management Committee may have on any Unit in the Project for the payment of Common Expense assessments attributable to such Unit will be subordinate to the lien or equivalent security

interest of any first mortgage on the Unit recorded prior to the date any such Common Expense assessments become due.

(1) Unless all first Mortgagees of Units have given their prior written approval neither the Management Committee nor the Association of Unit Owners shall:

(1) By act or omission, seek to abandon or terminate the Project;

(2) Change the pro-rata interest or obligations of any Unit for (i) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards and for (ii) determining the pro-rata share of ownership of each Unit in the appurtenant Common Areas.

(3) Partition or subdivide any Unit.

(4) Make any material amendment to the insurance provisions (paragraph III 24) or to these Mortgagee Protection provisions (paragraph III 32) contained in this Declaration.

(5) By act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer, the Common Areas. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas of the Project shall not be deemed a transfer within the meaning of this subparagraph.)

(6) Use hazard insurance proceeds for losses to any condominium property (whether to Units or to the Common Areas) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the Units and/or the Common Areas of the Project.

(m) Upon the written request of any first Mortgagee, the Association agrees to provide such Mortgagee with a letter wherein the Association agrees to notify the Mortgagee or its designee whenever: (i) damage to a Condominium Unit covered by a mortgage purchased in whole or in part by such Mortgagee or its successors or assigns exceeds \$3,000, or (ii) damage to common elements and related facilities exceeds \$10,000.

### 33. Duty of Owner to Pay Taxes on Unit Owned.

It is understood that under the Act each Unit (and its percentage of interest in the Common Areas) in the Project is subject to separate assessment and taxation of each taxing authority and the special district(s) for all types of taxes and assessments authorized by law, and that as a result thereof no taxes will be assessed or levied against the Project as such. Accordingly, each Unit Owner will pay and discharge any and all taxes and assessments which may be assessed against him on his Unit.

34. Enforcement. Each Unit Owner shall comply strictly with the provisions of this Declaration and with the



administrative rules and regulations drafted pursuant thereto as the same may be lawfully amended from time to time and with the decisions adopted pursuant to this Declaration and the administrative rules and regulations, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee or manager on behalf of the Unit Owners, or in a proper case, by an aggrieved Unit Owner.

35. Indemnification of Management Committee. Each member of the Management Committee shall be indemnified and held harmless by the Unit Owners against all cost, expenses, and liabilities whatsoever, including, without limitation, attorney's fees, reasonably incurred by him in connection with any proceeding to which he may become involved by reason of his being or having been a member of said Committee.

36. Completion of Common Areas. All Common Area improvements as shown on the map, including but not limited to the two (2) tennis courts and recreational change or dressing room, shall be completed by Declarant and other developers within two (2) years from the date hereof at Declarant's expense.

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

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

39. Topical Headings. The headings appearing at the beginning of the paragraphs of this Declaration are only for convenience of reference and are not intended to describe, interpret, define or otherwise affect the content, meaning or intent of this Declaration or any paragraph or provision hereon.

40. Effective Date. This Declaration shall take effect upon recording in the office of the County Recorder of Summit County, Utah.

IN WITNESS WHEREOF, the undersigned, being the Declarant has caused this instrument to be executed and its seal be affixed hereto on the 14<sup>th</sup> day of AUGUST, 1981.

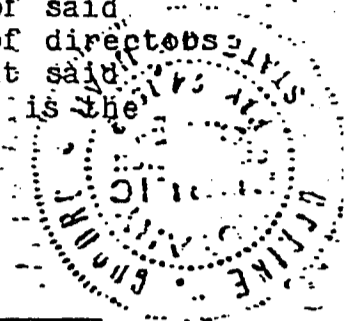
UTAH HOUSE DEVELOPMENT, INC.  
a Utah corporation

By Michael V. Hansen

BOOKM 196 PAGE 438

STATE OF UTAH )  
 ) SS.  
COUNTY OF SUMMIT )

On the 14<sup>th</sup> day of AUGUST, 1981, personally appeared before me MICHAEL V. HARDMAN who being by me duly sworn did say that he is the PRESIDENT of said corporation by authority of a resolution of its board of directors; and said MICHAEL V. HARDMAN acknowledged to me that said corporation executed the same and that the seal affixed is the seal of said corporation.



Dorine J. Goodie  
Notary Public  
Residing at:  
Coalville, Utah

My Commission Expires:  
May 24, 1983

BOOK 196 PAGE 439

CONSENT TO RECORDATION BY MORTGAGEE

First Security Bank of Utah, N.A., a lien holder on the property described in Article II of this Declaration by virtue of a Deed of Trust, hereby consents to the recordation of this Declaration and accompanying By-laws and Record of Survey Map; provided, however, that in so doing it shall not be deemed either a Declarant or developer of the Project.

DATED this 17 day of Aug., 1981.

By [Signature]  
Title Asst. Vice Pres.

STATE OF UTAH )  
                          ) SS.  
COUNTY OF SUMMIT )

On this 17th day of Aug., 1981, personally appeared before me [Signature], who being by me duly sworn, did say that he is a Asst. Vice Pres. of First Security Bank of Utah, N.A., a corporation of the United States, and that the foregoing "Consent to Recordation by Mortgagee" was signed by him in behalf of said corporation by authority of a resolution of its Board of Directors.

[Signature]  
NOTARY PUBLIC  
Residing at: Salt City, UT

My Commission Expires:

January 22, 1983

BOOKM 196 PAGE 440

EXHIBIT A

<u>UNIT</u>	<u>TOTAL SQ.FT.</u>	<u>% OF TOTAL *</u>
41	1,773	5.592
42	1,773	5.592
43	1,773	5.592
44	1,773	5.592
45	1,827	5.761
46	2,102	6.629
47	2,102	6.629
48	2,102	6.629
49	1,827	5.761
50	1,448	4.566
51	1,448	4.566
52	1,448	4.566
53	1,448	4.566
54	1,773	5.592
55	1,773	5.592
56	1,773	5.592
57	1,773	5.592
58	1,773	5.592

\* Total Square Footage: 31,709

EXHIBIT "B"

ENTIRE TRACT

PARCEL A

Beginning at a point North  $89^{\circ}15'54''$  East 2781.375 feet along a section line from the Southwest corner of Section 30, Township 1 South, Range 4 East, Salt Lake Base and Meridian and running thence North 239.84 feet; thence South  $48^{\circ}00'$  West 94.95 feet to a point of a 265.00 foot radius curve to the right, the radius point of which bears North  $42^{\circ}00'$  West 265.00 feet; thence Westerly along the arc of said curve 494.89 feet to a point of tangency; thence North  $25^{\circ}00'$  West 58.76 feet to a point on a 757.56 foot radius curve to the left, the radius point of which bears North  $29^{\circ}02'52''$  West 757.56 feet; thence Northeasterly along the arc of said curve 435.69 feet to a point of a 386.68 foot radius curve to the left, the radius point of which bears North  $62^{\circ}00'$  West 386.68 feet; thence Northerly along the arc of said curve 188.97 feet to a point of a 356.27 foot radius curve to the left, the radius point of which bears West 356.27 feet; thence Northerly along the arc of said curve 127.47 feet; thence North  $69^{\circ}30'$  East 80.705 feet to a point of a 1161.06 foot radius curve to the right, the radius point of which bears South  $20^{\circ}30'$  East 1161.06 feet; thence Northeasterly along the arc of said curve 344.49 feet to a point of a 387.55 foot radius reverse curve to the left, the radius point of which bears North  $3^{\circ}30'$  West 387.55 feet; thence Northeasterly along the arc of said curve 375.40 feet; thence South  $59^{\circ}00'$  East 316.83 feet to a fence line; thence South  $3^{\circ}10'$  East along said fence line 2338.21 feet to a fence corner; thence North  $89^{\circ}21'18''$  West along a fence line 130.93 feet to a fence corner; thence North  $3^{\circ}10'$  West along a fence line 1293.40 feet to a point on a section line; thence South  $89^{\circ}15'54''$  West along a section line 729.17 feet to the point of beginning.

Contains 29.980 acres

PARCEL B

Beginning at a point which is N  $89^{\circ}15'54''$  E, 2781.375 feet along the Section line and North, 239.84 feet from the Southwest Corner of Section 30, T 1 S., R 4 E., S.L.B. & M. and running thence S  $48^{\circ}00'$  W, 94.95 feet to a point on a 265.0 foot radius curve to the right (radius point bears N  $42^{\circ}00'$  W); thence Westerly along said curve 494.89; thence N  $25^{\circ}00'$  W. 58.76 feet to a point on a 757.56 foot radius curve to the left (radius point bears N  $29^{\circ}02'52''$  W); thence Northeasterly along said curve 435.69 feet to a point on a 386.68 foot radius curve to the left (radius point bears N  $62^{\circ}00'$  W); thence Northerly along said curve 60.74 feet; thence S  $71^{\circ}00' 00''$  E, 170.0 feet; thence East,

317.0 feet; thence S 34°00'00" E, 269.94 feet; thence South 65.57 feet; thence West, 200.00 feet to a point on a 360.00 foot radius curve to the left (radius point bears South); thence Southwesterly along said curve 263.89 feet to the point of beginning.

Containing 7.00 acres

PARCEL C

Beginning at a point which is N 89°15'54" E along the Section Line 2301.17 feet and North, 251.85 feet from the Southwest corner of Section 30, T. 1 S., R. 4 E., S.L.B. & M., said point also being on a 265.0 foot radius curve (radius point bears N 61°13'41" E) and running thence N 49°47'04" E, 170.30 feet; thence S 40°12'56" E, 160.0 feet; thence S 49°47'04" W, 152.82 feet to a point on a 265.0 foot radius curve to the right (radius point bears N 25°52'13" E); thence Northwesterly along the arc of said curve 163.54 feet to the point of beginning.

Containing 0.624 acres

34  
PAGE 443

ARTICLES OF INCORPORATION  
OF  
SILVER SPRINGS TOWNHOUSE OWNERS ASSOCIATION

The undersigned, desiring to establish a non-profit corporation pursuant to the Utah Non-Profit Corporation and Cooperative Association Act hereby adopt the following Articles of Incorporation:

ARTICLE I

The name of the corporation shall be Silver Springs Townhouse Owners Association.

ARTICLE II

The corporation shall have perpetual existence.

ARTICLE III

(a) Purposes. The objects and purposes of the corporation shall be:

(i) To provide for the preservation of the values and amenities as to the Silver Springs Townhouse Condominiums (the "Property") and for maintenance of certain common facilities located on the Property (the "Common Facilities").

(ii) To regulate and control the relationships between the owners of condominiums located on the Property (the "Owners") in connection with their ownership of the condominiums.

(iii) To provide for the pleasure and recreation of the Owners; and

(iv) To promote the best interests of the Owners for the purpose of securing for them the fullest utilization and enjoyment of the Property.

(b) Powers. In furtherance of the foregoing purposes, but not otherwise, the corporation (which is sometimes hereinafter called the "Association") shall have and exercise all of the following powers:

(i) Real and Personal Property. To acquire, by gift, purchase, trade or any other method, own, operate, build, manage, rent, sell, develop, encumber, and otherwise deal in and with real and personal property, of every kind and character, tangible and intangible, wherever located, and interests of every sort therein.

(ii) Borrowing. To borrow funds or raise moneys in any amount for any of the purposes of the Association and from time to time

to execute, accept, endorse and deliver as evidences of such borrowing, all kinds of instruments and securities, including, but without limiting the generality of the foregoing, promissory notes, drafts, bills of exchange, warrants, bonds, debentures, property certificates, trust certificates and other negotiable or non-negotiable instruments and evidences of indebtedness, and to secure the payment and performance of such securities by mortgage on, or pledge, conveyance, deed or assignment in trust of, the whole or any part of the assets of the Association, real, personal or mixed, including contract rights, whether at the time owned or hereafter acquired.

(iii) Contracts. To enter into, make, amend, perform and carry out, or cancel and rescind, contracts, leases, permits and concession agreements for any lawful purposes pertaining to its business.

(iv) Guaranties. To make any guaranty respecting securities, indebtedness, notes, interest, contracts or other obligations created by any individual, partnership, association, corporation or other entity, and to secure such guaranties by encumbrance upon any and all assets of the Association, to the extent that such guaranty is made in pursuance of the purposes herein set forth.

(v) Loans. To lend money for any of the purposes above set forth; to invest its funds from time to time and take and hold real and personal property as security for payment of funds so loaned or invested.

(vi) Assessments. To levy monthly assessments and special assessments against the Owners for common expenses (including but not limited to the costs of providing, repairing and maintaining Common Facilities, to charge interest on unpaid assessments and to collect dues, fees and interest in accordance with its bylaws, to enforce liens given as security for such assessments, dues, fees and interest, and to suspend the right to use the Common Facilities for any period during which any assessment remains unpaid.

(vii) General Powers. To do everything necessary, suitable or proper for the accomplishment of any of the purposes, the attainment of any of the objects, or the furtherance of any of the powers above set forth, either alone or in connection with other corporations, firms or individuals, and either as principal or agent, and to do every act or thing incidental or appurtenant to, or growing out of, or connected with any of the aforesaid objects, purposes or powers.

(viii) Rule Making. To make and enforce rules and regulations with regard to the use and enjoyment of the Property.

(ix) Management, Maintenance and Repair. To provide for the management, maintenance and repair of the Common Facilities.



(x) Powers Conferred by Law. The foregoing enumeration of specific powers shall not limit or restrict in any manner the general powers of the Association and the enjoyment and exercise thereof as now or hereafter conferred by the laws of Utah.

(c) Restrictions Upon Purposes and Powers. The foregoing purposes and powers of the Association are subject to the following limitations:

(i) That the Association shall be organized and operated exclusively for pleasure, recreational and other nonprofitable purposes as set forth in Section 501(c)(7) of the Internal Revenue Code of 1954, as it is now or may hereafter be amended, or in any corresponding provisions of any future law of the United States of America providing for exemption of similar organizations from income taxation; and

(ii) That no part of the net earnings of the Association shall inure to the benefit of any private holder of membership certificates in the Association ("Members").

(d) Dividends, Distributions, etc. The Association shall not pay any dividends. No distribution of the corporate assets to Members (as such) shall be made until all corporate debts are paid, and then only upon final dissolution of the Association by the affirmative vote of at least eighty percent (80%) of the votes of each class of the members at any regular or special meeting called for that purpose at which a quorum shall be represented. Upon such dissolution and distribution, the assets remaining after payment of all debts shall be distributed among the members in proportion to their respective voting rights.

#### ARTICLE IV

(a) Members. Every person or entity who is a record owner of a fee or undivided fee interest in any condominium shall be a member of the association. The foregoing shall not include persons or entities who hold an interest merely as a security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any condominium which is subject to assessment by the Association. Ownership of such condominium shall be the sole qualification for membership.

(b) Voting Rights. The Association shall have two classes of voting membership:

Class A. Each Owner other than the Developers, shall be a Class A member. Class A members shall, with respect to a Unit in which the interest required for membership is held, be entitled to one vote for each Unit owned.

Class B. The Class B members shall be the Developers. The Class B members shall be entitled to four votes with respect to each Unit in which they hold the interest required for membership in the Association.

Stock Certificates. Neither the issuance nor the holding of membership certificates or shares of stock shall be necessary to evidence membership in the Association. However, the Board of Directors is authorized to issue membership certificates if it deems such to be advisable or appropriate.

Multiple Ownership. In the event there is more than one Owner of a particular Unit, the vote or votes relating to such Unit shall be exercised as such Owners may determine among themselves. A vote or votes cast at any Association meeting by any of such Owners, whether in person or by proxy, shall be conclusively presumed to be the vote or votes attributable to the Unit concerned unless any objection is immediately made by another Owner of the same Unit. In the event such an objection is made, the vote or votes shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

Suspension of Voting Rights. The voting rights of a member shall be suspended for any period during which any assessment remains unpaid, and for any period not to exceed 30 days for infraction of the Association's published rules and regulations.

Amendment. This Article IV may be amended only by the unanimous vote of all the members.

#### ARTICLE V

The control and management of the affairs of the Association and the disposition of its funds and property shall be vested in a Board of Trustees. The number of Trustees (which may not be less than 3), their terms of office and the manner of their selection or election shall be determined according to the Bylaws from time to time in effect. Cumulative voting shall not be allowed in the election of Trustees or for any other purpose. The names and addresses of those comprising the first Board of Trustees, to serve until their successors shall be duly elected, are as follows:

<u>Name</u>	<u>Address</u>	<u>Initial Term</u>
Michael V. Hardman	2806 South Pinebrook Road Park City, Utah 84060	3 years
_____		
_____		

Each Trustee, whether or not then in office, and each person who may have served at the request of the Association as a

Trustee or officer, and his executors, administrators and assigns, shall be indemnified by the Association against all costs and expenses reasonably incurred by or imposed upon him in connection with or arising out of any actions, suit or proceeding in which he may be involved, or to which he may be made a part by reason of his being or having been such a Trustee or officer (such expenses to include the cost of reasonable settlement made with a view toward curtailment of the costs of litigation), except in relation to matters as to which he shall be finally judged in such action, suit or proceeding to have been liable for gross negligence or wilfull misconduct in the performance of his duties to the Association, and the foregoing right of indemnification shall not be exclusive of other rights to which he may be entitled as a matter of law.

ARTICLE VI

The name and address of the incorporator and initial registered agent of this corporation is Michael V. Hardman, whose registered office is the principal office stated in Article VII and whose residence is 2806 South Pinebrook Road, Park City, Utah 84060.

ARTICLE VII

The principal office of the corporation is Highway 224 Box 209, Park City, Utah 84060, which office may be changed at any time by the Board of Trustees without amendment to the Articles of Incorporation.

DATED this 17<sup>th</sup> day of AUGUST, 1981.

Michael V. Hardman  
MICHAEL V. HARDMAN

STATE OF UTAH )  
  ) ss.  
COUNTY OF SUMMIT )

On the 17<sup>th</sup> day of AUGUST, 1981, personally appeared before me Michael V. Hardman, who, being by me first duly sworn, declared that he is the person that signed the foregoing document as incorporator, and that the statements therein contained are true.

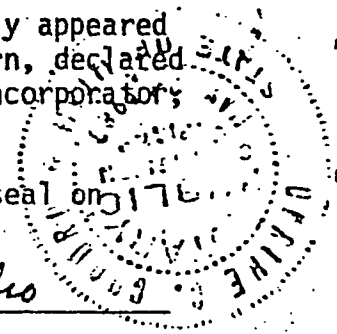
In witness whereof, I have hereunto set my hand and seal on this 17<sup>th</sup> day of AUGUST, 1981.

Doine A. Goodie  
NOTARY PUBLIC

May 24, 1983  
MY COMMISSION EXPIRES:

Coalville, Utah  
RESIDING AT:

BOOK 196 PAGE 448



## BYLAWS

### SILVER SPRINGS TOWNHOUSE CONDOMINIUMS

#### An Association of Unit Owners Under the Utah Condominium Ownership Act

The administration of SILVER SPRINGS TOWNHOUSE CONDOMINIUMS (the "Property") and the SILVER SPRINGS TOWNHOUSE CONDOMINIUMS OWNERS ASSOCIATION ("Association") shall be governed by these Bylaws, by the Utah Condominium Ownership Act, Utah Code Annotated, Sections 57-8-1 through 57-8-35 (Repl. Vol. 1973) (the "Act") and by the Declaration.

#### 1. Application of Bylaws

All present and future unit owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the property in any manner are subject to the Declaration, these Bylaws and all rules made pursuant hereto and any amendment thereof. The acceptance of a deed or conveyance or the entering into a lease or the act of occupancy of a unit shall constitute an agreement that the provisions of the Declaration and these Bylaws (and any rules and regulations made pursuant thereto), as they may be amended from time to time, are accepted, ratified and will be complied with.

#### 2. Management Committee

2.1 The administration of the property on behalf of the Association shall be conducted by a Management Committee of seven natural individuals.

2.2 Any member of the Management Committee who fails to attend three consecutive Committee meetings or fails to attend at least 25% of the Committee meetings held during any calendar year shall forfeit his membership on the Committee.

2.3 Any member of the Management Committee may resign at any time by giving written notice to the remaining Committee members. Any member of the Committee may be removed from membership on the Committee by a three-fourths majority vote of the Association. Whenever there shall occur a vacancy on the Committee due to death, resignation, removal or any other cause, the remaining members shall elect a successor member to serve until the next annual meeting of the Association, at which time said vacancy shall be filled by the Association for the unexpired term, if any.

2.4 The members of the Management Committee shall receive no compensation for their services unless expressly approved by a majority of the Association; provided, however, that any member

of the Committee may be employed by the Association in another capacity and receive compensation for such employment.

2.5 The meetings of the Management Committee shall be held at such places within or without the State of Utah as the Committee shall determine. Four (4) members of the Committee shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Committee. The Committee shall annually elect all of the officers of the Association. The meeting for the election of officers shall be held at the first meeting of the Committee immediately following the annual meeting of the Association.

2.6 Special meetings of the Management Committee may be called by any two Management Committee members.

2.7 Regular meetings of the Management Committee may be held without call or notice. The person or persons calling a special meeting of the Committee shall, at least ten (10) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purposes 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.

2.8 Any member of the Management Committee may, at any time, waive notice of any meeting of the Committee in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Committee at a meeting shall constitute a waiver of notice of such meeting except if a Committee 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 Committee are present at any meeting of the Committee, no notice shall be required and any business may be transacted at such meeting.

2.9 The first annual meeting of the Association shall be held within 30 days following the recording of the Declaration, at which time the Association shall elect the members of the Management Committee.

2.10 After the election of the members of the Management Committee at the first annual meeting of the Association, Declarant shall execute, acknowledge and record an affidavit stating the names of the members of the newly elected Management Committee. Thereafter, any two (2) persons who are designated of record as being members of the most recent Committee (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 Management Committee. The most recently recorded of such affidavits shall be prima facia evidence that the persons named therein are all of the incumbent members of the Committee and shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.

2.11 The fiscal year shall be determined by the Committee.

### 3. Meetings of the Association

3.1 The presence in person or by proxy at any meeting of the Association of fifty percent (50%) of the Unit Owners in response to notice to all Unit Owners of record properly given shall constitute a quorum. Each Unit shall be entitled to one vote. In the event that fifty percent (50%) of the Unit Owners are not present in person or by proxy, the meeting shall be adjourned for twenty-four (24) hours, at which time it shall reconvene and any number of Unit Owners present at such subsequent meeting shall constitute a quorum. Unless otherwise expressly provided in the Declaration, any action may be taken at any meeting of the Unit Owners upon a majority vote of the Unit Owners who are present in person or by proxy and who are voting.

3.2 The annual meeting of the Association shall be held on the second Tuesday of February at 7:00 p.m. at the property or at such other reasonable place or time (not more than sixty (60) days before or after such date) as may be designated by written notice by the Management Committee delivered to the Unit Owners not less than fifteen (15) days prior to the date fixed for said meeting. At or prior to an annual meeting, the Management Committee shall furnish to the Unit Owners: (i) a budget for the coming fiscal year that shall itemize the estimated common expenses of the coming fiscal year with the estimated allocation thereof to each Unit Owner; and (ii) an audited statement of the common expenses itemizing receipts and disbursements for the previous and current fiscal year, together with the allocation thereof to each Unit Owner. Within ten (10) days after the annual meeting, that budget statement shall be delivered to the Unit Owners who were not present at the annual meeting.

3.3 Special meetings of the Association may be held at any time at the property or at such other reasonable place to consider 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. Special meetings shall be called by written notice, signed by a majority of the Management Committee, or by Unit Owners representing at least one third (1/3) in interest of the undivided ownership of the Common Areas and facilities and delivered to all Unit Owners not less than fifteen (15) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting, and the matters to be considered.

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

### 4. Officers.

4.1 All officers and employees of the Association shall serve

at the will of the Management Committee. The officers shall be a president, vice president and secretary-treasurer. The Committee may appoint such other assistant officers as the Committee may deem necessary. Officers shall be required to be Unit Owners, and the president and vice president must be members of the Committee. No officer shall receive compensation for serving as such. Officers shall be annually elected by the Committee and may be removed and replaced by the Committee. The Committee may, in its discretion, require that officers (and other employees of the Association) be subject to fidelity bond coverage.

4.2 The president shall be the chief executive of the Committee and shall preside at all meetings of the Unit Owners and of the Committee and may exercise the powers ordinarily allocable to the presiding officer of an Association, including the appointment of committees. The president shall exercise general supervision over the property and its affairs. He shall do and perform all acts which the Management Committee may require.

In the absence or inability of the president, the vice president shall perform the functions of the president.

4.3 The secretary-treasurer shall keep minutes of all proceedings of the Committee and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the Unit Owners and the Committee.

The secretary-treasurer shall also be responsible for the fiscal affairs of the Association but may delegate the daily handling of funds and the keeping of records to a manager or managing company.

## 5. Litigation

5.1 If any action is brought by one or more but less than all Unit Owners on behalf of the Association and recovery is had, the plaintiff's expenses, including reasonable counsel's fees, shall be a common expense; provided, however, that if such action is brought against the Unit Owners or against the Management Committee, the officers, employees, or agents thereof, in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all the Unit Owners, the plaintiff's expenses, including counsel fees, shall not be charged to or borne by the other Unit Owners, as a common expense or otherwise.

5.2 Complaints brought against the Association, the Management Committee or the officers, employees or agents thereof, in their respective capacities as such, or the property as a whole, shall be directed to the Management Committee which shall promptly give written notice thereof to the Unit Owners and any mortgagees and shall be defended by the Committee, and the Unit Owners shall have no right to participate other than through the Committee in such defense. Complaints against one or more, but less than all Unit Owners shall be directed to such Unit Owners, who shall promptly give written notice thereof to the Committee and to the mortgagees affecting such Units, and shall be defended by such Unit Owners.

6. Abatement and Enjoinment of Violations by Unit Owners

The violation of any house rules or administrative rules or regulations adopted by the Committee or the breach of any provision contained herein, or the breach of any provision of the Declaration, shall give the Committee the right, in addition to any other rights set forth in these Bylaws:

6.1 After fifteen (15) days written notice setting forth such violation or breach and requiring rectification thereof, to enter the Unit in which or as to which such violation or breach exists and to similarly correct, abate or remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and to thereafter individually assess such Unit for the reasonable expense of correcting such violation or breach and the Management Committee shall not thereby be deemed guilty in any manner or trespass; or

6.2 To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of such breach.

7. Accounting

7.1 The books and accounts of the Association shall be kept in accordance with generally accepted accounting procedures under the direction of the treasurer.

7.2 At the close of each fiscal year, the books and records of the Committee shall be completed for the year by a public accountant approved by the Association. An audited report prepared by a certified public accountant shall not be required unless one-third (1/3) or more of the Unit Owners require such audit.

7.3 The books and accounts of the Association shall be available for inspection at the office of the Association by any Unit Owner or his authorized representative during regular business hours.

8. Special Committees

The Management Committee by resolution may designate one or more special committees, each committee to consist of two (2) or more Unit Owners, which to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. Such special committee or committees shall have such name or names as may be determined from time to time by the Management Committee. Such special committees shall keep regular minutes of their proceedings and report the same to the Management Committee when required. The members of such special committee or committees designated shall be appointed by the Management Committee or the president. The Management Committee or the president may appoint Unit Owners to fill vacancies on each of said special committees occasioned by death, resignation, removal or inability to act for any extended period of time.

BOOK 196 PAGE 453



9. Amendment of Bylaws

These Bylaws may be amended by a two-thirds (2/3) affirmative vote of the Association at a meeting duly called for such purpose. Upon such an affirmative vote, the Management Committee shall acknowledge the amended Bylaws, setting forth the fact of the required affirmative vote of the Unit Owners and the amendment shall be effective upon recording.

10. Severability

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

11. 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.

12. Effective Date

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

13. Conflict

In the event of any conflict between the provisions of these Bylaws and the Declaration, the provisions of the Declaration shall prevail.

BOOKM 196 PAGE 45 4