

April 20, 1989

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Ryan L. Richards, Esq.
American Savings
P.O. Box 45010
Salt Lake City, Utah 84145-0010

Re: common areas--Silver Springs Subdivision

Dear Mr. Richards:

In connection with the claim of the Silver Springs Homeowners Association concerning conveyance of certain parcels within the developed area of the subdivision for use as common areas, I have been informed by Ms. Nancy Burke that the contract purchasers of the remainder of American Savings' holdings in the subdivision will "assume all liability for outstanding issues with the Homeowners Association."

I have spoken with two principals of the development group, and while they understand my client's concerns and have indicated willingness to cooperate with the Association in the future, they are unable to formally commit to the transfer of that parcel otherwise known as Parcel "H," or the park parcel, to the homeowners. While this may be an understandable position for a new owner, the Association does not believe it is in their interests to allow the sale of the subdivision property to a third party prior to the transfer of the park parcel, a conveyance American Savings has ostensibly committed itself to for several years now.

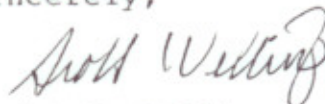
In view of the imminent closing of the sale of American Savings' Silver Springs Subdivision holdings, be advised that if a good and sufficient warranty deed conveying the park parcel hereinafter described is not delivered to this office by April 27, 1989, the Homeowners Association will have no other alternative but to immediately thereafter compel the transfer of that parcel by judicial means, and has instructed this office accordingly. A lis pendens will be filed against the property, and injunctive relief to prevent the sale, if necessary, is under discussion at this time.

The subject property is identified on the enclosed survey map as Parcel 1 and Parcel 2; also enclosed is a legal description of the property, identified as "Parcel 3," derived from a property report prepared by a Associated Title Company for

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the purchasers. Although the survey and deed descriptions differ slightly, I believe any discrepancy would be easily resolved. Your earliest response would be beneficial to all concerned.

Sincerely,



Scott C. Welling

SCW:kng

Enclosures

cc: Nancy J. Burke
Rick Widdows
Dale Boschetto