

MEMORANDUM

FROM: RICHARD WIDDOWS, MICHAEL BARNES,
WARREN E. SPIEKER, JR.

TO: HOMEOWNERS ASSOCIATIONS CONSISTING OF
SILVER SPRINGS; WILLOW BEND WEST; WILLOW
BEND EAST; MEADOW SPRINGS; AND SILVER
SPRINGS TOWNHOUSES

DATE: JUNE 1, 1989

RE: DESIGNATION OF PARK AREAS AND OTHER COMMON
RECREATIONAL AREAS

OVERVIEW

This memorandum is a follow-up to a meeting with the homeowners associations on May 18th at the offices of Gump & Ayers Real Estate. The meeting was held to discuss a proposal regarding some common park, recreational, and open areas adjacent to and bordering the Silver Springs Lakes. In attendance were representatives of the above-referenced homeowners associations (the "homeowners"). The purpose of this memo is to put in writing the results of our discussions at that meeting.

As indicated to the homeowners in the May 18th meeting, the developers are in the process of acquiring from American Savings (who took the property back through a foreclosure) approximately 61 acres of ground adjacent to the Silver Springs Lakes. The original master plan for the Silver Springs developments referenced a requirement for the original development to allocate approximately four acres of ground for common park area.

Over the past several years, disputes have arisen between certain of the homeowners and the present owner, American Savings, as it related to exactly where and when the four acres of common park area would be located. The developers, as part of their efforts to acquire the property from American Savings, desire to resolve this long-standing dispute. For that purpose the developers have been meeting over the past several weeks with the Silver Springs Homeowners Association, and most recently on May 18th, with the collective homeowners in order to identify what properties might be acceptable as common park and recreational areas.

In addition to the above discussions, the developers and representatives of the Silver Springs Homeowners Association met with the Summit County Commission on Tuesday, May 23rd. At that meeting, the proposal discussed with the homeowners on May 18th

was outlined for the County Commissioners. The County Commissioners were pleased with the proposal and gave clear instructions to the representatives of the homeowners, as well as the developers, to come to a resolution on this subject. The Commissioners further indicated that if we do not come to an agreement, they will hold firm with the original master plan and, frankly, do not desire to entertain further discussion on this matter.

In the above context, this memorandum may be treated as a Statement of Intent on the part of Richard Widdows, Michael Barnes, and Warren Spieker, Jr. (the "developers") to provide to the homeowners, common park, recreational, and open areas on the terms provided below. By way of review, the proposal submitted to the Commission, and hereby submitted to the homeowners, is as follows:

PROPOSAL

1. The allocation of ground for common park, recreational and open area is depicted on the attached exhibit.

2. The parcel identified as "1-H", together with common open space, as depicted on the attached exhibit, would be conveyed by Special Warranty Deed to a master homeowners association (as described below). This conveyance would take place upon the creation of the master homeowners association. Although the conveyance of this property to the master homeowners association would be free and clear of financial encumbrances, the actual property would be conveyed in its "as is" condition.

3. The developers would attempt to acquire the tennis courts as identified on the exhibit and convey them to the master homeowners association. If acquisition was not possible, the developers would attempt to acquire from the owner a long-term lease on the tennis courts. The lease would be on terms which would require the homeowners to be responsible essentially for property taxes and maintenance fees on the tennis courts. Also, the tennis courts would be cleaned up immediately by the developers, at the developers expense, after closing of the transaction with American Savings. Although the developers anticipate that they will be able to obtain such a lease, if not an outright purchase of the tennis courts, the tennis court aspect of the proposal is necessarily a contingent one. Furthermore, the developers will not be required to purchase the tennis courts if the purchase price exceeds \$5,000.00.

4. The berm areas to be acquired by the developers from American Savings as depicted on the exhibit would be conveyed by Special Warranty Deed to the master homeowners association. Such conveyance shall take place no later than November 1, 1990. In addition to the berm areas to be acquired from American Savings, the developers would attempt to acquire additional open space

from a third party owner. That space is also identified on the exhibit. If acquired, that ground would be conveyed by Special Warranty Deed from the developers to the master homeowners association. Although the developers anticipate that they will be able to acquire the additional open space, this aspect, as with the tennis courts in paragraph 3 above, is necessarily a contingent one. Furthermore, the developers will not be required to purchase the additional open space if the purchase price exceeds \$2,000.00, and/or the third party owner can't deliver clear title. The developers, simultaneously with the conveyance to the homeowners, would make arrangements, at the developer's expense, for cleaning and smoothing of all berm areas conveyed to the homeowners.

5. Additional berming to the berm areas could be added by the developers at their discretion, and at their expense.

6. The developers would assume the responsibility and reasonable legal expense associated with the formation of a master homeowners association.

7. The costs for development and improvement of the common park, recreational, and open areas depicted on the attached exhibit, will be distributed among all members of the master homeowners association. The formula for the distribution will be as follows:

(a) Each developed lot, single family residence, and condominium or townhouse unit will be charged with one share for purposes of allocating the common area expenses associated with the above-described properties. By way of illustration, if the development costs for the park and recreational areas, including the tennis court, if applicable, amount to \$100,000.00, and there are collectively 200 lots, single family residences and townhouses, the per unit assessment would be \$500.00. It is understood that the actual figure may vary, depending on actual development costs and number of lots, pads, or condo units being assessed.

(b) The "interior parcel" as depicted on the attached exhibit will not be charged with shares as provided in subparagraph 7.(a) above, until such time as the developers proceed with developing and marketing of the lots and condo units contained within that parcel. When such development(s) are platted, and marketing commences, each lot, pad, or condo unit would be assessed the exact dollar figure which all other lots, pads, or condo units have previously been assessed based on the formula provided in subparagraph 7.(a) above. The payment for such assessments would be due upon the closing of each lot, pad, or condo sale, on a "pay as you go" basis.

8. The homeowners would release any and all claims against American Savings and the developers on all matters associated with the common park, recreational, and open space, including

access points and requested access points to the lake.

CONCLUSION & ACCEPTANCE

The above represents the essential nature of the plan developed at our May 18th meeting. As indicated above, this matter was discussed before the Summit County Commission on May 23rd. The Commissioners are anxious to have the developers and homeowners come to an agreement as discussed above. If the above terms are acceptable to your homeowners association, please have an authorized officer or director sign the memorandum in the applicable space provided below. Please return the signed document to:

Mike Barnes
Trend Properties
P.O. Box 1980
Park City, Utah 84060

If you have any questions at all, please contact either Mike Barnes or Rick Widdows. We look forward to hearing from you.

Warren E. Spieker, Jr. Richard Widdows Michael Barnes

Silver Springs Homeowners
Association

by: _____

Willow Bend West Homeowners
Association

by: _____

Willow Bend East Homeowners
Association

by: _____

Meadow Springs Homeowners
Association

by: _____

Silver Springs Townhouses
Association

by: _____

*Meadow Wild -
Mtn. Hwy - Quail Meadows -*

TREND.HOA

EXHIBIT

TO JUNE 1, 1989 MEMORANDUM
FOR GENERAL LOCATION OF COMMON PARK, RECREATIONAL & OPEN AREA
PROPOSED FOR MASTER ASSOCIATION

