

DECLARATION
SILVER SPRINGS TOWNHOUSE
SILVER MEADOW PHASE
INCLUDING COVENANTS AND

Entry No. <u>182870</u>	Book <u>M196</u>
RECORDED <u>8-21-81</u> at <u>3:31 PM</u>	Page <u>410-5</u>
CONDOMINIUMS <u>Utah House Development</u>	
WANDA V. SPRINGS, SHERMANT CO. RECORDER	
By <u>Wanda V. Springs</u>	
INDEXED _____	ABSTRACT _____

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 Bl 4115 P. 344-49

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 or 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; 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

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 110, PAGE 27

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

BOOK 19 PAGE 433

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

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.

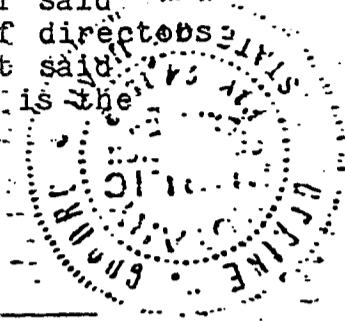
IN WITNESS WHEREOF, the undersigned, being the Declarant has caused this instrument to be executed and its seal be affixed hereto on the 14th day of AUGUST, 1981.

UTAH HOUSE DEVELOPMENT, INC.
a Utah corporation

By Michael V. Hurler

STATE OF UTAH)
) SS.
COUNTY OF SUMMIT)

On the 14th 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.



Dorene C. Goodie

Notary Public
Residing at:
Coalville, Utah

My Commission Expires:
May 24, 1983

BOOKM 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 U.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

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 17th day of AUGUST, 1981.

Michael V. Hardman
MICHAEL V. HARDMAN

STATE OF UTAH)
) : ss.
COUNTY OF SUMMIT)

On the 17th 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.

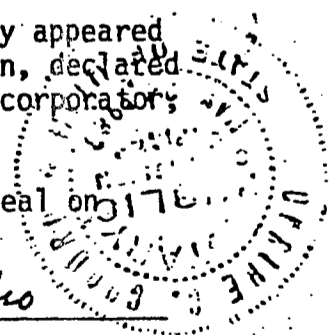
In witness whereof, I have hereunto set my hand and seal on this 17th day of AUGUST, 1981.

Dorine A. Goodie
NOTARY PUBLIC

May 24, 1983
MY COMMISSION EXPIRES:

Coalville, Utah
RESIDING AT:

BOOKM 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 facie 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.

Entry No. <u>193163</u>	Book <u>M224</u>
RECORDED <u>7-1-82</u> at <u>10:38</u> M Page <u>555</u>	<u>6.1</u>
REQUEST of <u>Associated Lites Co.</u>	
FEE	WANDA Y. SPRIGGS, SUMMIT CO. RECORDER
\$ <u>64.50</u>	By <u>Wanda Y. Spriggs</u>
INDEXED	ABSTRACT

DECLARATION OF CONDOMINIUM

QUAIL MEADOWS PHASE OF SILVER SPRINGS

THIS DECLARATION is made and executed by SPENCER-GAMBLE DEVELOPMENT, a Utah general partnership (hereinafter referred to as "Declarant"), pursuant to the provisions of the Utah Condominium Ownership Act, Title 57, Chapter 8, Utah Code Annotated, hereinafter referred to as the "Act".

1. RECITALS.

1.1 Declarant is the sole owner of the real property ("Property") located in Summit County, Utah, hereinafter more particularly described.

1.2 The covenants, conditions and restrictions contained in this Declaration and in the appendices hereto shall be enforceable equitable servitudes and shall run with the land.

1.3 Recorded simultaneously herewith is a record of survey map ("Map") of the Property as required by the Act.

1.4 All terms used in this Declaration and the appended Bylaws shall have the definitions as set forth herein.

1.5 The Property shall be known as Quail Meadows Condominiums ("Quail Meadows").

2. DEFINITIONS.

2.1 Unless the context clearly indicates otherwise, certain terms as used in this Declaration and the foregoing Recitals shall have the meanings set forth in this Section 2.

2.2 Act shall mean the Utah Condominium Ownership Act and amendments thereto. (Title 57, Chapter 8, Utah Code Annotated).

2.3 Association shall mean The Quail Meadows Association of Unit Owners, an unincorporated association, organized in accordance with the provisions of Section 15 hereof.

2.4 Building shall mean the two-story wood frame building constructed on the Property as shown on the Map.

061182

2.5 Bylaws shall mean the Bylaws of the Association, recorded herewith in the Office of the County Recorder for Summit County, State of Utah. A true copy of said Bylaws is attached to this Declaration as Appendix B.

2.6 Condominium shall mean a Unit or Time Period Unit, together with the undivided interest (expressed as a percentage of the entire ownership interest) in the Common Areas and Facilities appurtenant to such Unit as set forth in Appendix A hereto.

2.7 Maintenance Period Units shall mean those Time Period Units to be deeded by Declarant to the Association as provided in Paragraph 10.2 hereof.

2.8 Management Committee shall mean the governing committee of the Association, appointed or elected in accordance with this Declaration and the Bylaws of the Association.

2.9 Manager shall mean the person, firm or company designated by the Association to manage, in whole or in part, the affairs of the Association and the Project.

2.10 Map shall mean the Record of Survey Map of Quail Meadows Phase at Silver Springs, recorded in the office of the County Recorder for Summit County, State of Utah, concurrently with this Declaration.

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

2.12 Mortgagee shall mean any person named as the mortgagee or beneficiary under any Mortgage by which the interest of any Owner is encumbered, or any successor to the interest of such person under such Mortgage.

2.13 Owner shall mean any person or entity, including Declarant, at any time owning a Condominium within the Project. The term "Owner" shall not refer to any Mortgagee, unless such Mortgagee has acquired title for other than security purposes.

2.14 Project shall mean the Property and the Building and all improvements submitted by this Declaration to the provisions of the Act.

2.15 Property shall mean that certain real property situated in Summit County, State of Utah, more particularly

061182

described in Section 3 hereinafter, on which the Project is located.

2.16 Time Period Condominium shall mean a Condominium within the Project consisting of ownership of a Time Period Unit, except Maintenance Period Units, and an undivided interest in the Common Areas and Facilities appurtenant to such Time Period Unit as set forth in Appendix A hereto.

2.17 Time Period Owner shall mean any person or entity, including Declarant, at any time owning a Time Period Condominium; provided, however, that the Association with respect to any Time Period Units owned as Maintenance Period Units shall not be considered a Time Period Owner.

2.18 Time Period Unit shall mean each of fifty-two (52) annually recurring time periods established and designated in Appendix A hereto during which the Owner thereof shall have exclusive use and occupancy of a particular designated Unit within the Project.

2.19 Time Period Unit Furnishings shall mean all furniture, furnishings, equipment, facilities and personal property within particular Units for the exclusive use and benefit of Time Period Owners and all furniture, furnishings, equipment, facilities and personal property hereafter purchased with monies from the Time Period Unit Fund.

2.20 Total votes of the Association shall mean the total number of votes appertaining to all Condominiums.

2.21 Unit shall mean an individual air space unit, consisting of enclosed rooms occupying part of the Building and bounded as described in Section 5 hereinafter.

3. DESCRIPTION OF THE PROPERTY.

The Property on which the Building and improvements are located ("Land") is particularly described as follows:

Beginning at a point which is N.89°15'54"E. 2781.38 feet along the section line from the Southwest corner of Section 30, T.1S., R.4E., S.L.B & M., and running thence North 239.84 feet to a point on a 180.00 foot radius curve to the left (radius point bears N. 1°11'44"W.) and running along said curve 34.26 feet; thence South 54.78 feet to a point on a 39.00 foot radius curve to the left (radius point bears East) and

running along said curve 67.90 feet; thence N.80°15'00"E. 74.84 feet to a point on a 921.00 foot radius curve to the right (radius point bears S.9°45'00"E.) and running along said curve 313.45 feet; thence S.80°15'00" E. 66.85 feet to a point on a 293.78 foot radius curve to the left (radius point bears N.9°45'00"E.) and running along said curve 80.76 feet; thence N.84°00'00"E. 16.50 feet to a point on a 39.00 foot radius curve to the left (radius point bears N.6°00'00"W.) and running along said curve 12.62 feet; thence N.59°00'00"W. 35.97 feet to a point on a 186.00 foot radius curve to the right (radius point bears N.31°00'00"E.) and running along said curve 161.40 feet to the South right-of-way line of Meadow Loop Road; thence East 21.32 feet along said line to a point on a 165.00 foot radius curve to the left (radius point bears N.79°31'28"E.) and running along said curve 139.74 feet; thence S.59°00'00"E. 55.80 feet to a point on a 188.45 foot radius curve to the right (radius point bears S.31°00'00"W.) and running along said curve 29.17 feet; thence S.36°00'00" W. 3.75 feet to a point on a 81.00 foot radius curve to the right (radius point bears N.54°00'00"W.) and running along said curve 67.86 feet; thence S.84°00'00"W. 16.50 feet to a point on a 335.78 foot radius curve to the right (radius point bears N.6°00'00"W.) and running along said curve 92.30 feet; thence N.80°15'00" W. 66.85 feet to a point on a 879.00 foot radius curve to the left (radius point bears S.9°45'00"W.) and running along said curve 299.16 feet; thence S.80°15'00"W. 12.39 feet; thence S.0°36'41"W. 117.90 feet to the Section line; thence S.89°15'54"W. 147.00 feet along said line to the point of beginning.

Containing 1.21 acres.

4. DESCRIPTION OF THE BUILDING.

The Building is of wood frame construction with a wood shingle roof and a partial concrete basement with an attached garage. The building contains four (4) Units. The Building will be supplied with telephone, electricity, water, natural gas and sewage service.

061182

5. DESCRIPTION OF UNITS.

The boundary lines of each Unit are the undecorated and/or unfinished interior surfaces of its perimeter walls, bearing walls, lowermost floor, uppermost ceiling, interior surfaces of windows and doors, and the exterior surfaces of porches and decks, except railings. The interior surfaces of the doors and windows means the points at which such surfaces are located when such window or door is closed. Each Unit shall include both the portions of the Building that are not Common Areas and Facilities within such boundary lines and the space so encompassed, excepting Common Areas and Facilities. Without limitation, a Unit shall include any finishing material applied or affixed to the interior surfaces of the interior walls, floors and ceilings; non-supporting interior walls; and all utility outlets, fixtures or appliances found within the boundary lines of the Unit and servicing only that Unit. Notwithstanding the fact that they may be within the boundaries of the Unit, the following are not part of any Unit: Bearing walls, floors, ceilings and roofs (except the interior surfaces thereof), foundations, ceiling equipment, tanks, pumps, pipes, vents, ducts, shafts, flues, chutes, conduits, wires and other utility installations, except the outlets thereof when located within the Unit.

6. DESCRIPTION OF COMMON AREAS AND FACILITIES.

The Common Areas and Facilities shall mean and include the Property on which the Building is located and all portions of the Project not contained within any Unit, including, but not by way of limitation, the foundation, columns, girders, beams, supports, main walls, roofs and entrances and exits of the Building; the grounds, all recreational facilities, parking areas and storage spaces; the manager's office and any living area reserved for the use of the manager; the areas used for storage of janitorial supplies and maintenance equipment and materials; installations of all central services, including power, light, gas, hot and cold water, heating and garbage collection; tanks, pumps, motors, fans, ducts and, in general, all apparatuses and installations existing for common use; any utility pipes, lines or systems servicing the Units; all ducts, flues, chutes, wires, conduits and other accessories and utility installations to the outlets used therewith; all other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common Areas and Facilities on the Map or any amended Map; and all repairs and replacements of any of the foregoing.

061182

5
BOOKM224 PAGE55 9

7. DESCRIPTION OF LIMITED COMMON AREAS AND FACILITIES.

Limited Common Areas and Facilities shall mean and include those portions of the Common Areas and Facilities reserved for the use of certain Owners to the exclusion of other Owners. The Limited Common Areas and Facilities are designated as such on the Map or any amended Map. The use and occupancy of designated Limited Common Areas and Facilities shall be reserved to its associated Unit; and each Owner is hereby granted an irrevocable license to use and occupy said Limited Common Areas and Facilities during his time period of ownership.

8. SUBMISSION TO CONDOMINIUM.

Declarant hereby submits the Property and the Building and all other improvements thereon to the provisions of the Act. All of said Property is and shall be held, conveyed, hypothecated, encumbered, leased, subleased, rented, used and improved for the aforesaid term as a Condominium Project to be known as Quail Meadows Condominiums. All of said Property is and shall be subject to the covenants, conditions, restrictions, uses, limitations and obligations set forth herein, each and all of which are declared and agreed to be for the benefit of said Project and in furtherance of a plan for improvement of said Property and division thereof into condominiums including Time Period Condominiums; further, each and all of the provisions hereof shall be deemed to run with the land and shall be a burden and a benefit to the Declarant, the successors and assigns of said Declarant, and any person acquiring, leasing, subleasing or owning an interest in the real property and improvements comprising the Project, their assigns, lessees, sublessees, heirs, executors, administrators, devisees and successors.

9. DIVISION INTO CONDOMINIUMS.

The Project is hereby divided into Condominiums, consisting of a Unit or Time Period Unit and (except for Maintenance Period Units) an appurtenant undivided interest in the Common Areas and Facilities.

10. NATURE AND INCIDENTS OF TIME PERIOD CONDOMINIUM OWNERSHIP.

10.1 A Time Period Owner shall have the right to occupy the Unit to which his Time Period Unit relates and to use the Common Areas and Facilities only during the particular annually recurring time period or periods that he owns, except as the

061182

Association or this Declaration may otherwise permit use of the Common Areas and Facilities.

10.2 At least two (2) Time Period Units in each Unit shall be designated Maintenance Period Units and shall have no appurtenant ownership interest in the Common Areas and Facilities and shall not be deemed Condominiums. Declarant shall select and convey to the Association without charge the subject Maintenance Period Units, to be held and used by the Association strictly in accordance with the provisions of this Paragraph. Prior to such conveyance, Declarant shall make at least two (2) Time Period Units in each Unit available annually to the Association for maintenance purposes.

10.3 As to all Time Period Units, the Association shall provide maid service for and all cleaning, maintenance, painting and repair of such Units, and repair and replacement of the Time Period Unit Furnishings therein. The Association shall acquire and pay for such goods and services with funds from the Time Period Unit Fund, as hereinafter provided for, unless the damages were caused by the intentional or negligent acts or omissions of an individual Owner, his family, guests, invitees or licensees, in which event the costs of repair and replacement shall be assessed to such Owner. The Association shall have the same responsibilities with respect to Limited Common Areas and Facilities, if any, appurtenant to such Units, except that it shall not be responsible to any Owner for loss or damage by theft or otherwise of articles stored in any storage area, balcony or Unit.

10.4 Maintenance Period Units shall be used exclusively for the purpose of cleaning, maintaining, repairing, replacing and refurbishing the appurtenant Unit and Time Period Unit Furnishings therein in accordance with the provisions of this Declaration.

10.5 Each Time Period Condominium is and shall hereafter be a parcel of real property, which may be separately held, conveyed, devised, mortgaged, encumbered, leased, rented, used, occupied, improved and otherwise affected in accordance with the provisions of this Declaration.

10.6 Each year shall be divided into 52 Time Periods, designated respectively Time Periods 1 through 52. Time Period 1 shall commence on the first Saturday of each calendar year at 5:00 p.m. local time and end at 11:00 a.m. local time on the following Saturday. Succeeding Time Periods shall be numbered consecutively and shall commence at 5:00 p.m. local time on the last day of the previous Use Period. Time Period 52 shall end at

061182

7
BOOKM 224 PAGE 561

11:00 a.m. local time on the first Saturday of the next succeeding calendar year. No Time Period Unit shall be further divided.

10.7 In the event that any Owner shall occupy a Unit beyond the Time Period(s) which he owns or otherwise attempts to use or occupy such Unit at any time other than the Time Period(s) appertaining to his Time Period Condominium, the Management Committee shall be entitled, upon allegations in a verified complaint signed by any member of the Management Committee, to obtain from any court of competent jurisdiction an order for eviction of said Owner and to obtain enforcement thereof by an appropriate law enforcement agency. Any Owner who does so wrongfully occupy his Unit shall be assessed by the Association as a Common Expense an amount equal to the sum of the following: (1) two times the cost of reasonable alternate lodging for the rightful Owner(s) and their guests for so many 24-hour days or parts thereof as such rightful Owner(s) and their guests have been deprived of the use and occupancy of the Unit, and (2) the reasonable cost of transportation for the rightful Owner(s) and their guests from their home(s) or other point of origination to the Unit. When such amount is collected by the Association, it shall be promptly remitted to the rightful Owner.

10.8 In the event an error by the Association or Manager deprives the rightful Owner of a Time Period Unit of the use and occupancy of such Unit during the Time Period to which the Owner is entitled, the Association shall pay the cost of alternate lodging for the rightful Owner and their guests for so many 24-hour days or parts thereof as such rightful Owner and their guests have been deprived of the use and occupancy of the Unit. The cost thereof shall be a Common Expense, unless chargeable to the Manager pursuant to its contract for services.

10.9 No Owner shall make or cause to be made any alterations, improvements, replacements or repairs in or to the Unit related to his Time Period Condominium or to any Time Period Furnishings therein, except with the prior written consent of the Management Committee or as may be necessary in an emergency to prevent injury to persons or damage to property. In no event shall any Owner subject any Unit or Time Period Furnishings therein to any lien for the making of any alterations, improvements, replacements or repairs therein or thereto. No Owner, nor persons within his control, shall commit any waste with respect to the Property or any part thereof, including without limitation Units, Common Areas and Facilities, Limited Common Areas and Facilities and Time Period Furnishings.

061182

10.10 No Owner or other person or entity acquiring any right, title or interest in a Time Period Condominium shall seek or obtain through any legal procedures, judicial partition of the Time Period Condominium or sale of the Time Period Condominium in lieu of partition; provided, that nothing herein contained shall be construed to prohibit a judicial sale in lieu of partition of a Time Period Condominium owned jointly by two or more persons as between such co-owners.

11. OWNERSHIP OF COMMON AREAS AND FACILITIES.

The undivided interest in the Common Areas and Facilities appurtenant to each Unit or Time Period Unit in the Project shall be as set forth in Appendix A attached hereto and by this reference made a part hereof. Except as provided in Section 30 herein, the percentages appurtenant to each Unit or Time Period Unit as shown in said Appendix A shall have a permanent character and shall not be altered without the unanimous written consent of all Owners expressed in an amendment to this Declaration duly recorded. Except as otherwise provided in this Declaration, each Owner shall be entitled to use the Common Areas and Facilities (other than the Limited Common Areas and Facilities) in any manner that does not hinder or encroach upon the rights of other Owners and is not contrary to any Rules and Regulations promulgated by the Association.

12. TITLE TO CONDOMINIUMS.

12.1 Title to a Condominium within the Project may be held or owned by any person or 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 not by way of limitation, joint tenancy or tenancy in common.

12.2 Title to no part of a Condominium within the Project may be separated from any other part thereof during the period of condominium ownership prescribed herein, and each Time Period Unit (except Maintenance Period Units), and the undivided interest in the Common Areas and Facilities appurtenant to each shall always be conveyed, devised, encumbered and otherwise affected only as a complete Condominium. Every gift, devise, bequest, transfer, encumbrance, conveyance or other disposition of a Condominium, or any part thereof, shall be construed to be a gift, devise, bequest, transfer, encumbrance or conveyance, respectively, of the entire Condominium, together with all appurtenant rights created by law or by this Declaration,

including appurtenant membership in the Association as hereinafter set forth.

12.3 The Common Areas and Facilities shall be owned in common by all of the Owners, and no Owner may bring any action for partition thereof.

12.4 Each Owner shall have the right to mortgage or otherwise encumber his Condominium. However, no Owner shall attempt to or shall have the right to mortgage or otherwise encumber the Common Areas and Facilities or any part thereof except the undivided interest therein appurtenant to his Condominium. Any mortgage or other encumbrance of any Condominium within the Project shall be subordinate to all of the provisions of this Declaration, and in the event of foreclosure the provisions of this Declaration shall be binding upon any Owner whose title is derived through the foreclosure by private power of sale, judicial foreclosure, or otherwise.

12.5 No labor performed or material furnished for use in connection with any Unit with the consent or at the request of an Owner or his agent or subcontractor shall create any right to file a statement of mechanic's lien against the Unit and/or Time Period Unit of any other Owner not expressly consenting to or requesting the same or against any interest in the Common Areas and Facilities except as to the undivided interests therein appurtenant to the Unit of the Owner for whom such labor shall have been performed and such materials shall have been furnished.

12.6 Every contract for the sale of a Condominium and every other instrument affecting title to a Condominium within the Project may describe a Unit by its identifying number or symbol as indicated in this Declaration or as shown on the Map and a Time Period Unit by its identifying Unit number and its Time Period number as indicated in this Declaration. Such description will be construed to describe the Unit and/or Time Period Unit, together with the appurtenant undivided interest in the Common Areas and Facilities, and to incorporate all the rights incident to ownership of a Condominium within the Project and all of the limitations on such ownership as described in this Declaration and/or the Bylaws of the Association.

12.7 The Association shall be named in all deeds of conveyance concerning the Units or any of them as the party to receive, and shall receive, all notices concerning all taxes, assessments and other charges of the State of Utah or of any political subdivision or of any special improvement district or of any other taxing or assessing authority levied on the Units and/or the Common Areas and Facilities. The Management Committee

061182

shall be responsible for paying all taxes and assessments which are or could become a lien on the Common Areas and Facilities, or any portion thereof, and shall apportion all such taxes and/or assessments among the Time Period Condominiums in proportion to the undivided percentage interests in the Common Areas and Facilities appurtenant to each such Condominium. The Association shall furnish to the assessor all necessary information with respect to such apportionment. No forfeiture or sale of any Time Period Condominium for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Time Period Condominium.

13. EASEMENTS.

13.1 If any part of the Common Areas and Facilities encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas and Facilities, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. Such encroachments shall not be considered to be encumbrances either on the Common Areas and Facilities or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of any improvement constructed or to be constructed within the Project, 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.

13.2 Some of the Common Areas and Facilities are or may be located within the Units or may be conveniently accessible only through the Units. The Association shall have the irrevocable right to have access to each Unit and to all Common Areas and Facilities from time to time during such reasonable hours as may be necessary for the maintenance, cleaning, repair or replacement of any Common Areas or Time Period Unit Furnishings located therein or accessible therefrom or for making emergency repairs at any time therein necessary to prevent damage to the Common Areas and Facilities or to a Unit or Units. In addition, the Association or its agents may enter any Unit when necessary in connection with any cleaning, maintenance, repair, replacement, landscaping or construction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Association.

13.3 Each Owner shall have the right to ingress and egress over, upon and across the Common Areas and Facilities as necessary for access to his Unit and to any Limited Common Areas and Facilities appurtenant to his Unit, and shall have the right to the horizontal, vertical and lateral support of his Unit.

13.4 The Association shall have an easement to make such use of the Common Areas and Facilities as may be necessary or convenient to perform the duties and functions that it is obligated or permitted to perform pursuant to this Declaration, including, without limitation, the right to construct and maintain in the Common Areas and Facilities, other than Limited Common Areas and Facilities, facilities for use by Owners generally or by the Association and its agents exclusively.

13.5 All conveyances of Condominiums within the Project hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as are provided herein, even though no specific reference to such easements appears in any such conveyance.

14. RESTRICTIONS ON USE.

14.1 The Time Period Units, except as otherwise permitted in writing by the Association, shall be used and occupied only as follows:

14.1.1 The Time Period Units within the Project shall be used exclusively as a residence for a single family.

14.1.2 No Time Period Unit shall be used to accommodate more than eight (8) persons who are not members of the same immediate family.

14.1.3 No Time Period Unit shall be used for business or commercial activity; provided, however, that nothing in this Subsection shall be deemed to prevent (a) Declarant or its duly authorized agent from using any Units owned by Declarant as sales offices and models or property management office, or (b) any Owner or his duly authorized agent from freely renting or leasing his Unit from time to time.

14.2 The Units, Common Areas and Facilities and Limited Common Areas and Facilities, except as otherwise permitted in writing by the Association, shall be used in accordance with the following restrictions:

061182

14.2.1 No noxious or offensive activity shall be carried on in or upon any part of the Project nor shall anything be done or placed in or upon any part of the Project which is or may become a nuisance or may cause embarrassment, disturbance or annoyance to Owners.

14.2.2 No activities shall be conducted, nor improvements constructed, in or upon any part of the Project which are or may become unsafe or hazardous to any person or property.

14.2.3 No signs, flags or advertising devices of any nature, including, without limitation, commercial, political, informational or directional signs or devices, shall be erected or maintained on any part of the Project, without the prior inspection and written approval of the Association, except as may be necessary temporarily to caution or warn of danger.

14.2.4 No animals, birds, fish or pets of any kind shall be raised, bred, or kept in any Unit or in the Common Areas.

14.2.5 The draperies, shades and other interior window coverings in Units shall present a uniform and pleasant appearance from the outside of the Building. No draperies, shades or other interior window coverings shall be installed or employed in any Unit without the prior inspection and approval of the Association.

14.2.6 No Unit, Time Period Unit, Common Areas and Facilities, or portions thereof may be divided or subdivided or a fractional portion thereof sold or conveyed so as to be held in divided ownership (as opposed to tenancy in common).

14.2.7 No Owners shall, without the prior written consent of the Association, make or permit to be made any structural alteration, improvement or addition in or to his Unit or to the Common Areas and Facilities. No Owner shall, without the prior written consent of the Association, do any act that would impair the structural soundness or integrity of the Building or the safety of property or impair any easement or hereditament appurtenant to the Project.

14.2.8 There shall be no obstruction of the Common Areas and Facilities by any Owner. Owners shall neither store nor leave any of their property in the Common Areas and Facilities, except with the prior consent of the Association.

14.2.9 All vehicles, except automobiles and pickup trucks, shall be parked only in those areas designated for such parking by the Association or managing agent. All automobiles and pickup trucks must be parked in the garages or driveways of the Units.

14.2.10 Nothing shall be done or kept in any Unit or in the Common Areas and Facilities or any part thereof which would result in cancellation of the insurance on the Project or any part thereof, nor shall anything be done or kept in any Time Period Unit which would increase the rate of insurance on the Project or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept in any Unit or in the Common Areas and Facilities or any part thereof which would be in violation of any statute or rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Areas and Facilities or any part thereof shall be committed by any Owner or guest, lessee, licensee or invitee of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him or his guests, lessees, licensees or invitees.

14.2.11 No Owner shall violate the Rules and Regulations for the use of Units or Time Period Units and Common Areas and Facilities as adopted from time to time by the Association.

14.3 During the course of actual construction of any permitted structures or improvements, the provisions, covenants, conditions and restrictions contained in this Declaration shall be deemed waived to the extent necessary to permit such construction, provided that during the course of such construction, nothing is done which will result in a violation of any of said provisions, covenants, conditions or restrictions upon completion of construction.

15. ASSOCIATION OF UNIT OWNERS; MANAGEMENT COMMITTEE

15.1 The persons or entities who are at the time of reference the Owners constitute an unincorporated association and not a legal entity, the characteristics and nature of which are determined by the Act, the Declaration and the Bylaws. The name in which contracts shall be entered into, title to property shall be acquired, held, dealt in and disposed of, bank accounts shall be opened and suits shall be brought and defended by the Management Committee or officers thereof on behalf of, or as

061182

agent for the Owners in the manner specified by the Act, this Declaration and/or the Bylaws, is: "Quail Meadows Association of Unit Owners" ("Association").

15.2 The management and maintenance of the Project and the administration of the affairs of the Association shall be conducted by a Management Committee consisting of five (5) natural persons who need not be Owners. The Management Committee shall be elected as provided in the Bylaws.

15.3 Except as otherwise limited herein, the Management Committee shall employ a managing company for the project pursuant to a written management agreement, and shall have all the powers, duties and responsibilities as are now or may hereafter be provided by the Act, this Declaration and the Bylaws, including but not limited to the following:

15.3.1 To make and enforce all rules and regulations covering the operation and maintenance of the Project and the Units. Such rules and regulations may include reasonable changes in the check-in and check-out times provided in paragraph 10.6 above.

15.3.2 To engage the services of accountants, attorneys or other employees or agents and to pay to said persons a reasonable compensation therefor.

15.3.3 To operate, maintain, repair, improve and replace the Common Areas and Facilities.

15.3.4 To determine and pay the expenses of maintenance, repair and replacement of the Common Areas and Facilities ("Common Expenses"), as well as all expenses related to Time Period Unit Furnishings and maintenance of Time Period Condominiums ("Time Period Unit Expenses").

15.3.5 To assess and collect the proportionate share of Common Expenses and Time Period Unit Expenses from the Owners, as provided in Section 24 hereinafter.

15.3.6 To enter into contracts, deeds, leases and/or other written instruments or documents and to authorize the execution and delivery thereof by the appropriate officers.

15.3.7 To open bank accounts on behalf of the Association and to designate the signatures therefor.

15.3.8 To purchase, hold, sell, convey, mortgage or lease any one or more Condominiums in the name of the Association or its designee.

15.3.9 To bring, prosecute and settle litigation for itself, the Association and the Project, provided that it shall make no settlement which results in a liability against the Management Committee, the Association or the Project in excess of \$10,000 without the prior approval of a majority of Owners.

15.3.10 To obtain insurance for the Association with respect to the Units and the Common Areas and Facilities and Time Period Unit Furnishings, as well as workmen's compensation insurance.

15.3.11 To repair or restore the Project following damage or destruction or a permanent taking by the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation not resulting in the removal of the Project from the provisions of the Act.

15.3.12 To own, purchase or lease, hold and sell or otherwise dispose of, on behalf of the Owners, items of personal property necessary to or convenient to the management of the business and affairs of the Association and the Management Committee and to the operation of the Project, including without limitation furniture, furnishings, fixtures, maintenance equipment, appliances and office supplies.

15.3.13 To keep adequate books and records.

15.3.14 To form a non-profit corporation to conduct the affairs of the Association in lieu of the unincorporated association constituted under paragraph 15.1 hereof.

15.3.15 To do all other acts necessary for the operation and maintenance of the Project, including the maintenance and repair of any Unit if the same is necessary to protect or preserve the Project.

15.4 The Management Committee may delegate to a manager or managing company by written agreement all of the foregoing powers, duties and responsibilities referred to in paragraph 15.3 above except the final determination of estimated expenses, annual budgets and assessments based thereon; the promulgation of rules and regulations; the power to enter into any contract involving more than \$10,000 in any one fiscal year; the opening of bank accounts; the power to purchase, hold, sell, convey, mortgage or lease any Units in the name of the Association; the

authority to bring, prosecute and settle litigation or the power to form a non-profit corporation.

15.5 The Management Committee shall not take any of the following actions except with the vote or written assent of a majority of the voting power of the Association residing in the Owners other than Declarant:

15.5.1 Entering into a contract with a third person wherein the third person will furnish goods or services for the Common Areas and Facilities or the Association for a term longer than one year with the following exceptions:

15.5.1.1 A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;

15.5.1.2 Prepaid casualty and/or liability insurance policies of not to exceed three years duration, provided that the policy provides for short rate cancellation by the insured;

15.5.2 Incurring aggregate expenditures for capital improvements to the Common Areas and Facilities in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; and

15.5.3 Selling during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

15.6 Members of the Management Committee, the officers and any assistant officers, agents and employees of the Association (i) shall not be liable to the Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith; (ii) shall have no personal liability in contract to an Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such; (iii) shall have no personal liability in tort to any Owner or any person or entity, direct or imputed, by virtue of acts performed by them, except for their own willful misconduct or bad faith, nor for acts performed for them in their capacity as such; and (iv) shall have no personal liability arising out of the use, misuse or condition of the Property,

061182

which might in any way be assessed against or imputed to them as a result or by virtue of their capacity as such.

15.7 The Owners shall indemnify and hold harmless any person, his heirs and personal representatives, from and against all personal liability and all expenses, including attorneys' fees, incurred or imposed, or arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, instituted by any one or more Owners, or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Management Committee or an officer or assistant officer, agent or employee of the Association, other than to the extent, if any, that such liability or expense shall be attributable to his willful misconduct or bad faith, provided that in the case of any settlement, the Management Committee shall have approved the settlement, which approval is not to be unreasonably withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement, vote of Owners or the Management Committee or otherwise. The indemnification by the Owners as contained herein shall be paid by the Management Committee on behalf of the Owners and shall constitute a Common Expense and shall be assessed and collected as such.

16. MAINTENANCE, ALTERATION AND IMPROVEMENT.

16.1 The maintenance, replacement and repair of the Common Areas and Facilities shall be the responsibility of the Management Committee, and the cost thereof shall be a Common Expense. The Management Committee shall also maintain, replace and repair all parking areas, porches and decks and all conduits, ducts, plumbing and wiring and other facilities for the furnishing of heat, gas, light, power, water and sewer service. All incidental damages caused to a Unit by the maintenance, replacement and repairs of the Common Areas and Facilities or utility services shall be repaired promptly and the cost thereof charged as a Common Expense.

16.2 Some of the Common Areas and Facilities are or may be located within the Units or may be conveniently accessible only through the Units. The Association shall have the irrevocable right to have access to each Unit and to all Common Areas and Facilities from time to time during such reasonable hours as may be necessary for the cleaning, repair or replacement of any Common Areas or Facilities or for making any emergency repairs at any time and when necessary to prevent damage to the Common Areas

and Facilities or to any Unit. The Association shall also have the irrevocable right to have access to any Unit when necessary in connection with any maid service, cleaning, maintenance, repair, replacement, painting, landscaping, construction or reconstruction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owners as is practicable under the circumstances and any damage caused thereby shall be repaired by the Association with funds from the Furniture and Maintenance Fund provided for hereinafter.

17. INSURANCE.

17.1 The Management Committee shall obtain and maintain at all times insurance of the type and kind as provided herein and including insurance for such other risks of a similar or dissimilar nature as are or shall hereafter customarily be covered with respect to other properties similar to the Project in construction, design and use. The Management Committee shall make every reasonable effort to obtain insurance with the following provisions or endorsements:

17.1.1 Exclusive authority to adjust losses shall be vested in the Management Committee as insurance trustee;

17.1.2 The insurance coverage shall not be brought into contribution with insurance purchased by individual Owners or their respective mortgagees;

17.1.3 Each Owner may obtain additional insurance covering his real property interest at his own expense;

17.1.4 The insurer waives its right of subrogation as to any claims against each Owner;

17.1.5 The insurance coverage cannot be cancelled, invalidated or suspended because of the conduct of any one or more individual Owners or their respective tenants, employees, agents, contractors or guests;

17.1.6 The insurance coverage cannot be cancelled, invalidated or suspended because of the conduct of any officer or employee of the Association or Management Committee or their employees, agents or contractors, without prior demand in writing that the Management Committee cure the defect, and then only if the defect is not cured within fifteen (15) days after receipt of said demand by the Management Committee.

17.2 The Management Committee, for the benefit of the Property and the Owners, shall maintain a policy or policies of casualty and multi-risk "all peril" insurance on the Property, with the provisions and endorsements as set forth in paragraph 17.1 above, if obtainable, and with extended coverage endorsements for the full insurable replacement value of the Units, Common Areas and Facilities, Time Period Furnishings, common personal property and fixtures, payable to the Management Committee as insurance trustee to be disbursed in accordance with the terms of this Declaration. The limits and coverage of said insurance shall be reviewed at least annually by the Management Committee and shall include an appraisal of the Project. Said policy or policies shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees, if any, of each Time Period Condominium.

17.3 The Management Committee shall obtain a policy or policies of insurance insuring the Management Committee, the Owners and their respective tenants, servants, agents or guests against any liability to the public or to the Owners, members of the households of Owners and their respective invitees or tenants arising out of and incident to the ownership and/or use of the Project, including the personal liability exposure of the Owners incident to the ownership and/or use of the Project. Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000) for any one person injured in any one occurrence, and shall not be less than Three Hundred Thousand Dollars (\$300,000) for property damage in each occurrence. The limits in coverage of said liability policy or policies shall be reviewed at least annually by the Management Committee and increased or decreased at its discretion, provided that such limits shall not fall below the minimums specified in this paragraph. Said policy or policies shall be issued on a comprehensive liability basis, and if possible, shall provide cross-liability endorsements for possible claims of any one or more or group of insureds against any one or more or group of insureds without prejudice to the right of a named insured under the policies to maintain an action against another named insured. In addition, the liability insurance must provide the following:

17.3.1 All Owners as a class are to be named as additional insureds in a policy issued to the Association.

17.3.2 The insurer waives its right to subrogation under the policy against any Owner or member of Owner's household.

17.3.3 No act or omission by an Owner, unless acting within the scope of his or her authority on behalf of the

Association, will void the policy or operate as a condition to recovery under the policy by any other person.

17.4 Each Owner shall be required to notify the Management Committee of all improvements, if allowed, made to his Unit, the value of which is in excess of One Thousand Dollars (\$1,000) and shall be liable for any increased insurance premium for insurance maintained by the Management Committee occasioned thereby. Each Owner shall bear the risk of loss for all improvements made to his Unit that were not the subject of notice to the Management Committee.

17.5 Any Owner who obtains individual insurance coverage covering any portion of the Project, other than personal property belonging to such Owner, shall be required to file a copy of such individual policy or policies with the Management Committee within thirty (30) days after obtaining such insurance coverage.

17.6 No Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount that the Management Committee on behalf of all the Owners may realize under any insurance policy that the Committee may have in force covering the Project or any part thereof at any time.

18. DESTRUCTION OR DAMAGE.

18.1 In case of fire or any other disaster which causes damage or destruction to all or part of the Project, the Management Committee, with the help of an independent appraiser, shall determine the percentage that was destroyed or substantially damaged. If less than two-thirds (2/3) of the Project was destroyed or substantially damaged, the Management Committee shall arrange for the prompt repair and restoration thereof, using the proceeds of insurance on the Project for that purpose, and the Owners shall be liable for assessment for any deficiency in proportion to their respective percentages of ownership interest in the Common Area and Facilities. Reconstruction of the Project shall mean restoring to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas and Facilities having the same vertical and horizontal boundaries as before, unless the destruction or damage is by reason of eminent domain, in which event the provisions of Section 20 hereof shall apply.

18.2 If two-thirds (2/3) or more of the Project is destroyed or substantially damaged, the Management Committee

061182

shall, within one hundred (100) days after such destruction or damage, call a special meeting of the Association for the purpose of deciding whether or not the Project shall be repaired and restored. If Owners holding three-fourths (3/4) or more of the ownership interests in the Project, in person or by proxy, vote to repair or restore the Project, the Management Committee shall promptly arrange for the reconstruction of the Project using the proceeds of insurance therefrom for that purpose, and the Owners shall be liable for assessment for any deficiency in proportion to their respective percentages of ownership interest in the Common Areas and Facilities. If the destruction or damage is by reason of eminent domain, the provisions of Section 20 hereof shall apply. At such election, if Owners holding three-fourths (3/4) or more of the ownership interests in the Project do not vote either in person or by proxy to make provision for reconstruction, the Management Committee shall record with the Recorder of Summit County a notice which complies with Section 57-8-31 of the Act setting forth such facts, and upon the recording of such notice (i) the Project shall be deemed to be owned in common by the Owners as tenants in common, each Owner owning an undivided interest in the Project equal to his percentage ownership in the Common Areas and Facilities; (ii) any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the Owners in the Project; and (iii) the Project shall be subject to an action for partition at the suit of any Owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the Project, shall be considered as one fund and shall be divided among all Owners in a percentage equal to the percentage of ownership interest owned by each Owner in the Project, after first paying out of the respective shares of the Owners, to the extent sufficient for such purposes, all sums necessary to satisfy liens on the undivided interest in the Project owned by each Owner.

18.3 For purposes of this Section 18, the terms "disaster", "destruction" or "substantial damage" shall also mean and include a temporary or permanent taking, injury or destruction of all or part of the Common Areas and Facilities or one or more Units or portions thereof by the exercise of the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation.

19. TERMINATION.

19.1 In the event that such fraction or percentage of the Project is destroyed or substantially damaged so as to bring into effect the provisions of paragraph 18.2 above and the Owners do

not vote to reconstruct the Project as provided therein, the Project shall be removed from the provisions of the Act without further agreement one hundred and one (101) days after such destruction or damage.

19.2 All of the Owners may remove the Project from the provisions of the Act by an instrument duly recorded to that effect, provided that the holders of all liens affecting any of the Units consent or agree by instruments duly recorded that their liens be transferred to the percentage of ownership interest of the Owners in the Project.

19.3 After removal of the Project from the Act, the Owners shall own the Project and all assets of the Association as tenants in common and the respective mortgagees and lienors shall have mortgages and liens upon the respective undivided interests of the Owners. Such undivided interests of the Owners shall be the same as the percentage of ownership interest in the Common Areas and Facilities appurtenant to the Units prior to removal from the Act.

19.4 This Section 19 cannot be amended without consent of all Owners and all record owners of mortgages on Units.

20. EMINENT DOMAIN.

20.1 Whenever any proceeding is instituted that could result in the temporary or permanent taking, injury or destruction of all or part of the Common Areas and Facilities or one or more Units or portions thereof by the exercise of the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation, the Management Committee and each Owner shall be entitled to notice thereof and the Management Committee shall, and the Owners at their respective expense may, participate in the proceedings incident thereto.

20.2 With respect to the Common or Limited Common Areas and Facilities, any damages or awards shall be determined for such taking, injury or destruction as a whole and not for each Owner's interest therein. After such determination, each Owner shall be entitled to a share in the damages in the same proportion as his percentage of ownership interest in the Common Areas and Facilities. This provision does not prohibit a majority of the Owners from authorizing the Management Committee to use such damages or awards for replacing or restoring the Common Areas and Facilities so taken on the remaining land or on other acquired land, provided that this Declaration and the Map are duly amended.

20.3 With respect to one or more Units or portions thereof, the damages or awards for such taking shall be deemed to be proceeds from insurance on account of damage or destruction pursuant to Section 18 above and shall be deposited with the Management Committee as trustee. Even though the damage or awards may be payable to one or more Owners, the Owners shall deposit the damages or awards with the Management Committee as trustee. In the event an Owner refuses to so deposit his award with the Management Committee, then at the option of the Management Committee, either a special assessment shall be made against the defaulting Owner and his Unit in the amount of this award or the amount of such award shall be set off against the sum hereafter made payable to such Owner.

20.4 In the event the Project is removed from the provisions of the Act pursuant to Section 19 above, the proceeds of the damages or awards shall be distributed or used in accordance with and the Owners of the affected Units shall have the rights provided in paragraph 18.2 above.

20.5 If one or more Units are taken, in whole or in part, and the Project is not removed from the provisions of the Act, the taking shall have the following effects:

20.5.1 If the taking reduces the size of a Unit and the remaining portion of the Unit may be made tenantable, the Unit shall be made tenantable. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against the Owners of the Unit. The balance of the award, if any, shall be distributed to the mortgagee to the extent of the unpaid balance of its mortgage and the excess, if any, shall be distributed to the Owner. If there is a balance of the award distributed to the Owners or a mortgagee, the Unit's percentage of ownership interest in the Common Areas and Facilities shall be equitably reduced. This shall be done by reducing such interest in the proportion by which the floor area of the Unit is reduced by the taking and then recomputing the percentages of ownership interest of all Units in the Common Areas and Facilities.

20.5.2 If the taking destroys or so reduces the size of a Unit that it cannot be made tenantable, the award shall be distributed to the mortgagee of the Unit to the extent of the unpaid balance of its mortgage and the excess, if any, shall be distributed to the Owners. The remaining portion of such Unit, if any, shall become a part of the Common Areas and Facilities and shall be placed in condition for use by all Owners in the manner approved by the Management Committee. The percentages of ownership interest in the Common Areas and Facilities appurtenant

to the Units that continue as part of the Project shall be equitably adjusted to distribute the ownership of the Common Areas and Facilities among the reduced number of Owners.

20.6 Changes in Units, in the Common Areas and Facilities and in the ownership of the Common Areas and Facilities that are affected by the taking referred to in this Section 20 shall be evidenced by an amendment to this Declaration and the Map, which need not be approved by the Owners.

21. MORTGAGEE PROTECTION.

21.1 The term "mortgage" as used herein shall mean any recorded mortgage having priority over other mortgages and shall include a recorded deed of trust. The term "mortgagee" shall mean the owner and holder of a mortgage and shall include a beneficiary under a deed of trust. The term "Unit" shall include a Time Period Condominium, where applicable.

21.2 The Management Committee shall maintain a roster of Owners from the evidence of change of ownership furnished to the Association, which roster shall include the mailing addresses of all Owners. The Management Committee will also maintain a roster containing the name and address of each mortgagee of a Unit if the Committee is provided notice of such mortgage by way of a certified copy of the recorded instrument evidencing the mortgage and containing the name and address of the mortgagee. The mortgagee shall be stricken from the roster upon request by such mortgagee or upon receipt by the Management Committee of a certified copy of a recorded release or satisfaction of the mortgage. Notice of such removal shall be given to the mortgagee unless the removal is requested by the mortgagee.

21.3 The Management Committee shall give to any mortgagee on the roster written notification of any default by the mortgagor of the respective Units in the performance of such mortgagor's obligations under the Declaration which is not cured within thirty (30) days.

21.4 A mortgagee of any Unit who comes into possession of the Unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage, or by way of deed or assignment in lieu of foreclosure shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrued prior to the time such mortgagee comes into the possession of the Unit except for claims for a pro rata share of such assessments or charges resulting from a pro rata

reallocation of such assessment or charges to all Units, including the mortgaged Unit.

21.5 Any liens created under the Act or pursuant to this Declaration or the Bylaws upon any Unit shall be subject and subordinate to and shall not affect the rights of a mortgagee under a mortgage on such Unit made in good faith and for value; provided, however, that any lien created after a foreclosure sale shall have the same effect and be enforced in the same manner as provided in the Act, the Declaration and/or the Bylaws.

21.6 No amendment to this paragraph shall adversely affect a mortgagee who has recorded a valid mortgage prior to the recordation of any such amendment.

22. AMENDMENT.

Except as otherwise provided in this Declaration and except as prohibited by the Act, the provisions of this Declaration may be amended by an instrument in writing signed and acknowledged by Owners who own three-fourths (3/4) or more of the ownership interests in the Common Areas and Facilities and at least a bare majority of the votes of Owners other than Declarant, which amendment shall be effective upon recording. The percentage of the votes necessary to amend a specific clause in this Declaration shall not be less than the prescribed percentage of affirmative votes or written assents required to be taken under that clause.

23. ASSESSMENTS.

23.1 The making and collection of assessments from Owners for their share of Common Expenses shall be pursuant to the Bylaws and subject to the following provisions:

23.1.1 Each Owner, including Declarant for Condominiums which it owns, shall be liable for a proportionate share of the Common Expenses, such share being the same as the percentage of ownership interest in the Common Areas and Facilities appurtenant to the Condominium owned by him. Regular assessments shall commence on the first day of the month following the closing of the first sale of a Condominium in the Project.

23.1.2 The Management Committee may not impose a regular annual assessment per Condominium which is more than twenty percent (20%) greater than the regular assessment for the

immediately preceding fiscal year without first obtaining the vote or written assent of a majority of the voting power of the Association residing in Owners other than Declarant, provided that such percentage increase shall be calculated without regard to any increase attributable to an increase in real estate taxes on the Time Period Units.

23.1.3 All assessments shall be due as determined pursuant to the Bylaws. Assessments and any installments thereof not paid on or before ten (10) days after the date when due shall bear interest at the minimum rate of twelve percent (12%) per annum, or at such higher rate of interest as may be set by the Management Committee, from the date when due until paid. All payments on account shall be first applied to interest and then to the assessment payment first due.

23.1.4 There shall be a lien upon the applicable Condominium for unpaid assessments which shall also secure reasonable attorneys' fees and all costs and expenses, including taxes, if any, incurred by the Management Committee because of such a lien. The lien for assessments shall be superior (prior) to all other liens and encumbrances except assessments, liens and charges in favor of the state or any political subdivision thereof, for taxes past due and unpaid on the Unit, and amounts due under duly recorded mortgages.

23.1.5 In any foreclosure of a lien for assessments, the Owner subject to the lien shall be required to pay a reasonable rental for the Condominium, and the Management Committee shall be entitled to the appointment of a receiver to collect the same.

23.2 The Management Committee may include in the Common Expenses amounts representing contributions to the capital of the Association to be used for the replacement of or additions to capital items or improvements in the Project. Said amounts shall be set up as capital accounts for each Condominium. In the event of transfer of a Condominium, the capital account shall be deemed transferred to the transferee of the Condominium.

23.3 In assessing the Owners for capital improvements to the Common Areas and Facilities, there shall be no single improvements exceeding the sum of Twenty Thousand Dollars (\$20,000) made by the Management Committee without the same having been first voted on and approved by a majority vote in percentage ownership interest of those present in person or by proxy at a meeting of the Association duly called for that purpose. The foregoing shall not apply in connection with damage or destruction referred to in Section 18 hereof or to such

structural alterations of capital additions or capital improvements to the Common Areas and Facilities as are necessary in the Management Committee's reasonable judgment to preserve or maintain the integrity of the Common Areas and Facilities.

23.4 In addition to the regular assessments, the Association may levy in any calendar year, special assessments applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon any common area, including the necessary fixtures and personal property related thereto. However, in any fiscal year, any such assessments which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year must be approved by the vote or written assent of a majority of the voting power of the Association residing in Owners other than Declarant. The portion of any special assessment levied on a particular Condominium shall be the fraction of undivided interest in the Common Areas and Facilities appurtenant to such Condominium. These provisions shall not apply when the special assessment against an Owner is a remedy utilized by the Management Committee to reimburse the Association for costs incurred in bringing the Owner and/or his Condominium into compliance with the provisions of this Declaration, the Bylaws, rules and regulations of the Association, or any other governing instrument for the Project.

23.5 In addition to the regular and special assessments authorized by this section, Time Period Unit Assessments shall be computed and levied against all Time Period Units, beginning on the first day of the month following the closing of the first sale of a Condominium in the Project, as follows:

23.5.1 Time Period Unit Assessments shall be based upon advance estimates of the Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with maid service for and cleaning, maintenance, repair and replacement of Time Period Units and of Time Period Furnishings in such Units. Such estimated expenses may include, among other things, the following: Expenses of maid service for all Time Period Units; expenses for cleaning, maintaining, repairing and replacing Time Period Furnishings in all Time Period Units; any deficit from a previous period; creation of a reasonable contingency reserve, surplus and/or sinking fund; insurance on Time Period Unit Furnishings and any other expenses or liabilities which may be incurred in accordance with the provisions of this Declaration by the Association for the benefit of all Owners of Time Period Units. Such estimated expenses

shall constitute the estimated Time Period Unit Expense, and all funds received from assessments under this paragraph 23.5 shall be part of the Time Period Unit Fund. The Management Committee may not impose an annual Time Period Unit Assessment which is more than twenty percent (20%) greater than the same assessment levied for the immediately preceding fiscal year without first obtaining the vote or written assent of a majority of the voting power of the Association residing in Owners other than Declarant.

23.5.2 Each Time Period Unit Owner, other than Declarant, shall be liable for a proportionate share of the Time Period Unit Expenses, such share being the same proportion that the number of Time Period Units owned by each such Owner bears to the total number of Time Period Units owned by all other Owners other than Declarant. Declarant shall be liable for a proportionate share of the Time Period Unit Expenses, such share being apportioned in accordance with the operational and maintenance costs attributable to the total number of Time Period Units owned by Declarant.

23.5.3 In the event that the Time Period Unit Fund proves inadequate during any fiscal year for whatever reason, including nonpayment of any Owner's assessment, the Association may, at any time and from time to time, levy additional assessments, in the proportions set forth in subparagraph 23.5.2 hereof and payable over such reasonable periods as the Association may determine. Provided, however, the Association must have the vote or written assent of a majority of the voting power of the Association residing in Owners other than Declarant prior to levying any additional assessment which, when aggregated with all other such additional assessments made during the year, exceeds five percent (5%) of the budgeted Time Period Unit Assessments for the year. Notice in writing of the amount of such assessment and the time for payment thereof shall be given promptly to each appropriate Owner, and no payment shall be due less than thirty (30) days after such notice shall have been given.

23.5.4 The Management Committee may suspend a Time Period Owner's right to the occupancy of a Unit, and all related rights and privileges as a Time Period Owner, during the period of time that the Time Period Owner is delinquent in the payment of any assessments or other charges duly levied by the Association. The Time Period Owner shall be given written notice of the suspension of his or her rights and privileges immediately after the decision has been made.

23.6 If an Owner shall at any time lease his Unit and shall default in the payment of assessments, the Management Committee

may, at its option, so long as such default shall continue, demand and receive from any tenant of the Owner the rent due or becoming due, and the payment of such rent to the Management Committee shall be sufficient payment and discharge of such tenant and the Owner for such assessments to the extent of the amount so paid.

23.7 The Management Committee shall handle all assessments hereunder, whether for common expenses or as capital contributions, so as to comply with applicable provisions of the Internal Revenue Code and the regulations adopted thereunder as well as applicable state and local tax laws and to avoid undue adverse tax consequences that might result to the Association or individual Owners.

24. VOTING.

At any meeting of the Association, each Owner, including Declarant, either in person or by proxy, shall be entitled to one vote for each Time Period Unit owned and fifty votes for each whole Unit owned. The voting rights appurtenant to each Condominium shall vest when the first assessment for Common Expenses is levied against such Condominium. If there is more than one Owner with respect to a particular Condominium, any or all of such Owners may attend any meeting of the Association, but it shall be necessary for all such Owners present, in person or by proxy, to act unanimously in order to cast the votes appertaining to their Condominium.

25. NOTICES.

Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to be delivered twenty-four (24) hours after a copy of the same has been deposited in the U.S. postal service, postage prepaid, return receipt requested. Notice to Owners shall be addressed to each Owner at the address given by such Owners to the Management Committee for the purpose of service of such notice or to the Unit of such Owner if no such address has been given to the Committee. Such address may be changed from time to time by notice in writing to the Management Committee addressed to:

Management Committee
Association of Unit Owners
Quail Meadows
Suite E102, Park Meadows Plaza
Park City, Utah 84060

26. NO WAIVER.

The failure of the Management Committee or its agents or designees to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration or the Bylaws, to exercise any right or option herein contained or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction; but such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Management Committee or its agent or designee of the payment of any assessment from an Owner with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by the Management Committee of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Management Committee.

27. AGENT FOR SERVICE.

For so long as Declarant owns Condominiums with appurtenant interests in the Common Areas and Facilities aggregating 51 percent of the total of all such interests, the agent for service of process under the Act shall be George T. Gamble, whose address is Park Meadows Plaza, Suite E102, Park City, UT 84060. Thereafter, the agent for service of process shall be the President of the Association.

28. ENFORCEMENT.

Each Owner, guests of an Owner, and persons under Owner's control, shall strictly comply with the provisions of the Declaration, the Bylaws, the rules and regulations and decisions issued pursuant thereto. Failure to so comply shall be grounds for: (i) an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee or its agent or designee on behalf of the Owners, or in an appropriate case, by an aggrieved Owner; and/or (ii) the Management Committee to impose monetary penalties, temporary suspensions of an Owner's

rights to the use of a Unit or use of the Common Facilities, or other appropriate discipline so long as any such Owner has been given notice and has had an opportunity to present a written or oral defense to the charges in a hearing that complies with the due process requirements of applicable state and federal law. The Management Committee shall determine whether the Owner's defense shall be oral or written. After the hearing, but before any disciplinary action is taken, the Owner shall be notified of the decision of the Management Committee. However, the Management Committee shall not have the power to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his Condominium on account of a failure by the Owner to comply with provisions of the governing instruments or duly enacted rules of the Project unless the loss or forfeiture is the result of the judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the Owner to pay assessments levied by the Association. The Management Committee may delegate to the managing company the power and authority to carry out the provisions of this Section 28.

29. DECLARANT AND DECLARANT'S USE.

29.1 The term "Declarant" as used herein shall mean and include Spencer-Gamble Development, any person or persons who might acquire title from it through foreclosure or deed in lieu of foreclosure; or, in the situation where there remain unsold 100 or more Time Period Condominiums, any person who should purchase all, or substantially all, of such remaining Time Period Condominiums in a sale in the nature of a bulk sale.

29.2 Declarant and persons it may select from time to time shall have the right of ingress and egress over, upon and across the Common Areas and Facilities and Limited Common Areas and Facilities and the right to store materials therein and to make such other use thereof as may be necessary and incident to the development and sale of all of the Condominiums as determined by the Declarant in its sole discretion.

30. OPTION TO EXPAND QUAIL MEADOWS.

30.1 Declarant hereby reserves the option to expand Quail Meadows without the prior consent of the Owners at any time prior to the expiration of seven (7) years from the date of recording of this declaration and the exhibits thereto. The terms and conditions of the option shall be as follows:

30.1.1 The real property subject to this option consists of seven parcels and is sometimes hereinafter referred to as Phases II, III, IV, V, VI, VII and VIII, respectively, being more particularly described as follows:

Phase II: Beginning at a point which is N. $89^{\circ}15'54''$ E. 2928.38 feet along the Section line from the Southwest corner of Section 30, T.1S., R.4E., S.L.B. & M.; and running thence N. $0^{\circ}36'41''$ E. 117.90 feet; thence N. $80^{\circ}15'00''$ E. 12.39 feet to a point on a 879.00 foot radius curve to the right (radius point bears S. $9^{\circ}45'00''$ E.); and running along said curve 126.66 feet; thence S. $28^{\circ}45'15''$ E. 7.05 feet; thence S. $6^{\circ}30'54''$ E. 125.00 feet to the Section line; thence S. $89^{\circ}15'54''$ W. 157.00 feet along said Section line to the point of beginning.

Containing 0.43 acres.

Phase III: Beginning at a point which is N. $89^{\circ}15'54''$ E. 3045.18 feet along the Section line and North 172.07 feet from the Southwest corner of Section 30, T.1S., R.4E., S.L.B. & M., said point also being on a 921.00 foot radius curve to the left (radius point bears S. $2^{\circ}49'56''$ E.); and running thence along said curve 111.20 feet; thence S. $80^{\circ}15'00''$ W. 74.84 feet to a point on a 39.00 foot radius curve to the right (radius point bears N. $9^{\circ}45'00''$ W.); and running along said curve 67.90 feet; thence North 54.78 feet to a point on the Southerly right-of-way line of Meadow Loop Road, said point also being on a 180.00 foot radius curve to the left (radius point bears N. $12^{\circ}06'04''$ W.); and running along said curve 52.04 feet to a point on a 330.00 foot radius curve to the right (radius point bears S. $28^{\circ}39'55''$ E.); and running along said curve 64.93 feet; thence S. $62^{\circ}00'54''$ E. 96.26 feet; thence S. $28^{\circ}45'15''$ E. 75.98 feet to the point of beginning.

Containing 0.49 acres.

Phase IV: Beginning at a point which is N. $89^{\circ}15'54''$ E. 3045.18 feet along the Section line and North 172.07 feet from the Southwest corner of Section 30, T.1S., R.4E., S.L.B. & M.; and running thence N. $28^{\circ}45'15''$ W. 75.98 feet; thence N. $62^{\circ}00'54''$ W. 96.26 feet to a point on the Southerly right-of-way line of Meadow Loop Road, said point also being on a 330.00 foot radius curve to the right (radius point bears S. $17^{\circ}23'29''$ E.); and running along said curve 100.17

feet; thence East 179.08 feet; thence South 132.41 feet to a point on a 921.00 foot radius curve to the left (radius point bears S.6°54'22"W.); and running along said curve 156.45 feet to the point of beginning.

Containing 0.60 acres.

Phase V: Beginning at a point which is N.89°15'54"E. 3085.38 feet along the Section line from the Southwest corner of Section 30, T.1S., R.4E., S.L.B. & M.; and running thence N.6°30'54"W. 125.00 feet; thence N.28°45'15"W. 7.05 feet to a point on a 879.00 foot radius curve to the right (radius point bears S.1°29'38"E.); and running along said curve 154.05 feet; thence South 119.17 feet to the Section line; thence S.89°15'54"W. 136.00 feet along said Section line to the point of beginning.

Containing 0.42 acres.

Phase VI: Beginning at a point which is N.89°15'54"E. 3201.36 feet along the Section line and North 164.52 feet from the Southwest corner of Section 30, T.1S., R.4E., S.L.B. & M.; and running thence North 132.41 feet; thence East 101.58 feet to a point on a 186.00 foot radius curve to the left (radius point bears N.80°43'06"E.); and running thence along said curve 161.40 feet; thence S.59°00'00"E. 35.99 feet to a point on a 39.00 foot radius curve to the right (radius point bears N.24°32'19"W.); and running along said curve 12.62 feet; thence S.84°00'00"W. 16.50 feet to a point on a 293.78 foot radius curve to the right (radius point bears N.6°00'00"W.); and running along said curve 80.76 feet; thence N.80°15'00"W. 66.85 feet to a point on a 921.00 foot radius curve to the left (radius point bears S.9°45'00"W.); and running along said curve 45.81 feet to the point of beginning.

Containing 0.47 acres.

Phase VII: Beginning at a point which is N.89°15'54"E. 3221.38 feet along the Section line from the Southwest corner of Section 30, T.1S., R.4E., S.L.B. & M.; thence North 119.17 feet to a point on a 879.00 foot radius curve to the right (radius point bears S.8°32'52"W.); and running along said curve 18.44 feet; thence S.80°15'00"E. 66.85 feet to a point on a 335.78 foot radius curve to the left (radius point bears N.9°45'00"E.); and running along said curve 55.39

feet; thence S.0°00'39"W. 98.28 feet to the Section line; thence S.89°15'54"W. 139.20 feet along said Section line to the point of beginning.

Containing 0.34 acres.

Phase VIII: Beginning at a point which is N.89°15'54"E. 3360.58 feet along the Section line from the Southwest corner of Section 30, T.1S., R.4E., S.L.B. & M.; thence N.0°00'39"E. 98.28 feet to a point on a 335.78 foot radius curve to the left (radius point bears N.0°17'55"E.); and running along said curve 36.91 feet; thence N.84°00'00"E. 16.50 feet to a point on a 81.00 foot radius curve to the left (radius point bears N.6°00'00"W.); and running along said curve 67.86 feet; thence N.36°00'00"E. 3.75 feet to a point on a 188.45 foot radius curve to the right (radius point bears S.39°52'03"W.); and running along said curve 154.47 feet; thence S.3°10'00"E. 1.27 feet to the Section line; thence S.89°15'54"W. 179.99 feet along said Section line to the point of beginning.

Containing 0.42 acres.

30.1.2 Declarant shall not be restricted to exercising this option in the order the parcels are described in 30.1.1 above and may exercise this option as to two or more phases simultaneously, or as to portions of any of the above-described parcels. This declaration shall not be deemed to constitute any lien, encumbrance, restriction or limitation upon any portion of Phases II through VIII unless and until such portion is added to Quail Meadows in accordance with the act and the provisions hereof. Phases II through VIII are sometimes hereinafter referred to as the "additional land."

30.1.3 Declarant shall not be restricted in the location of improvements on the additional land or in the number of Units that may be created on the additional land, except as may be required by applicable zoning requirements, ordinances or regulations, provided that Quail Meadows when completed shall not exceed 33 total Units.

30.1.4 The Units to be located on the additional land shall be subject to the same uses as provided in Section 14.

30.1.5 The Buildings and the Units contained therein to be built on the additional land shall be compatible with the Buildings on the land in Phase I in terms of quality of construction and principal materials to be used. The Units and

the Buildings to be built on the additional land may, in the sole discretion of Declarant, be dissimilar to the Units and the Buildings on the land. No structures other than Buildings containing Units will be erected on the additional land. Further improvements shall include parking areas, walkways and landscaping land; provided, however, Declarant reserves the right to add additional Limited Common and Common Areas and Facilities to the additional land without limitation.

30.1.6 The percentages of undivided interest in the Common Areas and Facilities for all Condominiums and Time Period Condominiums in Quail Meadows shall be changed at the time Declarant records an amended declaration and map reflecting Declarant's exercise of the option in accordance with the formula set forth in subparagraph 30.1.7 below. Said changes in ownership interest shall be reflected in an amended Appendix A to this declaration to be filed with the Summit County Recorder simultaneously with the filing of the amended map. Declarant shall provide all Unit owners a copy of amendments to Appendix A reflecting changes in the percentage of undivided interest. It is contemplated that there will be multiple amendments filed by declarant and such amendments are hereby expressly authorized.

30.1.7 The declarant shall calculate and revise Unit percentages of undivided interest in Quail Meadows based upon the following formula. (For purposes of the calculation, "square footage" shall mean the floor area of the unit encompassed by the perimeter walls thereof, rounded off to the nearest whole foot.)

$$\frac{\text{Square Footage Area of Unit}}{\text{Aggregate Total Square Footages of all Units in Quail Meadows, including those added by amendment}} = \text{Unit Percentage of Undivided Interest in Quail Meadows}$$

Declarant shall have the right to adjust the resulting percentages of all Units in Quail Meadows as may be necessary to assure that the total undivided interest equals 100 percent as required by the act.

30.1.8 Each owner, by the acceptance of a deed to a Condominium in Quail Meadows, shall be deemed to have consented to all provisions of this section, including the procedure for adjustment hereof. After the filing for record of any amended Appendix A to this declaration and the amended map reflecting Declarant's exercise of the option, or any part thereof, title to each Condominium thereby created within the additional land

061182

including its appurtenant percentage of undivided interest in the Common Areas and Facilities shall be vested in and held by declarant and none of the other Owners shall have any claim or title to or interest in such Condominium or its appurtenant percentage of undivided interest.

31. COVENANT NOT TO ENNUMBER.

Declarant covenants not to encumber any Unit after execution of this Declaration without the written consent of not less than fifty-one percent (51%) of the Owners other than the Declarant.

32. SEVERABILITY.

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

33. CAPTIONS.

The captions in this Declaration are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

34. LAW CONTROLLING.

This Declaration, the Map and the Bylaws shall be construed and controlled by and under the laws of the State of Utah.

35. EFFECTIVE DATE.

This Declaration shall take effect when recorded.

IN WITNESS WHEREOF, the undersigned has executed this instrument this 11 day of JUNE, 1982.

SPENCER-GAMBLE DEVELOPMENT, a
Utah general partnership

George T. Gamble
George T. Gamble, General Partner

Thomas L. Spencer
Thomas L. Spencer, General Partner

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

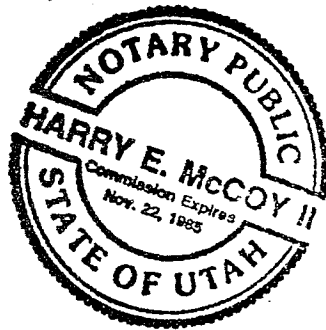
On the 11th day of June, 1982, personally appeared before me GEORGE T. GAMBLE and THOMAS L. SPENCER, who by me duly sworn did say, each for himself, that he the said GEORGE T. GAMBLE is a General Partner, and he the said THOMAS L. SPENCER is a General Partner, of SPENCER-GAMBLE DEVELOPMENT, and that the within and foregoing instrument was signed in behalf of said partnership, and said GEORGE T. GAMBLE and THOMAS L. SPENCER duly acknowledged to me that said partnership executed the same.

Harry E. McCoy II
NOTARY PUBLIC

Residing at Salt Lake City, Utah

My Commission Expires:

11-22-85



061182

APPENDIX A

QUAIL MEADOWS PHASE OF SILVER SPRINGS

Schedule of Time Period Units and Appurtenant
Percentage Interests in the Common Areas
and Facilities

<u>Unit No. and Type</u>	<u>Approximate Square Footage</u>	<u>Percentage Interest</u>	<u>Time Period Unit Interest (Per Week)</u>	<u>Calendar Year Location</u>
2	1,980	26.4%	.5280	See attached Page 2 of Appendix A
4	1,770	23.6%	.4720	
6	1,770	26.4%	.4720	
8	1,980	23.6%	.5280	
TOTALS		100.0%		

BOOKM224 PAGE 59 3

Time Period	1982		1983		1984		1985		1986	
No.										
1	1/2	- 1/9	1/8	- 1/15	1/7	- 1/14	1/5	- 1/12	1/4	- 1/11
2	1/9	- 1/16	1/15	- 1/22	1/14	- 1/21	1/12	- 1/19	1/11	- 1/18
3	1/16	- 1/23	1/22	- 1/29	1/21	- 1/28	1/19	- 1/26	1/18	- 1/25
4	1/23	- 1/30	1/29	- 2/5	1/28	- 2/4	1/26	- 2/2	1/25	- 2/1
5	1/30	- 2/6	2/5	- 2/12	2/4	- 2/11	2/2	- 2/9	2/1	- 2/8
6	2/6	- 2/13	2/12	- 2/19	2/11	- 2/18	2/9	- 2/16	2/8	- 2/15
7	2/13	- 2/20	2/19	- 2/26	2/18	- 2/25	2/16	- 2/23	2/15	- 2/22
8	2/20	- 2/27	2/26	- 3/5	2/25	- 3/3	2/23	- 3/2	2/22	- 2/29
9	2/27	- 3/6	3/5	- 3/12	3/3	- 3/10	3/2	- 3/9	2/29	- 3/8
10	3/6	- 3/13	3/12	- 3/19	3/10	- 3/17	3/9	- 3/16	3/8	- 3/15
11	3/13	- 3/20	3/19	- 3/26	3/17	- 3/24	3/16	- 3/23	3/15	- 3/22
12	3/20	- 3/27	3/26	- 4/2	3/24	- 3/31	3/23	- 3/30	3/22	- 3/29
13	3/27	- 4/3	4/2	- 4/9	3/31	- 4/7	3/30	- 4/6	3/29	- 4/5
14	4/3	- 4/10	4/9	- 4/16	4/7	- 4/14	4/6	- 4/13	4/5	- 4/12
15	4/10	- 4/17	4/16	- 4/23	4/14	- 4/21	4/13	- 4/20	4/12	- 4/19
16	4/17	- 4/24	4/23	- 4/30	4/21	- 4/28	4/20	- 4/27	4/19	- 4/26
17	4/24	- 5/1	4/30	- 5/7	4/28	- 5/5	4/27	- 5/4	4/26	- 5/3
18	5/1	- 5/8	5/7	- 5/14	5/5	- 5/12	5/4	- 5/11	5/3	- 5/10
19	5/8	- 5/15	5/14	- 5/21	5/12	- 5/19	5/11	- 5/18	5/10	- 5/17
20	5/15	- 5/22	5/21	- 5/28	5/19	- 5/26	5/18	- 5/25	5/17	- 5/24
21	5/22	- 5/29	5/28	- 6/4	5/26	- 6/2	5/25	- 6/1	5/24	- 5/31
22	5/29	- 6/5	6/5	- 6/11	6/2	- 6/9	6/1	- 6/8	5/31	- 6/7
23	6/5	- 6/12	6/11	- 6/18	6/9	- 6/16	6/8	- 6/15	6/7	- 6/14
24	6/12	- 6/19	6/18	- 6/25	6/16	- 6/23	6/15	- 6/22	6/14	- 6/21
25	6/19	- 6/26	6/25	- 7/2	6/23	- 6/30	6/22	- 6/29	6/21	- 6/28
26	6/26	- 7/3	7/2	- 7/9	6/30	- 7/7	6/29	- 7/6	6/28	- 7/5
27	7/3	- 7/10	7/9	- 7/16	7/7	- 7/14	7/6	- 7/13	7/5	- 7/12
28	7/10	- 7/17	7/16	- 7/23	7/14	- 7/21	7/13	- 7/20	7/12	- 7/19
29	7/17	- 7/24	7/23	- 7/30	7/21	- 7/28	7/20	- 7/27	7/19	- 7/26
30	7/24	- 7/31	7/30	- 8/6	7/28	- 8/4	7/27	- 8/3	7/26	- 8/2
31	7/31	- 8/7	8/6	- 8/13	8/4	- 8/11	8/3	- 8/10	8/2	- 8/9
32	8/7	- 8/14	8/13	- 8/20	8/11	- 8/18	8/10	- 8/17	8/9	- 8/16
33	8/14	- 8/21	8/21	- 8/27	8/18	- 8/25	8/17	- 8/24	8/16	- 8/23
34	8/21	- 8/28	8/27	- 9/3	8/25	- 9/1	8/24	- 8/31	8/23	- 8/30
35	8/28	- 9/4	9/3	- 9/10	9/1	- 9/8	8/31	- 9/7	8/30	- 9/6
36	9/4	- 9/11	9/10	- 9/17	9/8	- 9/15	9/7	- 9/14	9/6	- 9/13
37	9/11	- 9/18	9/17	- 9/24	9/15	- 9/22	9/14	- 9/21	9/13	- 9/20
38	9/18	- 9/25	9/24	- 10/1	9/22	- 9/29	9/21	- 9/28	9/20	- 9/27
39	9/25	- 10/2	10/1	- 10/8	9/29	- 10/6	9/28	- 10/5	9/27	- 10/4
40	10/2	- 10/9	10/8	- 10/15	10/6	- 10/13	10/5	- 10/12	10/4	- 10/11
41	10/9	- 10/16	10/15	- 10/22	10/13	- 10/20	10/12	- 10/19	10/11	- 10/18
42	10/16	- 10/23	10/22	- 10/29	10/20	- 10/27	10/19	- 10/26	10/18	- 10/25
43	10/23	- 10/30	10/29	- 11/5	10/27	- 11/3	10/26	- 11/2	10/25	- 11/1
44	10/30	- 11/6	11/5	- 11/12	11/3	- 11/10	11/2	- 11/9	11/1	- 11/8
45	11/6	- 11/13	11/12	- 11/19	11/10	- 11/17	11/9	- 11/16	11/8	- 11/15
46	11/13	- 11/20	11/19	- 11/26	11/17	- 11/24	11/16	- 11/23	11/15	- 11/22
47	11/20	- 11/27	11/26	- 12/3	11/24	- 12/1	11/23	- 11/30	11/22	- 11/29
48	11/27	- 12/4	12/3	- 12/10	12/1	- 12/8	11/30	- 12/7	11/29	- 12/6
49	12/4	- 12/11	12/10	- 12/17	12/8	- 12/15	12/7	- 12/14	12/6	- 12/13
50	12/11	- 12/18	12/17	- 12/24	12/15	- 12/22	12/14	- 12/21	12/13	- 12/20
51	12/18	- 12/25	12/24	- 12/31	12/22	- 12/29	12/21	- 12/28	12/20	- 12/27
52	12/25	- 1/8/83	12/31	- 1/7/84	12/29	- 1/5/85	12/28	- 1/4/86	12/27	- 1/3/87

APPENDIX B

BYLAWS

Quail Meadows
Association of Unit Owners

The administration of The Quail Meadows Condominiums and The Quail Meadows Association of Unit Owners ("Association") shall be governed by the Utah Condominium Ownership Act (the "Act"), the Declaration and these Bylaws.

1. APPLICATION OF BYLAWS.

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

2. MANAGEMENT COMMITTEE.

2.1 The management and maintenance of the Project and the administration of the affairs of the Association shall be conducted by a Management Committee consisting of five (5) natural persons who need not be Owners.

2.2 Beginning with the first annual meeting of the Association, and at every annual meeting thereafter, the Association shall elect the members of the Management Committee to fill those positions becoming vacant at such meeting. At least thirty (30) days prior to the annual meeting of the Association, the Management Committee shall elect from the Owners a nominating committee of not less than three (3) members, none of whom shall be members of the then Management Committee. The nominating committee shall recommend to the Association at least one nominee for each position on the Management Committee to be filled at that particular annual meeting. Nominations for

positions on the Management Committee may also be made by petition filed with the Secretary of the Association at least seven (7) days prior to the annual meeting of the Association, which petition shall be signed by ten (10) or more Owners and signed by the nominee named therein indicating his willingness to serve as a member of the Management Committee, if elected.

2.3 Voting for the Management Committee shall be by secret written ballot. The Owner of each Time Period Condominium shall be entitled to cast one vote for each week (or time period) of unit ownership, and the Owner of each whole Unit shall be entitled to fifty (50) votes, multiplied by the number of Management Committee seats to be filled. Each Owner may cumulate his votes and cast all of them in favor of a single candidate, or distribute his votes on the same principle among as many candidates as the Owner sees fit. So long as a majority of the voting power of the Association resides in Declarant, at least twenty percent (20%) of the incumbents on the Management Committee must be elected solely by the votes of Owners other than Declarant. Notwithstanding the foregoing limitations, until the first meeting of the Association, the members of the Management Committee shall be the following persons and each shall hold the office indicated:

George T. Gamble	President
Thomas L. Spencer	Vice President
Paul J. Kleiber	Secretary-Treasurer

2.4 Members of the Management Committee shall serve for terms of two (2) years beginning immediately upon their election by the Association; provided, however, that three (3) of the members of the Management Committee elected at the first annual meeting shall serve for an initial term of one (1) year and the balance shall serve for initial terms of two (2) years. Thereafter, all members of the Management Committee elected shall serve for two-year terms. The members of the Committee shall serve until their respective successors are elected, or until their death, resignation or removal. 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 fiscal year shall be deemed to have tendered his resignation, and upon acceptance by the Management Committee his position shall be vacant.

2.5 Any member of the Management Committee may resign at any time by giving written notice to the President of the Association or to the remaining Committee members. Any member of

061182

the Management Committee who has been elected solely by members of the Association other than Declarant may be removed from office prior to the expiration of his term only by a two-thirds majority vote of the Association and at least a simple majority of Owners other than Declarant. Any other member of the Management Committee may be removed from membership on the Committee by a two-thirds majority vote of the Association; provided, however, unless the entire Management Committee is removed from office by the vote of members of the Association, no individual Committee member shall be removed prior to the expiration of his term of office if the votes cast against removal would be sufficient to elect such Committee member if voted cumulatively at an election at which the same total number of votes were cast and the entire Management Committee was being elected.

2.6 If vacancies shall occur in the Management Committee by reason of the forfeiture, death or resignation of a Committee member, or if the authorized number of Committee members shall be increased, the Committee members then in office shall continue to act, and such vacancies or newly created Committee seats shall be filled by a vote of the Committee members then in office, though less than a quorum. Any vacancy in the Management Committee occurring by reason of removal of a Committee member by the Association may be filled by election at the meeting at which such Committee member is removed or any subsequent regular or special meeting of the Association. A vacancy resulting from a removal shall only be filled by the vote or written assent of a majority of the voting power of the Association residing in Owners other than Declarant.

2.7 The members of the Management Committee shall receive no compensation for their services unless expressly approved by the vote or written assent of a majority of the voting power residing in Owners other than Declarant; provided, however, that members of the Management Committee shall be reimbursed by the Association for transportation expenses actually incurred and a reasonable per diem payment for attendance at regular and special meetings of the Management Committee. Any member of the Committee may be employed by the Association in another capacity and receive compensation for such employment; provided further, that such employment shall be approved by vote or in writing by all members of the Management Committee not including the member to be employed.

2.8 The Management Committee, for the benefit of the Project and the Association, shall manage the business, property and affairs of the Project and the Association and enforce the provisions of the Declaration, these Bylaws and the rules and

regulations governing the Project. The Management Committee is authorized to adopt rules and regulations governing the use and operation of the Common Areas and Facilities, which shall become effective 30 days after adoption by the Committee. The Management Committee shall have the powers, duties and responsibilities with respect to the Project as contained in the Act, the Declaration and these Bylaws.

2.9 The meetings of the Management Committee shall be held at least semi-annually at such times and places within the Project, or some other reasonable and suitable location in Summit or Salt Lake County, as the Board shall determine. A majority of the Management 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 Board. The Management Committee shall annually elect all of the officers of the Association. The election of officers shall be conducted at the first meeting of the Management Committee immediately following the annual meeting of the Association.

2.10 Written notice of the time and place of Management Committee meetings shall be posted at a prominent place or places within the Common Areas of the Project.

2.11 Special meetings of the Management Committee may be called by written notice signed by any two members of the Committee. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Special meetings shall be held within the Project or some other reasonable location in Summit or Salt Lake County unless a meeting at another location would significantly reduce the cost to the Association and/or inconvenience to the members of the Management Committee. Written notice of any special meeting shall be posted in a manner prescribed for notice of regular meetings of the Committee and shall be sent to all members of the Management Committee not less than 15 days prior to the scheduled time of the meeting; provided, however, that notice of such meeting need not be given to any member signing a waiver of notice or a written consent to the holding of such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail, with first-class postage thereon prepaid. If an agenda is prepared for a special meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

2.12 Notices of all regular Management Committee meetings shall be given in writing to each member of the Management Committee not less than 30 days prior to the meeting, provided that this requirement shall not apply to any member of the

061182

Management Committee who has signed a waiver of notice or a written consent to the holding of a meeting.

2.13 A majority of the then authorized number of Committee members shall constitute a quorum for the transaction of business at any meeting of the Management Committee. The Committee members shall act only as a Committee, and individual Committee members shall have no powers as such. Regular and special meetings of the Management Committee shall be open to all members of the Association; provided, however, that the Association members who are not on the Management Committee may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Committee. The Management Committee may, with the approval of a majority of its members, adjourn the meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

2.14 Any action that is required or permitted to be taken at a meeting of the Management Committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Committee members, and an explanation of the action so taken is posted at a prominent place or places within the Project within three (3) days after the written consent of all Committee members has been obtained.

2.15 After the election of the members of the first Management Committee, 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 Management Committee, 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 facie evidence that the persons named therein are all of the incumbent members of the Management Committee and shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.

2.16 The fiscal year shall be determined by the Management Committee.

3. MEETINGS OF THE ASSOCIATION.

3.1 The first meeting of the Association shall be held within one year after the closing of the sale of the first Condominium sold in the Project. Thereafter, there shall be an annual meeting of the Association on the last Saturday of each January at a reasonable place in the Project or some other reasonable location in Park City or Salt Lake City, Utah, at 7:00 p.m. or at such other reasonable 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 Owners by first-class mail not less than thirty (30) nor more than ninety (90) days prior to the date set for said meeting. A list of orders of business to be considered at the annual meeting shall be sent to the Owners by first-class mail not less than thirty (30) nor more than ninety (90) days prior to the meeting date. The list shall include the name, address and a brief biographical sketch if available of each member of the Association who has announced his or her intention to stand for election to the Management Committee. At or prior to an annual meeting, the Management Committee shall furnish to the Owners (i) a budget for the coming fiscal year which shall itemize the estimated Common Expenses and Time Period Unit Expenses for the coming fiscal year with the estimated allocation thereof to each Owner; and (ii) an audited statement of the Common Expenses and Time Period Unit Expenses itemizing receipts and disbursements for the previous and current fiscal year, together with the allocation thereof to each Owner. Within ten (10) days after the annual meeting, the budget and the statement of Common Expenses and Time Period Unit Expenses shall be delivered to the Owners who were not present at the annual meeting.

3.2 Special meetings of the Association may be held at any time at such reasonable place as may be designated by the Management Committee to consider matters which, by the terms of the Declaration, require the approval of all or some of the 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 Owners other than Declarant representing at least five percent (5%) or more of the ownership interests in the Common Areas and Facilities, which shall be sent by first-class mail to all Owners not less than thirty (30) nor more than ninety (90) days prior to the date fixed for said meeting. Such notice shall specify the place, day and hour of the meeting and a brief statement of the matters which the Management Committee intends to present for action by the members.

BOOKM224 PAGE600

061182

3.3 The presence in person or by proxy of Owners other than Declarant holding thirty-three and one-third percent (33 1/3%) of the total ownership interests in the Common Areas and Facilities at any meeting of the Association held in response to notice to all Owners of record properly given shall constitute a quorum. In the absence of a quorum at a Members' meeting a majority of those present in person or by proxy may adjourn the meeting to another time but may not transact any other business. An adjournment for lack of a quorum by those in attendance shall be to a date not less than five (5) days and not more than thirty (30) days from the original meeting date. The quorum for an adjourned meeting shall be the presence of Members other than Declarant holding, or holders of proxies entitled to cast, at least fifteen percent (15%) of the total votes of the Association. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed in Section 3.1 hereof for regular meetings. Unless otherwise expressly provided in the Act, the Declaration and these Bylaws, any action may be taken at any meeting of the Owners upon a majority vote of the Owners who are present in person or by proxy and who are voting, as provided in Section 25 of the Declaration.

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

3.5 Any action that may be taken at any regular or special meeting of the Association may be taken without a meeting if the following requirements are met:

3.5.1 A written ballot is distributed to every Owner entitled to vote setting forth the proposed action, providing an opportunity to signify approval or disapproval of the proposal and providing a reasonable time for the Owner to return the ballot to the Association.

3.5.2 The number of votes cast by ballot within the specified time under Subparagraph 3.5.1 equals or exceeds the quorum required to be present at a meeting authorizing the action.

3.5.3 The number of approvals of the action equals or exceeds the number of votes required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot.

BOOKM 22 + PAGE 60 1

3.5.4 The written ballot distributed to Owners affords an opportunity for the Owner to specify a choice between approval and disapproval of each order of business proposed to be acted upon by the Association and further provides that the vote of the Owners shall be cast in accordance with the choice specified.

3.6 At each meeting of the Owners, each Owner entitled to vote shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Owner himself or by his attorney thereunto duly authorized in writing. The instrument authorizing the proxy to act shall meet the requirements set forth in Subparagraph 3.5.4 above and shall indicate the name of the secretary of the Association, or such other officer or person who may be acting as the secretary at the meeting to whom the proxy is to be given for the purpose of casting the vote to reflect the absent Owner's vote as specified in the form of proxy. If a Time Period Unit is jointly held, the instrument authorizing a proxy to act must have been executed by all Owners of such Time Period Unit or their attorneys thereunto duly authorized in writing. Such instrument authorizing a proxy to act shall be delivered at the beginning of the meeting to the Secretary of the Association or to such other officer or person who may be acting as secretary of the meeting. The secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting.

3.7 Minutes of the annual and special meetings of the Association shall be distributed to each member within sixty (60) days after the meeting.

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, Secretary and Treasurer. The offices of Secretary and Treasurer may be combined in the discretion of the Management Committee. The Management Committee may appoint such other assistant officers as the Management Committee may deem necessary. No officer shall be required to be an Owner. No officer shall receive compensation for serving as such. Officers shall be annually elected by the Management Committee and may be removed and replaced by the Committee. The Management Committee may, in its discretion, require that officers (and other employees of the Association) be subject to fidelity bond coverage.

BOOKM224 PAGE 60 2

061182

4.2 The President shall be the chief executive of the Management Committee and shall preside at all meetings of the Association and of the Committee and may exercise the power ordinarily allowable 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 sign on behalf of the Association all conveyances, mortgages and contracts of material importance to its business. He shall do and perform all acts which the Management Committee may require.

4.3 The Vice President shall perform the functions of the President in his absence or inability to serve.

4.4 The Secretary shall keep minutes of all proceedings of the Management 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 Owners and the Management Committee.

4.5 The Treasurer shall 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. COMMON EXPENSES; ASSESSMENTS.

5.1 All assessments shall be made in accordance with the general provisions of Section 23 of the Declaration.

5.2 Not less than sixty (60) days prior to the annual meeting of the Association, the Management Committee shall estimate the Common Expenses, Time Period Unit Expenses and capital contributions for the coming fiscal year. The estimated capital contributions may include such amounts as the Committee may deem proper for general working capital, for the general operating reserve, and shall take into account any expected income, surplus or deficit in the Common Expenses for any prior year. The estimated capital contributions and Common Expenses shall be assessed on a quarterly or annual basis, at the election of the Management Committee, to the Owners in proportion to their percentages of ownership interest in the Common Areas and Facilities. The estimated Time Period Unit Expenses shall be apportioned among and assessed to all Owners of Time Period Units in the proportion that the total number of Time Period Units owned by each Owner bears to the total number of Time Period Units. If the estimated Common Expenses or estimated Time Period Unit Expenses prove inadequate for any reason, including

BOOKM224 PAGE 003

nonpayment of any Owner's assessments, the Management Committee may, by resolution duly adopted, make additional assessments, which shall be assessed to the Owners in the same manner as the estimated Common Expenses or estimated Time Period Unit Expenses. Each Owner shall be obligated to pay assessments made pursuant to this paragraph to the Management Committee on or before the first day of the assessment period if assessed on a quarterly basis, or, if assessed on an annual basis, by the earlier of the first day of occupancy of his Time Period Unit or February 28. The funds received by the Management Committee from assessments shall be kept in capital accounts, in the Common Expense Fund or in the Time Period Unit Expense Fund and shall be expended by the Management Committee only in accordance with the provisions of the Act, the Declaration and these Bylaws.

5.3 The failure by the Management Committee before the expiration of any fiscal year to estimate the Common Expenses and Time Period Unit Expenses as required herein shall not be deemed a waiver or modification in any respect of the provisions of the Declaration or these Bylaws or a release of the Owners from the obligation to pay any past or future assessments, and the estimated Common Expenses and Time Period Unit Expenses fixed for the previous and current year shall continue until a new estimate is made.

5.4 No Owner may exempt himself from liability for Common Expenses by waiver of the use or enjoyment of any of the Common Areas and Facilities or by abandonment of his Condominium.

5.5 The Treasurer shall keep detailed records of all receipts and expenditures, including expenditures affecting the Common Areas and Facilities, specifying and itemizing the maintenance, repair and replacement expenses of the Common Areas and Facilities and any other expenses incurred. Such records shall be available for examination by the Owners during regular business hours. In accordance with the actions of the Management Committee in assessing Common Expenses against the Units and Owners, the Treasurer shall keep an accurate record of such assessments and of the payments thereof by each Owner. The Treasurer shall similarly keep and make available to the Time Period Owners detailed records of all Time Period Unit Expenses and assessments.

5.6 All assessments shall be a separate, distinct and personal liability of the Owner at the time each assessment is made. The Management Committee shall have the rights and remedies contained in the Act and in the Declaration to enforce the collection of assessments.

BOOKM224 PAGE60.4

5.7 Any person who shall have entered into a written agreement to purchase a Condominium shall be entitled to obtain a written statement from the Treasurer setting forth the amount of unpaid assessments charged against the Condominium and its Owners, and if such statement does not reveal the full amount of the unpaid assessments as of the date it is rendered, neither the purchaser nor the Condominium shall be liable for the payment of an amount in excess of the unpaid assessments shown thereon, provided that the former Owner shall remain so liable. Any such excess which cannot be promptly collected from the former Owner-grantor shall be reassessed by the Management Committee as a Common Expense to be collected from all Owners, including without limitation the purchaser of the Condominium, his successors and assigns. The new Owner shall, and the former Owner shall not, be liable for any assessments made after the date of transfer of title of a Condominium, even though the Common Expenses and such other expenses incurred or the advances made by the Management Committee for which the assessment is made relate in whole or in part to any period prior to that date.

5.8 In addition to the statements issuable to purchasers of Condominiums, the Management Committee shall, upon ten (10) days' prior written request therefor, provide to the Owner, to any person who shall have entered into a binding agreement to purchase the Condominium and to any mortgagee on request at reasonable intervals a current statement of unpaid assessments for Common Expenses or Time Period Unit Expenses and for any expenses of and advances by the Committee with respect to the Condominium. The Management Committee is authorized to require a reasonable fee for furnishing such statements.

5.9 In all cases where all or part of any assessments for Common Expenses, Time Period Unit Expenses and capital contributions and for any expenses of and advances by the Management Committee cannot be promptly collected from the persons or entities liable therefor under the Act, the Declaration or these Bylaws, the Committee shall reassess the same as a Common Expense without prejudice to its rights of collection against such persons or entities, or without prejudice to its lien for such assessments.

5.10 Amendments to this Section 5 shall be effective only upon unanimous written consent of the Owners and their mortgagees.

BOOKM 224 PAGE 60 5

6. LITIGATION.

6.1 If any action is brought by a member of the Management Committee on behalf of the Association, the expenses of suit, including reasonable attorneys' fees, shall be a Common Expense. If any action is brought against the Owners or against the Management Committee or 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 Owners, the expenses of suit, including attorneys' fees, shall be a Common Expense. If any action is brought against one or more, but less than all Owners, with the result that the ultimate liability would, if proved, be borne solely by such Owners, the expenses of suit, including attorneys' fees, shall not be charged to or borne by the other Owners, as a Common Expense or otherwise.

6.2 Any action brought against the Association, the Management Committee or the officers, employees or agents thereof, in their respective capacities as such, or the Project as a whole, shall be directed to the Management Committee, which shall promptly give written notice thereof to the Owners and any mortgagees and shall be defended by the Committee; and the Owners and mortgagees shall have no right to participate in such defense other than through the Management Committee. Actions against one or more, but less than all Owners, shall be directed to such Owners, who shall promptly give written notice thereof to the Management Committee and to the mortgagees of such Condominiums, and shall be defended by such Owners.

7. ABATEMENT AND ENJOINMENT OF VIOLATIONS BY OWNERS.

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

7.1.1 To enter the Unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner or Owners, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Management Committee shall not thereby be deemed guilty in any manner of trespass; and/or

BOOKM 224 PAGE 60 6

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

7.2 These remedies are cumulative to other remedies provided in the Act, the Declaration and these Bylaws or in any other applicable laws.

8. ACCOUNTING.

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

8.2 At the close of each fiscal year, the books and records of the Association shall be audited by an independent public accountant approved by the Association, and the following financial statements shall be prepared by said accountant and distributed to all Owners:

8.2.1 A pro forma operating statement (budget) for each fiscal year shall be distributed not less than sixty (60) days before the beginning of the fiscal year.

8.2.2 A balance sheet as of the "Accounting Date," which is the last day of the month closest in time to six (6) months from the date of closing of the first Condominium sold, and an operating statement for the period from the date of the first closing to the Accounting Date, shall be distributed within sixty (60) days after the Accounting Date. This operating statement shall include a schedule of assessments received and receivable, identified by the Condominium number and the name of its Owner.

8.2.3 An annual report consisting of the following shall be distributed within one hundred twenty (120) days after the close of the fiscal year:

(a) A balance sheet as of the end of the fiscal year.

(b) An operating (income) statement for the fiscal year.

(c) A statement of changes in financial position for the fiscal year.

BOOKM224 PAGE607

(d) A list of the names, mailing addresses and telephone numbers of the members of the Management Committee.

(e) Any other disclosures required by applicable state law.

The annual report referred to in this paragraph 8.2.3 shall be prepared by an independent accountant for any fiscal year in which gross income to the Association from assessments and other sources exceeds \$25,000.00. If the annual report referred to in this paragraph 8.2.3 is not prepared by an independent accountant, it shall be prepared by the managing agent or by an officer of the Association and shall be accompanied by a certificate of the person preparing the report that the statements were prepared without audit from the books and records of the Project.

8.3 The membership register, books of account and minutes of meetings of the Association, of the Management Committee and of committees of the Management Committee and all other records of the Project maintained by the Association or the Manager shall be made available for inspection and copying by any Member of the Association or his duly appointed representative at any reasonable time and for a purpose reasonably related to his interest as an Owner, at the office where the records are maintained. Upon receipt of an authenticated written request from an Owner along with the fee prescribed by the Management Committee to defray the costs of reproduction, the Manager or other custodian of records of the Association shall prepare and transmit to the Owner a copy of any and all records requested. The Management Committee shall establish reasonable rules with respect to:

8.3.1 Notice to be given to the custodian of the records by the Owner desiring to make the inspection;

8.3.2 Hours and days of the week when such an inspection may be made; and

8.3.3 Payment of the cost of reproducing copies of documents requested by an Owner.

Every member of the Management Committee, subject to the conditions set forth above, shall have the absolute right at any reasonable time to inspect and make copies of all books, records and documents of the Association and to inspect all real and personal properties owned or controlled by the Association.

BOOKM224 PAGE60 8

061182

9. SPECIAL COMMITTEES.

The Management Committee by resolution may designate one or more special committees, each committee to consist of three (3) or more 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. All 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 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.

10. RENTAL OR LEASE OF TIME PERIOD CONDOMINIUMS BY OWNERS.

10.1 Any Owner who rents or leases his Condominium shall file with the Management Committee or manager a copy of the rental or lease agreement affecting said Condominium. The provisions of Section 7 of these Bylaws shall apply with equal force to renters or lessees of Condominiums.

10.2 Any Owner who rents or leases his Condominium shall be responsible for the conduct of his tenants, and upon written notice from the Management Committee or the manager, said Owner shall be responsible for correcting violations of the Declaration, Bylaws or rules and regulations committed by such tenants.

10.3 If an Owner fails to correct violations by tenants within 72 hours of such notice, the Management Committee or manager shall be deemed to be the agent of the Owner and empowered to take any enforcement action the Owner would be entitled to take, the cost of such action to be assessed to the Owner and payable within 30 days of assessment. Such costs shall be collected and enforced in the same manner as Common Assessments under Section 5 of these Bylaws.

10.4 The power of the Management Committee or manager hereunder shall include but not be limited to any and all legal remedies available under the laws of the State of Utah. Any Owner by the act of renting or leasing his Condominium shall be deemed to have consented to these procedures and shall indemnify and save harmless the Management Committee and the manager from and against any and all liability therefor. It is expressly

understood that the remedies available to the Management Committee or manager shall include but not be limited to the right to seek eviction of the tenant without any liability to the Owner.

11. AMENDMENT OF BYLAWS.

Except as otherwise provided in the Act, the Declaration or these Bylaws, the Bylaws may be amended by a vote of Owners holding a majority of the total percentage ownership interests in the Common Areas and Facilities and a majority of the voting power residing in Owners other than Declarant, in person or by proxy at a meeting duly called for such purpose. Provided, however, the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause. Upon such an affirmative vote, the Management Committee shall acknowledge the amended Bylaws, setting forth the fact of the required affirmative vote of the Owners and the amendment shall be effective upon recording.

12. SEVERABILITY.

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

13. 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.

14. EFFECTIVE DATE.

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

BOOKM 224 PAGE 610

Entry No.	198335	Book	M239
RECORDED	11/18/82	at	2:10 PM Page 229-34
REQUEST BY	ASSOCIATED TITLE COMPANY		
FEE	WANDA N. S. ... CO RECORDER		
\$	14.00	E. Wanda N. S. ...	
INDEXED	ABSTRACT		

SECOND AMENDMENT TO
DECLARATION OF CONDOMINIUM

QUAIL MEADOWS PHASE OF SILVER SPRINGS

THIS SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM is made and executed by Spencer-Gamble Development, a Utah general partnership ("Declarant"), with reference to the following:

Recitals:

1. Declarant has heretofore recorded a certain document entitled "Declaration of Condominium--Quail Meadows Phase of Silver Springs," on June 30, 1982 ("Declaration"), and a "First Amendment to Declaration of Condominium--Quail Meadows Phase of Silver Springs," on July 1, 1982, in the County Recorder's Office for Summit County, Utah.

2. Pursuant to Section 30 of the Declaration, Declarant has the authority to expand the project and add additional land and units to the Declaration.

NOW, THEREFORE, the Declaration is hereby amended as follows:

3. Section 3, "Description of the Property," is hereby amended to read as follows:

The Property on which the Building and improvements are located ("Land") is particularly described as follows:

Phase I: Beginning at a point which is N.89°15'54"E. 2781.38 feet along the section line from the Southwest corner of Section 30, T.1S., R.4E., S.L.B & M., and running thence North 239.84 feet to a point on a 180.00 foot radius curve to the left (radius point bears N. 1°11'44"W.) and running along said curve 34.26 feet; thence South 54.78 feet to a point on a 39.00 foot radius curve to the left (radius point bears East) and running along said curve 67.90 feet; thence N.80°15'00"E. 74.84 feet to a point on a 921.00 foot radius curve to the right (radius point bears S.9°45'00"E.) and running along said curve 313.45 feet; thence S.80°15'00" E.

BOOK M239 PAGE 229

66.85 feet to a point on a 293.78 foot radius curve to the left (radius point bears N.9°45'00"E.) and running along said curve 80.76 feet; thence N.84°00'00"E. 16.50 feet to a point on a 39.00 foot radius curve to the left (radius point bears N.6°00'00"W.) and running along said curve 12.62 feet; thence N.59°00'00"W. 35.97 feet to a point on a 186.00 foot radius curve to the right (radius point bears N.31°00'00"E.) and running along said curve 161.40 feet to the South right-of-way line of Meadow Loop Road; thence East 21.32 feet along said line to a point on a 165.00 foot radius curve to the left (radius point bears N.79°31'28"E.) and running along said curve 139.74 feet; thence S.59°00'00"E. 55.80 feet to a point on a 188.45 foot radius curve to the right (radius point bears S.31°00'00"W.) and running along said curve 29.17 feet; thence S.36°00'00" W. 3.75 feet to a point on a 81.00 foot radius curve to the right (radius point bears N.54°00'00"W.) and running along said curve 67.86 feet; thence S.84°00'00"W. 16.50 feet to a point on a 335.78 foot radius curve to the right (radius point bears N.6°00'00"W.) and running along said curve 92.30 feet; thence N.80°15'00" W. 66.85 feet to a point on a 879.00 foot radius curve to the left (radius point bears S.9°45'00"W.) and running along said curve 299.16 feet; thence S.80°15'00"W. 12.39 feet; thence S.0°36'41"W. 117.90 feet to the Section line; thence S.89°15'54"W. 147.00 feet along said line to the point of beginning.

Containing 1.21 acres.

Phase II: Beginning at a point which is N. 89°15'54"E. 2928.38 feet along the Section line from the Southwest corner of Section 30, T.1S., R.4E., S.L.B. & M.; and running thence N.0°36'41"E. 117.90 feet; thence N.80°15'00"E. 12.39 feet to a point on a 879.00 foot radius curve to the right (radius point bears S.9°45'00"E.); and running along said curve 126.66 feet; thence S.28°45'15"E. 7.05 feet; thence S.6°30'54"E. 125.00 feet to the Section line; thence S.89°15'54"W. 157.00

BOOK 239 PAGE 230

feet along said Section line to the point of beginning.

Containing 0.43 acres.

Phase V: Beginning at a point which is N.89°15'54"E. 3085.38 feet along the Section line from the Southwest corner of Section 30, T.1S., R.4E., S.L.B. & M.; and running thence N.6°30'54"W. 125.00 feet; thence N.28°45'15"W. 7.05 feet to a point on a 879.00 foot radius curve to the right (radius point bears S.1°29'38"E.); and running along said curve 154.05 feet; thence South 119.17 feet to the Section line; thence S.89°15'54"W. 136.00 feet along said Section line to the point of beginning.

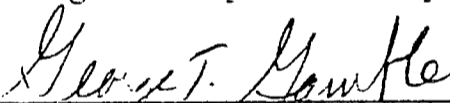
Containing 0.42 acres.

4. Attached hereto is an Amended Appendix A which is hereby substituted in amendment for the original Appendix A of the Declaration.


5. In all other respects the Declaration is hereby ratified and confirmed except as specifically amended hereby.

IN WITNESS WHEREOF, the undersigned has executed this instrument this 16th day of November, 1982.

SPENCER-GAMBLE DEVELOPMENT, a
Utah general partnership



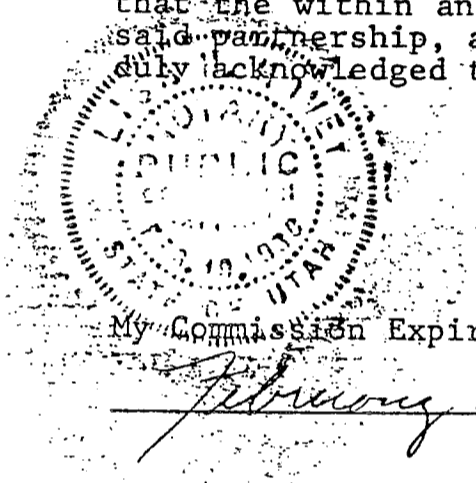
George T. Gamble, General Partner



Thomas L. Spencer, General Partner

STATE OF UTAH)
) : ss.
COUNTY OF SUMMIT)

On the 16th day of November, 1982, personally appeared before me GEORGE T. GAMBLE and THOMAS L. SPENCER, who by me duly sworn did say, each for himself, that he the said GEORGE T. GAMBLE is a General Partner, and he the said THOMAS L. SPENCER is a General Partner, of SPENCER-GAMBLE DEVELOPMENT, and that the within and foregoing instrument was signed in behalf of said partnership, and said GEORGE T. GAMBLE and THOMAS L. SPENCER duly acknowledged to me that said partnership executed the same.



[Signature]
NOTARY PUBLIC
Residing at Park City, Utah

My Commission Expires:
February 19, 1986

BOOK 239 PAGE 232

AMENDED APPENDIX A

QUAIL MEADOWS PHASE OF SILVER SPRINGS

Schedule of Time Period Units and Appurtenant
Percentage Interests in the Common Areas
and Facilities

<u>Unit No. and Type</u>	<u>Approximate Square Footage</u>	<u>Percentage Interest</u>	<u>Time Period Unit Interest (Per Week)</u>	<u>Calendar Year Location</u>
2	1,980	7.8759%	.1575	See attached Page 2 of Amended Appendix A
4	1,770	7.0405%	.1408	
6	1,770	7.0405%	.1408	
8	1,980	7.8759%	.1575	
10	1,980	7.8759%	.1575	
12	2,430	9.6659%	.1933	
14	2,430	9.6659%	.1933	
16	1,980	7.8759%	.1575	
18	1,980	7.8759%	.1575	
20	2,430	9.6659%	.1933	
22	2,430	9.6659%	.1933	
24	1,980	7.8759%	.1575	
TOTALS		100.0000%		

Time
Period
No.

	1982	1983	1984	1985	1986
1	1/2 - 1/9	1/8 - 1/15	1/7 - 1/14	1/5 - 1/12	1/4 - 1/11
2	1/9 - 1/16	1/15 - 1/22	1/14 - 1/21	1/12 - 1/19	1/11 - 1/18
3	1/16 - 1/23	1/22 - 1/29	1/21 - 1/28	1/19 - 1/26	1/18 - 1/25
4	1/23 - 1/30	1/29 - 2/5	1/28 - 2/4	1/26 - 2/2	1/25 - 2/1
5	1/30 - 2/6	2/5 - 2/12	2/4 - 2/11	2/2 - 2/9	2/1 - 2/8
6	2/6 - 2/13	2/12 - 2/19	2/11 - 2/18	2/9 - 2/16	2/8 - 2/15
7	2/13 - 2/20	2/19 - 2/26	2/18 - 2/25	2/16 - 2/23	2/15 - 2/22
8	2/20 - 2/27	2/26 - 3/5	2/25 - 3/3	2/23 - 3/2	2/22 - 2/29
9	2/27 - 3/6	3/5 - 3/12	3/3 - 3/10	3/2 - 3/9	2/29 - 3/8
10	3/6 - 3/13	3/12 - 3/19	3/10 - 3/17	3/9 - 3/16	3/8 - 3/15
11	3/13 - 3/20	3/19 - 3/26	3/17 - 3/24	3/16 - 3/23	3/15 - 3/22
12	3/20 - 3/27	3/26 - 4/2	3/24 - 3/31	3/23 - 3/30	3/22 - 3/29
13	3/27 - 4/3	4/2 - 4/9	3/31 - 4/7	3/30 - 4/6	3/29 - 4/5
14	4/3 - 4/10	4/9 - 4/16	4/7 - 4/14	4/6 - 4/13	4/5 - 4/12
15	4/10 - 4/17	4/16 - 4/23	4/14 - 4/21	4/13 - 4/20	4/12 - 4/19
16	4/17 - 4/24	4/23 - 4/30	4/21 - 4/28	4/20 - 4/27	4/19 - 4/26
17	4/24 - 5/1	4/30 - 5/7	4/28 - 5/5	4/27 - 5/4	4/26 - 5/3
18	5/1 - 5/8	5/7 - 5/14	5/5 - 5/12	5/4 - 5/11	5/3 - 5/10
19	5/8 - 5/15	5/14 - 5/21	5/12 - 5/19	5/11 - 5/18	5/10 - 5/17
20	5/15 - 5/22	5/21 - 5/28	5/19 - 5/26	5/18 - 5/25	5/17 - 5/24
21	5/22 - 5/29	5/28 - 6/4	5/26 - 6/2	5/25 - 6/1	5/24 - 5/31
22	5/29 - 6/5	6/5 - 6/11	6/2 - 6/9	6/1 - 6/8	5/31 - 6/7
23	6/5 - 6/12	6/11 - 6/18	6/9 - 6/16	6/8 - 6/15	6/7 - 6/14
24	6/12 - 6/19	6/18 - 6/25	6/16 - 6/23	6/15 - 6/22	6/14 - 6/21
25	6/19 - 6/26	6/25 - 7/2	6/23 - 6/30	6/22 - 6/29	6/21 - 6/28
26	6/26 - 7/3	7/2 - 7/9	6/30 - 7/7	6/29 - 7/6	6/28 - 7/5
27	7/3 - 7/10	7/9 - 7/16	7/7 - 7/14	7/6 - 7/13	7/5 - 7/12
28	7/10 - 7/17	7/16 - 7/23	7/14 - 7/21	7/13 - 7/20	7/12 - 7/19
29	7/17 - 7/24	7/23 - 7/30	7/21 - 7/28	7/20 - 7/27	7/19 - 7/26
30	7/24 - 7/31	7/30 - 8/6	7/28 - 8/4	7/27 - 8/3	7/26 - 8/2
31	7/31 - 8/7	8/6 - 8/13	8/4 - 8/11	8/3 - 8/10	8/2 - 8/9
32	8/7 - 8/14	8/13 - 8/20	8/11 - 8/18	8/10 - 8/17	8/9 - 8/16
33	8/14 - 8/21	8/21 - 8/27	8/18 - 8/25	8/17 - 8/24	8/16 - 8/23
34	8/21 - 8/28	8/27 - 9/3	8/25 - 9/1	8/24 - 8/31	8/23 - 8/30
35	8/28 - 9/4	9/3 - 9/10	9/1 - 9/8	8/31 - 9/7	8/30 - 9/6
36	9/4 - 9/11	9/10 - 9/17	9/8 - 9/15	9/7 - 9/14	9/6 - 9/13
37	9/11 - 9/18	9/17 - 9/24	9/15 - 9/22	9/14 - 9/21	9/13 - 9/20
38	9/18 - 9/25	9/24 - 10/1	9/22 - 9/29	9/21 - 9/28	9/20 - 9/27
39	9/25 - 10/2	10/1 - 10/8	9/29 - 10/6	9/28 - 10/5	9/27 - 10/4
40	10/2 - 10/9	10/8 - 10/15	10/6 - 10/13	10/5 - 10/12	10/4 - 10/11
41	10/9 - 10/16	10/15 - 10/22	10/13 - 10/20	10/12 - 10/19	10/11 - 10/18
42	10/16 - 10/23	10/22 - 10/29	10/20 - 10/27	10/19 - 10/26	10/18 - 10/25
43	10/23 - 10/30	10/29 - 11/5	10/27 - 11/3	10/26 - 11/2	10/25 - 11/1
44	10/30 - 11/6	11/5 - 11/12	11/3 - 11/10	11/2 - 11/9	11/1 - 11/8
45	11/6 - 11/13	11/12 - 11/19	11/10 - 11/17	11/9 - 11/16	11/8 - 11/15
46	11/13 - 11/20	11/19 - 11/26	11/17 - 11/24	11/16 - 11/23	11/15 - 11/22
47	11/20 - 11/27	11/26 - 12/3	11/24 - 12/1	11/23 - 11/30	11/22 - 11/29
48	11/27 - 12/4	12/3 - 12/10	12/1 - 12/8	11/30 - 12/7	11/29 - 12/6
49	12/4 - 12/11	12/10 - 12/17	12/8 - 12/15	12/7 - 12/14	12/6 - 12/13
50	12/11 - 12/18	12/17 - 12/24	12/15 - 12/22	12/14 - 12/21	12/13 - 12/20
51	12/18 - 12/25	12/24 - 12/31	12/22 - 12/29	12/21 - 12/28	12/20 - 12/27
52	12/25 - 1/8/83	12/31 - 1/7/84	12/29 - 1/5/85	12/28 - 1/4/86	12/27 - 1/3/87