

190-

7344959

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
SOLITUDE RESORT VILLAGE

05/05/99 7344959 3:37 PM 190.00
NANCY WORKMAN
RECORDER, SALT LAKE COUNTY, UTAH
FIRST AMERICAN TITLE
REC BY:Z JOHANSON ,DEPUTY - WI

BK8274P68334

TABLE OF CONTENTS

	Page
ARTICLE I	
<u>DECLARATION</u>	2
1.01 <u>Declaration</u>	2
1.02 <u>Covenants Running With the Land</u>	2
1.03 <u>Exemption from the Act</u>	2
ARTICLE II	
<u>DEFINITIONS</u>	2
2.01 <u>Basic Definitions</u>	2
2.02 <u>Gender and Number</u>	12
2.03 <u>Definitions that Reference Statutes</u>	12
ARTICLE III	
<u>THE SOLITUDE VILLAGE MASTER ASSOCIATION</u>	13
3.01 <u>Formation of the Solitude Village Master Association</u>	13
3.02 <u>Purposes and Powers</u>	13
3.03 <u>Solitude Village Master Association Documents</u>	15
3.04 <u>Books and Records</u>	16
ARTICLE IV	
<u>MEMBERSHIP AND VOTING</u>	16
4.01 <u>Membership</u>	16
4.02 <u>Voting in General</u>	16
4.03 <u>Residential Voting</u>	17
4.04 <u>Commercial Voting</u>	18
4.05 <u>Lodge Voting</u>	18
4.06 <u>Resort Voting</u>	19
ARTICLE V	
<u>EXECUTIVE BOARD</u>	19
5.01 <u>Powers of the Executive Board</u>	19
5.02 <u>Number of Directors</u>	20
5.03 <u>Election of Directors</u>	20
5.04 <u>Declarant Control Period</u>	21
5.05 <u>Removal of Directors</u>	22
5.06 <u>Replacement of Directors</u>	22

ARTICLE VI	
<u>ASSESSMENTS, COMMON EXPENSES, BUDGETS AND LIENS</u>	23
6.01 <u>Obligations for Assessments and Other Charges</u>	23
6.02 <u>Budgets</u>	25
6.03 <u>Annual Real Estate Assessments</u>	26
6.04 <u>Sales Assessments</u>	27
6.05 <u>Real Estate Transfer Assessments</u>	28
6.06 <u>Special Assessments</u>	33
6.07 <u>Default Assessments</u>	34
6.08 <u>Solitude Village Master Association Assessments</u>	34
6.09 <u>Assignment of Assessments</u>	35
6.10 <u>Assessment Liens</u>	35
6.11 <u>Waiver of Homestead Exemption</u>	36
6.12 <u>Estoppel Certificates; Notices to Mortgagees</u>	37
6.13 <u>Administration of Assessments</u>	37
6.14 <u>Rental Assessments</u>	38
6.15 <u>Resort Assessment</u>	39
ARTICLE VII	
<u>MAINTENANCE OF COMMON ELEMENTS AND SITES</u>	39
7.01 <u>Maintenance of Common Elements</u>	39
7.02 <u>Maintenance of Sites</u>	40
ARTICLE VIII	
<u>DESIGN REVIEW</u>	41
8.01 <u>Design Review Board</u>	41
8.02 <u>Design Review Board Approval and Control</u>	41
8.03 <u>Enforcement of Restrictions</u>	43
8.04 <u>Fees</u>	44
8.05 <u>Lapse of Approval</u>	44
8.06 <u>Liability</u>	44
ARTICLE IX	
<u>COVENANTS, CONDITIONS AND RESTRICTIONS</u>	45
9.01 <u>Applicability of Covenants, Conditions and Restrictions</u>	45
9.02 <u>Land Use Restrictions</u>	45
9.03 <u>Solitude Village Master Association Documents</u>	45
9.04 <u>Construction and Alterations</u>	45
9.05 <u>Nuisances, Hazardous Activities and Unsightliness</u>	46
9.06 <u>Signs</u>	47
9.07 <u>Compliance With Laws</u>	48
9.08 <u>Compliance With Insurance</u>	48
9.09 <u>Restriction on Subdivision and Rezoning</u>	48

9.10	<u>Common Interest Ownership</u>	48
9.11	<u>Mineral Exploration</u>	49
9.12	<u>Wells, Water, Sewage and Propane</u>	49
9.13	<u>Vehicles and Equipment</u>	49
9.14	<u>Trash, Garbage and Other Waste Materials</u>	49
9.15	<u>Deliveries</u>	50
9.16	<u>Trademarks</u>	50
9.17	<u>Animals</u>	50
9.18	<u>Exemption</u>	50
ARTICLE X		
<u>EASEMENTS AND RESERVATIONS</u>		51
10.01	<u>Declarant's Easements Over Common Elements</u>	51
10.02	<u>Owners' Easements Over Common Elements</u>	51
10.03	<u>Utility Easement</u>	52
10.04	<u>Solitude Village Master Association's Easement</u>	52
10.05	<u>Emergency Access Easement</u>	53
10.06	<u>Special District Easement</u>	53
10.07	<u>Special District Easement</u>	53
10.08	<u>Easement for Encroachments</u>	53
ARTICLE XI		
<u>INSURANCE</u>		54
11.01	<u>Insurance Required To Be Obtained by the Solitude Village Master Association</u>	54
11.02	<u>Adjustments</u>	54
ARTICLE XII		
<u>CASUALTY</u>		54
12.01	<u>Casualty to Common Elements</u>	54
12.02	<u>Casualty to a Site</u>	54
ARTICLE XIII		
<u>CONDEMNATION</u>		54
13.01	<u>Condemnation of Sites</u>	55
13.02	<u>Condemnation of Fewer Than All Units</u>	55
13.03	<u>Condemnation of Common Elements</u>	55
ARTICLE XIV		
<u>SPECIAL DECLARANT RIGHTS</u>		55
14.01	<u>Improvements</u>	55
14.02	<u>Development Rights</u>	55
14.03	<u>Sales Offices</u>	56

14.04	<u>Merger</u>	56
14.05	<u>Exercising Special Declarant Rights</u>	56
14.06	<u>Interference with Declarant Right</u>	57
14.07	<u>Rights Transferable</u>	57

ARTICLE XV

<u>ENFORCEMENT AND REMEDIES</u>		57
15.01	<u>Enforcement</u>	57
15.02	<u>Attorneys' Fees</u>	58
15.03	<u>Interest</u>	59
15.04	<u>Right to Notice and Hearing</u>	59

ARTICLE XVI

<u>TERM AND AMENDMENTS</u>		59
16.01	<u>Term</u>	59
16.02	<u>Termination</u>	60
16.03	<u>Amendments</u>	60

ARTICLE XVII

<u>MISCELLANEOUS</u>		61
17.01	<u>Interpretation of the Declaration</u>	61
17.02	<u>Severability</u>	61
17.03	<u>Disclaimer of Representations</u>	61
17.04	<u>Reference to Declaration and Deeds</u>	61
17.05	<u>Successors and Assigns of Declarant</u>	62
17.06	<u>Captions and Titles</u>	62
17.07	<u>Notices</u>	62

EXHIBIT A	Declarant's Property
EXHIBIT A-1	Other Property Subject to Declaration
EXHIBIT B	Additional Property
EXHIBIT C	Plat
EXHIBIT D	Consent and Subordination of Lenders
EXHIBIT E	The Resort's Property

**DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR SOLITUDE RESORT VILLAGE**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SOLITUDE RESORT VILLAGE (this "Declaration") is made as of May 4th, 1999, by Solitude Ski Corporation, a Delaware corporation ("Declarant").

RECITALS

A. Declarant owns the real property located in Salt Lake County, Utah, that is described on Exhibit A attached hereto and made a part hereof ("Declarant's Property"). Declarant has previously conveyed other parcels of adjacent real property to third parties subject to the understanding and requirement that such parcels of property would also be subject to this Declaration upon recording of this Declaration. Such parcels are described on Exhibit A-1 hereto and for purposes of this Declaration are part of the Project, the Property and the Solitude Resort Village as those terms are defined below.

B. Declarant desires to develop a coordinated and compatible mixed use real estate development (the "Project") on the Property, portions of which Project shall consist of individual condominium projects which shall be subject to the Utah Condominium Ownership Act, Utah Code Sections 5781 through 57836, as the same may be amended from time to time (the "Act").

C. The Property and the Project shall be benefited by certain easements and rights of way provided by the owners of the adjacent Solitude Ski Resort (the "Resort") as defined below.

D. Declarant deems it necessary and desirable to subject Declarant's Property to the covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth in this Declaration. The Property and this Declaration shall not be subject to the Act. Individual condominium projects have been and will be developed on the Property, and upon recording of appropriate declarations of condominium, such individual condominium projects will become subject to the Act.

DECLARATION

In consideration of the foregoing, Declarant hereby declares as follows:

**ARTICLE I
DECLARATION**

1.01 Declaration.

Declarant hereby creates a coordinated and compatible mixed use real estate development project named the "Solitude Resort Village" on the Property and declares that the Property shall

be held, sold and conveyed subject to the covenants, conditions, restrictions, reservations, easements, assessments, charges, liens and other provisions of this Declaration.

1.02 Covenants Running With the Land.

All covenants, conditions, restrictions, reservations, easements, charges, liens and other provisions of this Declaration are covenants running with the land, or equitable servitudes, as the case may be. The obligations, burdens and benefits created by this Declaration shall bind and inure to the benefit of Declarant, the Owners (as such term is defined below), the Resort and all other parties having any right, title or interest in the Property or any portion thereof and their respective successors, assigns, heirs, devisees, executors, administrators and personal representatives.

1.03 Exemption from the Act.

The Declarant acknowledges that this Declaration is not subject to the Act, notwithstanding that the Project is or will be comprised of one or more individual condominium projects or developments which may independently be subject to the Act, developed on Sites within the Project.

ARTICLE II
DEFINITIONS

2.01 Basic Definitions.

As used in this Declaration, the following terms shall have the meanings given to them in this Section 2.01, unless the context expressly requires otherwise.

(a) "Act" means the Utah Condominium Ownership Act, Utah Code Sections 5781 through 57837, as the same may be amended from time to time.

(b) "Additional Property" means the real property described on Exhibit B attached hereto and made a part hereof.

(c) "Annual Real Estate Assessment" has the meaning given to that term in Section 6.03 below.

(d) "Articles" means the Articles of Incorporation of the Association, as the same may be amended from time to time.

(e) "Assessment" means an Annual Real Estate Assessment, a Sales Assessment, a Real Estate Transfer Assessment, a Rental Assessment, the Resort Assessment, a

Solitude Village Master Association Assessment, a Special Assessment or a Default Assessment levied pursuant to Article VI below.

(f) "Assessment Lien" means the lien of the Association on a Site described in Section 6.10 below.

(g) "Association" shall mean the Solitude Village Master Association, a Utah nonprofit corporation.

(h) "Bedroom" means a fully enclosed room whose primary use is for sleeping purposes.

(i) "Bylaws" means the Bylaws of the Association, as the same may be amended from time to time.

(j) "Commercial Director" has the meaning given to that term in Section 5.02 below.

(k) "Commercial Space" means a Site or any portion of any Site in which:

- (i) a wholesale, retail or service business is operated;
- (ii) an office is operated or an administrative function is conducted;
- (iii) a maintenance or service facility is operated; or
- (iv) a Resort Support Facility is operated,

including, without limitation, any space within a Lodge, other than a Lodge Room, that is used for any of the foregoing purposes. Notwithstanding the foregoing, neither Lodge Rooms nor Community Facilities shall be deemed Commercial Spaces.

(l) "Common Elements" means any real estate within the Solitude Resort Village and any improvements or fixtures located on such real estate, that are:

- (i) owned by the Association; or
- (ii) owned by a Person other than the Association, but in which the Association has rights of use or possession pursuant to (A) this Declaration, or (B) a lease, license, easement or other agreement, including the easements provided by the Resort.

(m) "Common Expenses" means:

(i) any and all costs, expenses and liabilities incurred by or on behalf of the Association, including, without limitation, costs, expenses and liabilities for (A) acquiring, owning, leasing, selling, encumbering, managing, operating, insuring, improving, repairing, replacing and maintaining the Common Elements or any other property of the Association; (B) carrying out any of the purposes of, and exercising any of the powers of, the Association as described in any Solitude Village Master Association Documents, including, without limitation, those purposes and powers described in Section 3.02 below; (C) administering and enforcing the covenants, conditions, restrictions, reservations and easements created hereby; (D) levying, collecting and enforcing the assessments, charges and liens imposed pursuant hereto; (E) promoting Solitude Resort Village as part of the Resort; (F) maintaining and enhancing property values within Solitude Resort Village; (G) taking any action it deems necessary or appropriate to protect the general welfare of Owners, Guests and the general public; (H) regulating and managing Solitude Resort Village, (I) complying with the terms of all easements provided by the Resort, and (J) operating the Association; and

(ii) reserves for any such costs, expenses and liabilities.

(n) "Community Facility" means any facility that is operated by a nonprofit, not-for-profit, governmental or quasi-governmental entity and that provides athletic, cultural, recreational, entertainment or other services to Owners, Guests or the general public. "Community Facilities" include, without limitation, all:

- (i) theaters;
- (ii) libraries;
- (iii) conference and meeting facilities;
- (iv) chapels;
- (v) schools;
- (vi) community centers;
- (vii) recreational facilities, athletic facilities, parks, playing fields, nature centers, trails, open spaces and wetlands;
- (viii) child care facilities and teen centers; and
- (ix) medical and emergency service facilities,

that are operated by a nonprofit, not-for-profit, governmental or quasi-governmental entity. The term "Community Facility" does not include any of the foregoing facilities that are provided by the Resort or any other for-profit venture.

- (o) "Condominium" has the meaning given to that term in the Act.
- (p) "Condominium Unit" means a Unit within a Condominium.
- (q) "Consideration" means any combination of:
 - (i) the money paid or to be paid;
 - (ii) the value of property delivered or to be delivered;
 - (iii) the value of any services delivered or to be delivered; and
 - (iv) the amount of any debt assumed or to be assumed, by a Transferee in exchange for the Transfer of a Site.
- (r) "Declarant" means Solitude Ski Corporation, a Delaware corporation, and its successors and assigns.
- (s) "Declarant Control Period" has the meaning given to that term in Section 5.04 below.
- (t) "Declarant Rights" means any rights reserved to Declarant under this Declaration or any other Solitude Village Master Association Document, including, without limitation, all Special Declarant Rights.
- (u) "Declarant's Property" means the real property located in Salt Lake County, Utah, that is described on Exhibit A attached hereto and made a part hereof.
- (v) "Declaration" means this Declaration of Covenants, Conditions and Restrictions for Solitude Resort Village, as the same may be amended or supplemented from time to time, together with all Plats for Solitude Resort Village.
- (w) "Default Assessment" has the meaning given to that term in Section 6.07 below.
- (x) "Design Review Board" has the meaning given to that term in Section 8.01 below.

Board. (y) "Director" means a duly elected or appointed member of the Executive

(z) "Executive Board" means the Board of Directors of the Association.

(aa) "Fair Market Value," means the greater of:

(i) the Consideration given by the Transferee to the Transferor in exchange for the Transfer of a Site; or

(ii) the price that a Transferee would pay to a Transferor for a Site in a bona fide arm's length Transfer between unrelated Persons, as determined by the Association pursuant to the provisions of Section 6.05 below, as applicable.

(bb) "First Mortgage" means any Mortgage which is not subordinate to any other lien or encumbrance, except liens for taxes or other liens which are given priority by statute.

(cc) "First Mortgagee" means a Mortgagee with respect to a First Mortgage.

(dd) "Guest" means any family member, employee, agent, independent contractor, lessee, customer or invitee of an Owner.

(ee) "Intrawest" means Intrawest Resorts, Inc., a Delaware corporation, and its permitted successors and assigns as developer, but does not include purchasers of individual Units or Commercial Spaces from Intrawest.

(ff) "Intrawest Development Period" means the time period commencing on the date of recording of this Declaration, and ending on the last to occur of either: (i) the first to occur of twenty-four (24) months after Intrawest's "Substantial Completion" of the building(s) on a Residential Site acquired by Intrawest, or upon Intrawest's sale or transfer of ninety percent (90%) of the Units in the Residential Site; or, (ii) thirty (30) days after Intrawest ceases to have any options to acquire any Sites on the Property. The Intrawest Development Period may be terminated prior to the end of such period by mutual written agreement of Intrawest and Declarant. "Substantial Completion" or "Substantially Complete" as used in this Declaration means with respect to buildings the earlier of (i) the issuance of an occupancy permit; or (ii) the completion in all material respects of (A) the structural components of such building and the building facade and (B) all hard and soft landscaping, to the extent such improvements would be visible from an external inspection of such building and in accordance with any required approvals from governmental authorities, if any.

(gg) "Local Sales" has the meaning given to that term in Section 6.04 below.

- (hh) "Lodge" means:
- (i) any Site or any portion of a Site that is used as a hotel, motel, inn or lodge; or
 - (ii) any Site, other than a Residential Site, in which short-term overnight accommodations are provided.
- (ii) "Lodge Director" has the meaning given to that term in Section 5.02 below.
- (jj) "Lodge Room" means a room or suite in a Lodge designated for separate overnight occupancy by one or more Guests.
- (kk) "Majority," whether or not capitalized, means any percentage greater than 50 percent.
- (ll) "Mortgage" means any mortgage, deed of trust or other document encumbering or pledging any Site or any interest in a Site as security for payment of a debt or obligation.
- (mm) "Mortgagee" means any Person named as a mortgagee or beneficiary in any Mortgage, or any successor to the interest of any such person under a Mortgage.
- (nn) "Officer" means a duly elected or appointed officer of the Association.
- (oo) "Owner" means the record holder of legal title to the fee simple interest in any Site or portion thereof. If there is more than one record holder of legal title to a Site, each record holder shall be an Owner. The term "Owner" includes Declarant to the extent that Declarant is the record holder of legal title to the fee simple interest in any Site.
- (pp) "Person" means any natural person, corporation, partnership, limited liability company, association, trust, trustee, governmental or quasi-governmental entity or any other person or entity recognized as being capable of owning real property under the laws of the State of Utah.
- (qq) "Plat" means the plat of Solitude Resort Village attached hereto and made a part hereof as Exhibit C, as the same may be amended and supplemented from time to time.
- (rr) "Project" has the meaning set forth in the Recitals.
- (ss) "Property" means:

(i) Declarant's Property as defined in Exhibit "A" to this Declaration;

(ii) the additional real property described on Exhibit "A-1" attached hereto and incorporated herein; and

(iii) any other real property that is later made subject to this Declaration.

(tt) "Purchaser" means a Person, other than Declarant or a Successor Declarant, who acquires legal title to the fee simple interest in any Site or portion thereof.

(uu) "Real Estate Transfer Assessment" has the meaning given to that term in Section 6.05 below.

(vv) "Real Estate Transfer Assessment Rate" has the meaning given to such term in Section 6.05 below.

(ww) "Rental Assessment" has the meaning given that term in Section 6.14 below.

(xx) "Rental Income" shall have the meaning given that term in Section 6.14 below.

(yy) "Residential Director" has the meaning given to that term in Section 5.02 below.

(zz) "Residential Site" means any Site that contains:

(i) one single-family dwelling for which a final certificate of occupancy has been issued by the appropriate governmental authority; or

(ii) a multi-family dwelling, that is not a condominium project for which a final certificate of occupancy has been issued by the appropriate governmental authority.

The term "Residential Site" includes, without limitation, a residential Condominium Unit.

(aaa) "Resort" and "Resort Owner" mean, respectively, the Solitude Ski Resort, and the Solitude Ski Corporation, a Delaware corporation, its successors and assigns.

(bbb) "Resort Assessment" has the meaning given to that term in Section 6.15 below.

(ccc) "Resort Director" has the meaning given to that term in Section 5.02 below.

(ddd) "Resort Parcel" means that parcel of real property that is described on Exhibit E attached hereto and made a part hereof.

(eee) "Resort Support Facility" means any amenity or facility that is located on a Site, operated by the Resort Owner, and used in connection with the operation of the Resort, but which does not otherwise qualify as Commercial Space. "Resort Support Facilities" include, without limitation:

- (i) office and administrative facilities;
- (ii) maintenance and repair facilities;
- (iii) information facilities;
- (iv) operational facilities;
- (v) employee child care facilities; and

(vi) facilities that provide services to Guests of the Solitude Resort Village, such as ski facilities, conference facilities, child care facilities, cultural facilities, recreational facilities, athletic facilities and other entertainment facilities, that meet the criteria described in the preceding sentence.

(fff) "Rules and Regulations" means any instrument adopted by the Association or the Design Review Board for the regulation and management of Solitude Resort Village, as the same may be amended from time to time.

(ggg) "Sales Assessment" has the meaning given to that term in Section 6.04 below.

(hhh) "Sales Assessment Rate" has the meaning given to that term in Section 6.04 below.

(iii) "Salt Lake County Records" means the Office of the Recorder for Salt Lake County, Utah.

(jjj) "Site" means any one of the following parcels of real property:

- (i) a Condominium Unit;

(ii) a platted lot; or

(iii) an unplatted parcel of real property, the fee simple interest of which may be conveyed in its entirety to another Person without violating the subdivision regulations of Salt Lake County, Utah, as in effect from time to time, that is located within Solitude Resort Village, including without limitation a Lodge, and any commercial pads which may be developed on the Project. Notwithstanding the foregoing, any such parcel of real property owned, held or used in its entirety (A) by the Association, (B) as common elements for any individual condominium association, (C) by any governmental or quasi-governmental entity, (D) solely for or in connection with the distribution of electricity, gas, water, sewer, telephone, cable television or any other utility service, or (E) solely for access to or through any property within Solitude Resort Village, including the property owned by and subject to the easements provided by the Resort, shall not be considered a Site.

(kkk) "Solitude Resort Master Plan" means the conditional use permit regarding the amended Solitude Master Plan dated November 28, 1995, as amended July 7, 1998, as the same may be amended from time to time.

(III) "Solitude Resort Village" means the coordinated, mixed-use real estate development project to be developed on the Property in accordance with this Declaration.

(mmm) "Solitude Ski Resort" means the four-season destination resort located in the Big Cottonwood Canyon in Salt Lake County, Utah, as the same may be expanded or contracted from time to time, and has the same meaning as "Resort."

(nnn) "Solitude Village Master Association Assessment" has the meaning given to that term in Section 6.08(a) below.

(ooo) "Solitude Village Master Association Documents" means this Declaration, the Articles, the Bylaws and the Rules and Regulations, as the same may be amended from time to time.

(ppp) "Special Assessment" has the meaning given to that term in Section 6.06 below.

(qqq) "Special Declarant Rights" means the rights reserved by Declarant in Article XIV below.

(rrr) "Successor Declarant" means any Person who succeeds to any rights of Declarant hereunder.

(sss) "Supplemental Declaration" means additional covenants, conditions and restrictions which may be placed on the Property or any portion thereof by one or more

instruments recorded in the Salt Lake County Records prior to the time Declarant transfers or conveys said property to the Association which further restrict the use, density or design of the applicable property, and which shall have been approved in writing by the Resort. During the Intrawest Development Period, a Supplemental Declaration must be approved by Intrawest.

(ttt) "Transfer," when capitalized and used in connection with the Real Estate Transfer Assessment, means any sale, conveyance, assignment, lease or other transfer of legal or beneficial ownership of all or any portion of a Site whether in one transaction or in a series related of transactions. The term "Transfer" includes, without limitation:

- (i) the conveyance of any fee simple interest in a Site;
- (ii) the transfer of more than 50 percent of the outstanding shares of the voting stock of a corporation that owns a Site, directly or indirectly; and
- (iii) the transfer of more than 50 percent of the interest in net profits or net losses of any limited liability company, partnership, joint venture or other entity that owns a Site, directly or indirectly.

(uuu) "Transferee," when capitalized and used in connection with the Real Estate Transfer Assessment, means all Persons to whom an interest passes by a Transfer.

(vvv) "Transferor," when capitalized and used in connection with the Real Estate Transfer Assessment, means all Persons from whom an interest passes by a Transfer.

(www) "Unit" has the meaning given to that term in the Act.

(xxx) "Utah Sales Tax Act" has the meaning given to that term in paragraph 6.04(a).

2.02 Gender and Number.

Whenever the context of this Declaration so requires:

- (a) words used in the masculine gender shall include the feminine and neuter genders;
- (b) words used in the neuter gender shall include the masculine and feminine genders;
- (c) words used in the singular shall include the plural; and
- (d) words used in the plural shall include the singular.

2.03 Definitions that Reference Statutes.

If a capitalized term used in this Declaration is defined as having the meaning given to that term in a particular Utah statute, the meaning given to that term in this Declaration shall be the meaning given to that term in the particular Utah statute as of the date, of this Declaration, regardless of any later amendments to that particular Utah statute.

ARTICLE III
THE SOLITUDE VILLAGE MASTER ASSOCIATION

3.01 Formation of the Solitude Village Master Association.

Prior to, or concurrently with, the recording of this Declaration, Declarant shall form the Association.

3.02 Purposes and Powers.

(a) The Association's purposes are:

(i) to acquire, own, lease, sell, transfer, grant easements over, encumber, manage, operate, insure, improve, repair, replace and maintain the Common Elements and all other property of the Association;

(ii) to provide certain facilities and services to Owners, Guests and the general public;

(iii) to administer and enforce the covenants, conditions, restrictions, reservations and easements created hereby;

(iv) to levy, collect and enforce the Assessments, charges and liens imposed pursuant hereto;

(v) to promote the Solitude Resort Village as a four-season destination resort community;

(vi) to maintain and enhance property values within Solitude Resort Village;

(vii) to take any action it deems necessary or appropriate to protect the general welfare of Owners, Guests and the general public;

(viii) to enter into agreements with other Persons, including, without limitation, easements, licenses, leases and other agreements with individual condominium

associations and with governmental and quasi-governmental entities, which provide for the sharing of expenses among the Association and such other Persons for improvements, facilities and services that serve the Association and such other Persons; and

(ix) to regulate and manage the Solitude Resort Village.

(b) Unless expressly prohibited by law or any of the Solitude Village Master Association Documents, the Association may:

(i) take any and all actions that it deems necessary or advisable to fulfill its purposes, including, without limitation, the hiring and termination of employees, agents and independent contractors;

(ii) exercise any powers conferred by any Solitude Village Master Association Document; and

(iii) exercise all powers that may be exercised in Utah by nonprofit corporations including, without limitation, the power to borrow money.

(c) Without in any way limiting the powers of the Association as described in this paragraph 3.02, the Association may, but is not obligated to, provide the following facilities and services to Owners, Guests and the general public:

(i) safety facilities and services, such as security, fire protection, traffic control, waste control and disposal and rodent, pest, mosquito and other animal control facilities and services;

(ii) roads, paths and road and path maintenance and construction services including without limitation snow removal;

(iii) transportation facilities and services;

(iv) parking facilities and services;

(v) lighting and signage facilities and services;

(vi) to the extent not otherwise provided by the Resort or one or more special service districts serving the Solitude Resort Village, utility facilities and services, such as electric, propane, water, sewer, telephone, and cable and satellite television facilities and services;

(vii) environmental management facilities and services, including those related to forest management, wildlife management, water management, air quality management, wetland management, flood plain management and environmental cleanup and remediation;

(viii) special events facilities and services;

(ix) to the extent not otherwise provided by the Resort or one or more special service districts serving the Solitude Resort Village, athletic facilities and services, such as pool and changing facilities, spa, exercise, walking, hiking, biking, and skiing services;

(x) other recreational facilities and services, such as nature centers, parks, open spaces, picnic grounds, public fountains and squares and botanical gardens;

(xi) to the extent not otherwise provided by the Resort or one or more special service districts serving the Solitude Resort Village, conference and meeting facilities and services;

(xii) village marketing facilities and services; and

(xiii) information facilities and services.

(d) Without in any way limiting the powers of the Association as described in this paragraph 3.02, the Association may, but is not obligated to, charge use fees for the use of any Common Elements and for the use of any facilities or services provided by the Association.

(e) Without in any way limiting the powers of the Association as described in this paragraph 3.02, the Association may, but is not obligated to, make capital improvements to the Common Elements.

(f) The Association may provide facilities and services itself or it may contract with private, governmental and quasi-governmental Persons to provide facilities or services, including without limitation, the Declarant, the Resort, one or more special service districts, or any of their affiliates.

3.03 Solitude Village Master Association Documents.

(a) This Declaration facilitates a coordinated, mixed use real estate development project known as Solitude Resort Village and creates certain covenants, conditions, restrictions, reservations, easements, assessments, charges and liens applicable to Solitude Resort Village. The Articles create the Association. The Bylaws provide for the regulation and management of the Association, and the Rules and Regulations provide for the regulation and management of Solitude Resort Village.

(b) If there is any conflict or inconsistency between the terms and conditions of this Declaration and the terms and conditions of the Articles, the Bylaws or the Rules and Regulations, the terms and conditions of this Declaration shall control. If there is any conflict or inconsistency between the terms and conditions of the Articles and the terms and conditions of the Bylaws or the Rules and Regulations, the terms and conditions of the Articles shall control. If there is any conflict or inconsistency between the terms and conditions to the Bylaws and the terms and conditions of the Rules and Regulations, the terms and conditions of the Bylaws shall control.

3.04 Books and Records.

Upon reasonable prior written request, the Association shall allow Owners, Mortgagees, and their respective agents to inspect current copies of the Solitude Village Master Association Documents and the books, records, budgets and financial statements of the Association during normal business hours and under other reasonable circumstances. The Association may charge a reasonable fee for copying such materials.

ARTICLE IV
MEMBERSHIP AND VOTING

4.01 Membership.

Every Owner shall be a member of the Association, and a Person who is not an Owner may not be a member of the Association.

4.02 Voting in General.

(a) The votes in the Association shall be allocated as described in this Section 4.02 and Sections 4.03 through 4.06 below.

(b) There shall be four classes of voting in the Solitude Master Association:

- (i) votes allocated to Residential Sites;
- (ii) votes allocated to Commercial Spaces;
- (iii) votes allocated to Lodge; and
- (iv) votes allocated to the Resort Parcel.

(c) The votes allocated to a Residential Site, a Commercial Space, the Lodge, or the Resort Parcel shall be held by the Owner(s) of such Residential Site, Commercial Space, Lodge, or Resort Parcel, as the case may be, and may not be separated from the Residential Site,

Commercial Space, Lodge, or Resort Parcel to which the votes are allocated. The votes allocated to a Residential Site, a Commercial Space, a Lodge, and the Resort Parcel may be transferred or encumbered only in connection with the conveyance or encumbrance of the fee simple interest in such Residential Site, Commercial Space, Lodge, and Resort Parcel. Any transfer or encumbrance of votes in the Association, other than as permitted in this paragraph 4.02(c), shall be void and have no force or effect.

(d) Notwithstanding the terms and conditions of paragraph 4.02(c) above, the Owner of a Residential Site, a Commercial Space, a Lodge, or the Resort Parcel may appoint an agent to vote the votes allocated to the Owner's Residential Site, Commercial Space, Lodge, or the Resort Parcel, by a duly executed proxy, in such form as the Association may reasonably require, timely delivered to the Association.

(e) Class voting shall be allowed for the election of the Residential Directors, Commercial Director, the Lodge Director and the Resort Director pursuant to Article V below, but for no other purpose.

(f) Cumulative voting shall not be allowed in the election of Directors or for any other purpose.

4.03 Residential Voting.

(a) Each Residential Site shall be allocated one vote, regardless of the number of Owners of that Residential Site. To the extent not prohibited by the Act, fractional voting shall be allowed for a vote allocated to a Residential Site, in the event that such fractional interests result from duly recorded deeds. Except with respect to voting of deeded fractional interests, if the Owners of a Residential Site cannot agree among themselves as to how to cast their vote on a particular matter, they shall lose their right to vote on such matter. If any Owner of a Residential Site casts the vote for that Residential Site, it will thereafter be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners of that Residential Site, unless an Owner of that Residential Site makes an objection thereto to the Person presiding over the meeting when the vote is cast. Except with respect to voting of deeded fractional interests, if more than one vote is cast for any Residential Site, none of such votes shall be counted and all of such votes shall be deemed null and void.

(b) In any election of Directors, the Owner of a Residential Site shall have a number of votes equal to the number of Directors for which that Owner may vote by virtue of its ownership of that Residential Site. There shall be two Residential Directors elected.

4.04 Commercial Voting.

(a) Each Commercial Space shall be allocated a number of votes equal to the quotient (rounded to the nearest 1/100th) obtained by dividing:

(i) the number of square feet of area* within that Commercial Space (as determined by the Solitude Master Association in its sole discretion); by

(ii) 1,000,

regardless of the number of Owners of that Commercial Space.

(b) The Owner of a Commercial Space may appoint one or more of its lessees in that Commercial Space as its agent to vote all or any portion of the votes allocated to that Commercial Space by proxy in accordance with the terms and conditions of paragraph 4.02(d) above. In that regard, fractional voting shall be allowed for the votes allocated to a Commercial Space. Notwithstanding the foregoing, if more votes are cast for a Commercial Space than are allocated to that Commercial Space, none of such votes shall be counted and all of such votes shall be deemed null and void.

(c) In any election of Directors, the Owner of a Commercial Space shall have a number of votes equal to the product obtained by multiplying:

(i) the number of votes allocated to that Commercial Space; by

(ii) the number of Directors for which the Owner may vote by virtue of its ownership of that Commercial Space.

4.05 Lodge Voting.

(a) Each Lodge shall be allocated a number of votes equal to the number of Lodge Rooms within the Lodge (as determined by the Association in its sole discretion regardless of the number of Owners of the Lodge).

(b) Fractional voting shall not be allowed for votes allocated to a Lodge. If the Owners of a Lodge cannot agree among themselves as to how to cast their votes on a particular matter, they shall lose their right to vote on such matter. If any Owner of a Lodge casts the votes for that Lodge, it will thereafter be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners of that Lodge, unless an Owner of that Lodge makes an objection thereto to the Person presiding over the meeting when the votes are cast. If at any meeting more votes are cast for a Lodge than are allocated to that Lodge, none of such votes shall be counted and all of such votes shall be deemed null and void.

(c) In any election of Directors, the Owner of a Lodge shall have a number of votes equal to the product obtained by multiplying the number of Lodge Rooms within the Lodge (as determined by the Association in its sole discretion regardless of the number of Owners of the Lodge) by the number of Directors for which that Owner may vote by virtue of its ownership of that Lodge.

4.06 Resort Voting.

(a) The Resort Parcel shall be allocated five votes, regardless of the number of Owners of the Resort Parcel. If the Owners of the Resort Parcel cannot agree among themselves as to how to cast their votes on a particular matter, they shall lose their right to vote on that matter. If any Owner of the Resort Parcel casts the votes for the Resort Parcel, it will thereafter be presumed for all purposes that the Owner was acting with the consent and authority of all other Owners of the Resort Parcel, unless an Owner of the Resort Parcel makes an objection thereto to the Person presiding over the meeting when the votes are cast. If the Owners of the Resort Parcel cast more votes for the Resort Parcel than are allocated to the Resort Parcel, none of such votes shall be counted and all of such votes shall be deemed null and void.

(b) In any election of Directors, the Owner of the Resort Parcel shall have a number of votes equal to the product obtained by multiplying:

(i) five; by

(ii) the number of Directors for which the Owner of the Resort Parcel may vote by virtue of its ownership of the Resort Parcel.

ARTICLE V
EXECUTIVE BOARD

5.01 Powers of the Executive Board.

(a) Except as provided in this Declaration, the Articles and the Bylaws, the Executive Board may act on behalf of the Association in all instances.

(b) The Executive Board may not act on behalf of the Association to:

(i) amend this Declaration;

(ii) terminate the Association, this Declaration or the Project;

(iii) elect Directors to the Executive Board, other than to fill a vacancy for the unexpired portion of a Director's term; or

(iv) determine the qualifications, powers and duties, or terms of office of Directors.

5.02 Number of Directors.

The Executive Board shall consist of the following nine Directors:

(a) Two Directors elected by and representing Owners of Residential Sites (the "Residential Directors");

(b) One Director elected by and representing the Owners of Commercial Spaces (the "Commercial Director");

(c) One Director elected by and representing Owners of Lodges (the "Lodge Director"); and

(d) Five Directors appointed by and representing the Owners of the Resort Parcel (the "Resort Directors").

5.03 Election of Directors.

(a) Subject to the terms and conditions of Sections 5.04, 5.05 and 5.06 below, the Residential Directors shall be elected as follows:

The initial Residential Directors will hold office until the election or appointment of their successor at the 2000 annual meeting. Thereafter, the Residential Directors will hold office for a term of two years and the Owners of Residential Sites shall elect the Residential Directors at the annual meetings held in years ending in an odd number. Notwithstanding the foregoing, during the Intrawest Development Period, Intrawest shall have the sole right to appoint the Residential Directors, upon delivery of a written notice of appointment by Intrawest to the Executive Board.

(b) Subject to the terms and conditions of Sections 5.05 and 5.06 below, the Commercial Director shall be elected as follows:

(i) The initial Commercial Director will hold office until the election or appointment of his successor at the 2000 annual meeting. Thereafter, the Commercial Director will hold office for a term of two years and the Owners of Commercial Spaces shall elect the Commercial Director at the annual meetings held in years ending in an even number.

(c) Subject to the terms and conditions of Sections 5.05 and 5.06 below, the initial Lodge Director will hold office until the election or appointment of his successor at the 2000 annual meeting. Thereafter, subject to the terms and conditions of Sections 5.05 and 5.06 below, the Lodge Director will hold office for a term of two years and the Owners of Lodges shall elect the Lodge Director at the annual meetings held in years ending in an even number.

(d) Subject to the terms and conditions of Sections 5.05 and 5.06 below, the Owners of the Resort Parcel may appoint, remove and replace the Resort Directors at any time by providing prior written notice thereof to the Association.

5.04 Declarant Control Period.

(a) Subject to the terms and conditions of paragraph 5.03(a) above and paragraphs 5.05(b) and (c) below, but notwithstanding anything else to the contrary contained in this Declaration or in any other Solitude Village Master Association Document, Declarant shall have the exclusive right to appoint and remove all Officers and Directors during the Declarant Control Period. The term "Declarant Control Period" means the period commencing on the date on which Declarant forms the Association and ending on the last to occur of:

(i) the date that is sixty days after conveyance to Purchasers of 90 percent of the maximum number of Sites allocated to the Property under the Solitude Resort Master Plan or any other zoning or other governmental development approvals in effect for Solitude Resort Village at any given time;

(ii) the date that is four years after the last conveyance of a Site by Declarant to a Purchaser in the ordinary course of business; and

(iii) the date that is eight years after the date on which this Declaration was recorded in the Salt Lake County Records.

(b) Declarant may voluntarily surrender its right to appoint and remove Officers and Directors prior to the expiration of the Declarant Control Period, but, in that event, Declarant may require, for the remainder of the Declarant Control Period, that specific actions of the Association or the Executive Board, as described in a recorded instrument executed by Declarant, be approved by the Declarant before they become effective.

5.05 Removal of Directors.

(a) Directors appointed by Declarant may be removed, with or without cause, solely by Declarant.

(b) The Residential Directors, other than a Residential Director appointed by Intrawest during the Intrawest Development Period, or a Residential Director appointed by Declarant during the Declarant Control Period, may be removed, with or without cause, by a 67 percent or greater vote of all votes allocated to the Residential Sites that are entitled to vote for the Residential Directors and that are represented at a meeting of the Owners of the Residential Sites at which a quorum is present.

(c) The Commercial Director, other than a Commercial Director appointed by Declarant, may be removed, with or without cause, by a 67 percent or greater vote of all votes allocated to the Commercial Spaces that are entitled to vote for the Commercial Director and that are represented at a meeting of the Owners of the Commercial Spaces at which a quorum is present.

(d) The Lodge Director, other than the Lodge Director appointed by Declarant, may be removed, with or without cause, by a 67 percent or greater vote of all votes allocated to the Lodges represented at a meeting of the Owners of the Lodges at which a quorum is present.

(e) The Resort Directors, other than the Resort Directors appointed by Declarant, may be removed, with or without cause, by the Owners of the Resort Parcel.

(f) Directors may not be removed, except as provided in paragraphs 5.06(a) through (e) above.

5.06 Replacement of Directors.

(a) Vacancies on the Executive Board created by the removal, resignation or death of a Director appointed by Declarant shall be filled by a Director appointed by Declarant.

(b) A vacancy on the Executive Board created by the removal, resignation or death of the Resort Director shall be filled by a Director appointed by the Owner of the Resort Parcel.

(c) Except with respect to a Residential Director appointed by Intrawest during the Intrawest Development Period, and except for the Residential Director, the Commercial Director, or the Lodge Director appointed by Declarant, a vacancy on the Executive Board created by the removal, resignation or death of the Residential Director, the Commercial Director, or the Lodge Director shall be filled by a Director elected by a majority of the Directors then holding office, even if less than a quorum.

(d) Any Director elected or appointed pursuant to this Section 5.06 shall hold office for the remainder of the unexpired term of the Director that Director replaced.

ARTICLE VI ASSESSMENTS, COMMON EXPENSES, BUDGETS AND LIENS

6.01 Obligations for Assessments and Other Charges.

(a) Each Owner, by accepting a deed to a Site (whether or not it shall be expressly stated in such deed), shall be deemed to have covenanted and agreed to pay to the

Association all Assessments and other charges that the Association is required or permitted to levy or impose on such Owner or such Owner's Site pursuant to this Declaration or any other Solitude Village Master Association Document.

(b) Notwithstanding the definition of the term "Owner":

(i) a Person who acquires a Site in a foreclosure sale shall be personally liable for all Assessments and other charges that the Association is required or permitted to levy or impose on that Site or on the Owner of that Site commencing on the date of the foreclosure sale; and

(ii) a Person who acquires a Site by deed-in-lieu of foreclosure or other similar instrument shall be personally liable for all Assessments and other charges that the Association is required or permitted to levy or impose on that Site or on the Owner of that Site commencing on the date on which the Owner of the Site executes the deed-in-lieu of foreclosure or other similar instrument.

(c) No Owner shall be exempt from liability for any Assessment or other charges by waiving the use or enjoyment of any Common Element or by abandoning a Site against which such Assessments or other charges are made.

(d) Each Owner shall be personally liable for all Assessments and other charges levied on such Owner or such Owner's Site during the period of such Owner's ownership of the Site. If there is more than one Owner of a Site, each Owner shall be jointly and severally liable with the other Owners of the Site or for all Assessments and other charges levied on the Site or any Owner of the Site.

(e) Each Assessment or other charge, together with interest thereon and all costs and expenses incurred by the Association to collect such Assessment or other charge, including all fees and disbursements of attorneys, accountants, appraisers, receivers and other professionals engaged by the Association in connection therewith, may be recovered by a suit for a money judgment by the Association without foreclosing or waiving any Assessment Lien securing the same.

(f) Except as set forth in paragraph 6.01(g) below, but notwithstanding anything else to the contrary contained in this Declaration, the Association may not levy or collect:

(i) any Annual Real Estate Assessment with respect to any Site that is used exclusively as one or more Community Facilities, or that portion of any Site that is used as a Community Facility;

(ii) any Sales Assessment, Rental Assessment, Solitude Village Master Association Assessment or Special Assessment with respect to any Community Facility; or

(iii) any Real Estate Transfer Assessment with respect to (A) the Fair Market Value of any Site that is used exclusively as one or more Community Facilities, or (B) the Fair Market Value of that portion of any Site that is used as a Community Facility.

(g) Notwithstanding anything to the contrary contained in paragraph 6.01(f) above, if, after a Transfer, a Transferee ceases to use as a Community Facility a Site or a portion of a Site that was used as a Community Facility prior to the Transfer, then the Association may levy and collect, and the Transferee of the Site shall be liable for:

(i) Annual Real Estate Assessments based on the number of Condominium Units contained in Residential Units on the Site and the square footage of any Commercial Units located on the Site or the portion of the Site that the Transferee no longer uses as a Community Facility, commencing on the date on which the Transferee ceases such use;

(ii) Sales Assessments, Rental Assessments, Solitude Village Master Association Assessments and Special Assessments with respect to the Site or portion of the Site that the Transferee no longer uses as a Community Facility, commencing on the date on which the Transferee ceases such use; and

(iii) a Real Estate Transfer Assessment with respect to the Fair Market Value of the Site (or other equitable manner of assessment determined by the Executive Board) or the portion of the Site that the Transferee no longer uses as a Community Facility, which will be due and payable to the Association within five days following the date on which the Transferee ceases such use.

(h) Notwithstanding anything to the contrary contained in this Declaration, the Association shall be exempt from all Assessments.

(i) Notwithstanding anything to the contrary contained in this Declaration, no Assessments shall be levied or collected until the recording of the first deed related to a sale of a Residential Site constructed by Intrawest, at which time all Residential Sites and Commercial Spaces in the building in which such Residential Site is located shall be subject to Assessments, as well as all other Sites subject to this Declaration. With respect to property subsequently made subject to this Declaration on which a building will be located, no Assessments shall be levied or collected until the recording of the first deed related to the sale of a Residential Site in such building, at which time all Residential Sites and Commercial Space in the building in which such Residential Site is located shall be subject to Assessments. With respect to a Site that does not contain a Residential Site to be sold to third parties (e.g., a Site that is used for commercial purposes, a Lodge, etc.), Assessments shall commence at the time that such Site is first leased, or when commercial operations first commence on such Site.

6.02 Budgets.

(a) Prior to the first levy of an Assessment, and, thereafter, on or before October 1st of each calendar year, the Executive Board shall adopt an annual budget for the Association for the following calendar year that sets forth:

(i) the Executive Board's estimates of Common Expenses for the next calendar year; and

(ii) the amount of funds for such Common Expenses that the Executive Board proposes to raise through all Assessments.

(b) Within thirty days after adopting the annual budget, the Executive Board shall deliver a summary of the budget to all Owners.

(c) Notwithstanding the foregoing, during the Intrawest Development Period, the annual budget shall be subject to Intrawest's prior written approval, which approval shall not be unreasonably withheld, delayed or conditioned. In the event that Intrawest reasonably fails to approve the proposed annual budget, the budget for such upcoming year shall be the prior year's budget. Failure of Intrawest to object in writing to a proposed annual budget within thirty (30) days of its receipt of such proposed budget shall be deemed approval by Intrawest.

6.03 Annual Real Estate Assessments.

(a) On or about May 1 of each year the Executive Board on behalf of the Association shall determine the estimated amount of revenue which will be obtained from all Assessments permitted by this Declaration exclusive of the Annual Real Estate Assessment, in relation to the expenditures contemplated in the proposed annual budget, and any residual amounts necessary to be raised by the Association shall be levied and collected from each Owner in an annual assessment (the "Annual Real Estate Assessment") in an amount equitably allocated by the Executive Board as to a Residential Site, based on the number of Condominium Units contained within such Residential Site, as to the Lodge, based on the number of Bedrooms in the Lodge, and as to a Commercial Site, based on the square footage of such Commercial Site, as determined by the Executive Board. For purposes of calculating the Annual Real Estate Assessment with respect to the Lodge, a Bedroom in the Lodge shall be counted as one-third of a Condominium Unit.

(b) If a portion of any Site is used as a Community Facility, the Association shall determine what percentage of the Site is attributable to that Community Facility.

(c) Notwithstanding anything to the contrary set forth above, the Association may grant an exemption from the Annual Real Estate Assessment for any Site that is exempt from taxation pursuant to the Utah Tax Code, as the same may be amended from time to time, or

any comparable statute, including without limitation Common Elements, Community Facilities, or rights in easements.

(d) Notwithstanding the foregoing, the Executive Board shall have the authority to adopt any other method of calculation of the Annual Real Estate Assessment, so long as such method is applied in a consistent and equitable manner.

(e) Notwithstanding anything to the contrary contained in this Declaration, no Annual Real Estate Assessment shall be collected prior to November 1, 2000.

6.04 Sales Assessments.

(a) The Association shall regularly levy upon and collect from each Owner an assessment (the "Sales Assessment") on all sales ("Local Sales") that are:

(i) subject to the Utah Sales Tax Act (as amended or replaced from time to time, together with all regulations promulgated thereunder, the "Utah Sales Tax Act"); and

(ii) made from any of the Owner's Sites or made by businesses operated within or from any of the Owner's Sites.

(b) Each Owner's Sales Assessment shall be determined by multiplying:

(i) the amount of the Local Sales made from any of the Owner's Sites or made by businesses operated within or from any of the Owner's Sites; by

(ii) the Sales Assessment Rate.

(c) Notwithstanding anything to the contrary contained in this Section 6.04, the Association may not levy or collect any Sales Assessment with respect to the sale of lift tickets for the Resort, by any person, or any Local Sales made by an organization that is exempt from Utah state sales tax under the Utah Sales Tax Act.

(d) Each Owner's Sales Assessment shall be due and payable without notice from the Association each time and at such time as such Owner or such Owner's lessee is required to remit or pay tax to the State of Utah under the Utah Sales Tax Act. Each such Owner shall also deliver to the Association without notice true and complete copies of all written reports, returns, statements, records and declarations, including any supplements or amendments thereto (all of which are referred to herein as "reports"), made or provided to the State of Utah by such Owner or such Owner's lessees in connection with any Local Sales at such time as such reports are required to be made to the State of Utah. To the extent that an Owner leases Commercial Space to a lessee, the Owner shall cause the lease between the Owner and its lessee

to provide that the lessee must deliver its reports to the Owner and to the Association and that the Association may inspect and audit the lessee's books and records. If any subsequent adjustments, additions or modifications are made to any tax remitted or paid or report made by any Owner or its lessees to the State of Utah under the Utah Sales Tax Act, such Owner shall within thirty days thereafter so notify the Association and provide it with true and complete copies of all reports or other written material issued or received by such Owner or its lessees in regard thereto. If any adjustment increases the amount of tax that an Owner or one of its lessees is required to remit or pay to the State of Utah under the Utah Sales Tax Act or results in a refund, such Owner shall pay an appropriate additional Sales Assessment or receive an appropriate refund from the Association of any excess Sales Assessments previously paid.

(e) Notwithstanding anything to the contrary contained in this Section 6.04, if:

(i) the Utah Sales Tax Act is amended; or

(ii) any court of competent jurisdiction renders a judgment or ruling that affects the Utah Sales Tax Act, in a manner that decreases the amounts that the Association can collect through the Sales Assessment under paragraph 6.04(a) above, then, the Association may levy and collect the Sales Assessment without regard to such amendment, judgment or ruling, and may adopt such Rules and Regulations with respect thereto as the Executive Board deems necessary or appropriate, including, without limitation, Rules and Regulations that provide reporting requirements, inspection rights and audit rights.

(f) The Sales Assessment Rate shall be $\frac{1}{2}$ of 1 percent, unless and until the Executive Board adopts a different rate. In no event shall the Sales Assessment Rate exceed 2 percent.

6.05 Real Estate Transfer Assessments.

(a) Subject to the terms and conditions of paragraph 6.05(c) below, upon the occurrence of any Transfer of any Site, but excluding the initial sale or Transfer by or to Declarant and the initial sale or Transfer by or to Intrawest, or the initial sales or Transfers by or to the developers of Residential Sites on Exhibit "A-1", and further excluding Transfers by Declarant or Intrawest to their affiliates, the Transferee shall pay to the Association an assessment (a "Real Estate Transfer Assessment") in an amount equal to the product obtained by multiplying:

(i) the Fair Market Value of the Site transferred; by

(ii) the Real Estate Transfer Assessment Rate.

(b) Each Person included within the term "Transferee" shall have joint and several liability for the Real Estate Transfer Assessment owed by the Transferee.

(c) Notwithstanding anything to the contrary contained in this Section 6.05, the Association shall not levy or collect a Real Estate Transfer Assessment for any of the Transfers described below, unless the Transfer was made for the purpose of avoiding the Real Estate Transfer Assessment.

(i) Any Transfer to (A) the United States or any agency or instrumentality thereof, or (B) the State of Utah or any county, city, municipality, district or other political subdivision of the State of Utah.

(ii) Any Transfer to the Association or its successors.

(iii) Any Transfer, whether outright or in trust, that is for the benefit of the Transferor or the Transferor's relatives, but only if the Consideration for the Transfer is no greater than 10 percent of the Fair Market Value of the Site or portion thereof transferred. For the purposes of this exclusion, (A) the relatives of a Transferor shall include all lineal descendants of any grandparent of the Transferor, and the spouses of the descendants, and (B) stepchildren and adopted children shall be considered lineal descendants. A distribution from a trust shall be treated as a Transfer made by the grantors of the trust to the beneficiaries of the trust.

(iv) Any Transfer arising solely from the termination of a joint tenancy of a Site or the partition of a Site held under common ownership, except to the extent that additional Consideration is given in connection therewith.

(v) Any Transfer or change of interest by reason of death, whether provided for in a will, trust or decree of distribution, except for a sale of a Site by the estate of an Owner.

(vi) Any Transfer made by (A) a subsidiary to a parent corporation that owns more than 50 percent of the outstanding stock of the subsidiary, or (B) by a parent corporation to a subsidiary in which the parent corporation owns more than 50 percent of the outstanding stock, on the condition that there is no Consideration for the Transfer, other than the issuance, cancellation or surrender of the subsidiary's stock.

(vii) Any Transfer made by (A) a partner, joint venturer or member to a partnership, joint venture or limited liability company in which the partner, joint venturer or member has not less than a 50 percent interest, or (B) by a partnership, joint venture or limited liability company to a partner, joint venturer or member holding not less than a 50 percent interest in the partnership, joint venture or limited liability company, on the condition that there is no Consideration for the Transfer, other than the issuance, cancellation or surrender of equity interests in the partnership, joint venture or limited liability company.

(viii) Any Transfer made by a corporation to its shareholders in connection with the liquidation of the corporation or other distribution or dividend in kind to its shareholders, on the condition that the Site or portion thereof is transferred generally pro rata to its shareholders and no Consideration is paid for the Transfer, other than the cancellation of such corporation's stock.

(ix) Any Transfer made by a partnership, joint venture or limited liability company to its partners, joint venturers, or members in connection with the liquidation of the partnership, joint venture or limited liability company or other distribution of property to the partners, joint venturers or members, on the condition that the Site or portion thereof is transferred generally pro rata to its partners, joint venturers or members and no Consideration is paid for the Transfer, other than the cancellation of the partners', joint venturers' or members' interests in the partnership, joint venture or limited liability company.

(x) Any Transfer made by a Person owning a Site or portion thereof to a corporation, partnership, joint venture, limited liability company or other entity, on the conditions that (A) the corporation, partnership, joint venture, limited liability company or other entity is owned in its entirety by the Person transferring the Site or portion thereof, (B) such Person has the same relative interest in the Transferee as they had in the Site or portion thereof immediately prior to such Transfer, and (C) no Consideration is paid for the Transfer, other than the issuance of each such Person's respective stock or other ownership interests in the Transferee.

(xi) Any Transfer made by any Person to any other Person, whether in a single Transfer or a series of transactions where the Transferor and the Transferee are and remain under common ownership and control as determined by the Executive Board, on the condition that no such Transfer or series of transactions shall be exempt, unless the Executive Board finds that such Transfer or series of transactions (A) is for no Consideration, other than the issuance, cancellation or surrender of stock or other ownership interest in the Transferor or the Transferee, as appropriate, (B) is not inconsistent with the intent and meaning of this paragraph 6.05(c), and (C) is for a valid business purpose and is not for the purposes of avoiding the obligation to pay the Real Estate Transfer Assessment.

(xii) Any Transfer made solely for the purpose of confirming, correcting, modifying or supplementing a Transfer previously recorded, making minor boundary adjustments, removing clouds on titles, or granting easements, rights of way or licenses, and any exchange of Sites between Declarant and any original Purchaser from Declarant of the one or more Sites being Transferred to Declarant in such exchange. To the extent that Consideration in addition to previously purchased Sites is paid to Declarant in such an exchange, the additional Consideration shall be subject to the Real Estate Transfer Assessment. To the extent that Declarant, in acquiring by exchange Sites previously purchased from Declarant, pays Consideration in addition to transferring Sites, the original Purchaser shall be entitled to a refund from the Association in an amount equal to the product obtained by multiplying (A) the amount

of the additional Consideration, by (B) the Real Estate Transfer Assessment Rate that was in effect as of the date of the original Transfer.

(xiii) Any Transfer pursuant to any decree or order of a court of record determining or vesting title, including a final order awarding title pursuant to a condemnation proceeding, but only where such decree or order would otherwise have the effect of causing the occurrence of a second Transfer subject to the Real Estate Transfer Assessment in a series of transactions which includes only one effective Transfer of the right to use or enjoy a Site.

(xiv) Any lease of any Site or portion thereof (or assignment or transfer of any interest in any such lease) for a period of less than thirty years.

(xv) Any Transfer solely of minerals or interests in minerals.

(xvi) Any Transfer to secure a debt or other obligation or to release property which is security for a debt or other obligation.

(xvii) Any Transfer in connection with (A) the foreclosure of a deed of trust or mortgage, or (B) a deed given in lieu of foreclosure.

(xviii) The Transfer of a Site or portion thereof to a qualified intermediary in connection with a tax deferred exchange of real property under Section 1031 of the Internal Revenue Code, on the condition that the Transferee of the qualified intermediary pays the Real Estate Transfer Assessment.

(xix) Any Transfer made by a corporation or other entity, for Consideration, (A) to any other corporation or entity which owns, directly or indirectly, 100 percent of the Transferor's equity securities, or (B) to a corporation or entity whose equity securities are owned, directly or indirectly, 100 percent by the corporation or entity that owns 100 percent of the Transferor's equity securities.

(xx) Any Transfer from a partially owned direct or indirect subsidiary corporation to its direct or indirect parent corporation where Consideration is paid for, or in connection with, such Transfer, on the condition that, unless such Transfer is otherwise exempt, such exemption shall apply only to the extent of the direct or indirect beneficial interest of the Transferee in the Transferor immediately prior to the Transfer. For example, if corporation A owns 60 percent of corporation B, and corporation B owns 100 percent of corporation C and corporation C conveys a Site to corporation A for \$2 million, 60% of the Real Estate Transfer Assessment would be exempt and a Real Estate Transfer Assessment would be payable only on \$800,000 (i.e., 40 percent of the \$2 million Consideration).

(d) For purposes of subparagraph 6.05(c) above, a Transfer shall be deemed to be without Consideration only if:

(i) the only Consideration is a book entry made in connection with an intercompany transaction in accordance with generally accepted accounting principles, or no Person which does not own a direct or indirect equity interest in the Site immediately prior to the Transfer becomes the owner of a direct or indirect equity interest in the Site by virtue of the Transfer;

(ii) the aggregate interest immediately prior to the Transfer of all direct and indirect owners whose equity interest is increased on account of the Transfer does not increase by more than 20 percent (out of the total 100 percent equity interest in the Site); and

(iii) no Person is entitled to receive directly or indirectly any other Consideration in connection with the Transfer.

In connection with considering any requests for an exemption under paragraph 6.05(c) above, the Executive Board may require the applicant to submit true and correct copies of all relevant documents relating to the Transfer and an opinion of the applicant's counsel, in form and substance satisfactory to the Executive Board, (A) setting forth all relevant facts regarding the Transfer, (B) stating that in their opinion the Transfer is exempt under paragraph 6.05(c) above, and (C) setting forth the basis for such opinion.

(e) The Real Estate Transfer Assessment shall be due and payable by the Transferee to the Association at the time of the Transfer giving rise to such Real Estate Transfer Assessment. With such payment the Transferee shall make a written report to the Association on forms prescribed by the Association, fully describing the Transfer and setting forth the true, complete and actual Consideration for the Transfer, the names of the parties thereto, the legal description of the Site transferred, and such other information as the Association may reasonably require.

(f) If the Association believes that a Transferee has underpaid a Real Estate Transfer Assessment, the Association may so notify the Transferee and collect the amount of the deficiency from the Transferee.

(i) Any such notice shall set forth in reasonable detail (A) the amount of the Real Estate Transfer Assessment that the Association believes was payable for the Transfer, (B) the method by which the Association calculated that amount, and (C) the amount of the deficiency that the Transferee must pay to the Association.

(ii) A Transferee may object to any such notice from the Association by delivering written notice thereof to the Association within fifteen days after the date on which the Association delivers a notice under subparagraph 6.05(f)(i) above. If a Transferee fails to deliver a written notice of objection within such fifteen day period, the Transferee shall be deemed to have waived its right to object and the Association's determination of the amount of the Real Estate Transfer Assessment shall be binding on the Transferee.

(iii) If a Transferee delivers a written notice of objection within the fifteen day period described in subparagraph 6.05(f)(ii) above, the Association shall obtain an appraisal of the Site from a real estate appraiser selected by the Association who is familiar with Salt Lake County property values. The appraisal so obtained shall be binding on both the Association and the Transferee.

(iv) If it is determined that a Transferee has underpaid a Real Estate Transfer Assessment, the Transferee shall pay the amount of the deficiency and the costs incurred by the Association to obtain the appraisal, if any, to the Association within thirty days after the Association delivers written notice of that determination to the Transferee.

(g) If any portion of any Site is used as a Community Facility, the Association shall determine what percentage of the Fair Market Value of the Site is attributable to the Community Facility.

(h) The "Real Estate Transfer Assessment Rate" shall be two percent (2%), unless and until the Executive Board adopts a different rate. In no event shall the Real Estate Transfer Assessment Rate exceed three percent (3%) or such greater rate as the Act may allow.

6.06 Special Assessments.

(a) The Assessments that the Association may levy and collect pursuant to this Section 6.06 are referred to in this Declaration as "Special Assessments."

(b) If, at any time, the Executive Board believes that Common Expenses for a calendar year will exceed the sum of (A) the revenues of the Association and (B) the capital contributions to the Association described in Section 6.01 hereof for that calendar year, then the Executive Board may cause the Association to levy and collect a Special Assessment in an amount equal to the amount of such excess.

(c) If the Association levies a Special Assessment, the Owners of each Site shall pay to the Association, when and in such installments as the Executive Board deems necessary or appropriate, an amount equal to the product obtained by multiplying:

(i) the amount of the Special Assessment, by

(ii) a fraction, the numerator of which shall be the amount of the Annual Real Estate Assessment levied against such Owners' Site during that calendar year, and the denominator of which shall be the amount of all Annual Real Estate Assessments levied against all Sites during that calendar year.

6.07 Default Assessments.

(a) Notwithstanding anything to the contrary contained herein, if any Common Expense, not otherwise covered by insurance, is caused by:

(i) the negligence or misconduct of an Owner or such Owner's Guest;
or

(ii) a violation of any covenant or condition of a Solitude Village Master Association Document by an Owner or such Owner's Guest, the Association may levy an Assessment against such Owner's Site.

Any such Assessment levied by the Association and each fine, penalty, fee or other charge imposed upon an Owner for the violation of any covenant or condition of any Solitude Village Master Association Document by an Owner or such Owner's Guest are each referred to herein as a "Default Assessment."

(b) With respect to any Default Assessment, or portion thereof, levied other than as a late charge, the Owner of the Site against which the Association seeks to levy the Default Assessment shall be provided notice and an opportunity to be heard. Owners of Sites against which Default Assessments have been levied shall pay such Default Assessments when required by the Association.

6.08 Solitude Village Master Association Assessments.

(a) In addition to the other Assessments described in this Article VI, the Association may, from time to time, levy and collect from Owners one or more assessments for any lawful purpose (each, a "Solitude Village Master Association Assessment"), on the condition that each Solitude Village Master Association Assessment is approved by the affirmative vote of a majority of all votes in the Association.

(b) If the Association levies a Solitude Village Master Association Assessment, the Owners of each Site shall pay to the Association, when and in such installments as the Executive Board deems necessary or appropriate, an amount equal to the product obtained by multiplying:

(i) the amount of the Solitude Village Master Association Assessment, by

(ii) a fraction, the numerator of which shall be the amount of the Annual Real Estate Assessment levied against such Owners' Site during that calendar year, and the denominator of which shall be the amount of all Annual Real Estate Assessments levied against all Sites during that calendar year.

6.09 Assignment of Assessments.

(a) The Association shall have an unrestricted right to assign its right to receive Assessments and other future income, either as security for obligations of the Association or otherwise.

6.10 Assessment Liens.

(a) The Association shall have a lien on each Site for any Assessment levied against that Site and any fines, late charges, penalties, interest, attorneys' fees, disbursements and costs of collection imposed against its Owner under any Solitude Village Master Association Document. The Assessment Lien shall secure all of the foregoing obligations of an Owner from the time such obligations become due. If an Assessment is payable in installments, the Assessment Lien secures each installment from the time it becomes due, including the due date set by any valid Association acceleration of installment obligations. In no event shall the Association have or assert a lien on the Resort Parcel, any property within the Solitude Ski Resort, or any property owned by the Resort on which the Resort has granted an easement in favor of the Association or the Solitude Resort Village. Nothing in this Section 6.10 shall exempt a Site otherwise subject to Assessment (other than the Resort Parcel) from a lien, merely because such Site is owned by the Resort.

(b) An Assessment Lien is prior to all other liens and encumbrances on a Site except:

(i) liens and encumbrances recorded prior to the recordation of this Declaration;

(ii) a First Mortgage which was recorded before the date on which the Assessment sought to be enforced became delinquent, (except to the extent the Act provides otherwise); and

(iii) liens for real estate taxes and other governmental assessments or charges against the Site.

(c) The recording of this Declaration constitutes record notice and perfection of an Assessment Lien on each Site. No further recordation of any claim of any Assessment Lien is required.

(d) An Assessment Lien is extinguished unless proceedings to enforce the Assessment Lien are instituted within six years after the full amount of the Assessment secured thereby becomes due.

(e) This Section 6.10 does not prohibit:

(i) actions or suits to recover sums secured by an Assessment Lien; or

(ii) the Association from taking a deed-in-lieu of foreclosure

(f) In any action by the Association to collect Assessments or to foreclose an Assessment Lien for Unpaid Assessments, the court may appoint a receiver of the Owner to collect all sums alleged to be due from the Owner prior to or during the pendency of the action. A court may order the receiver to pay any sums held by the receiver to the Association during the pendency of the action to the extent of the Association's Assessments.

(g) An Assessment Lien may be foreclosed in like manner as a mortgage on real estate, or by power of sale in the same manner as deeds of trust in the State of Utah, but without the necessity of any trustee being named to conduct such foreclosure.

6.11 Waiver of Homestead Exemption.

By acceptance of the deed or other instrument of transfer of a Site, an Owner irrevocably waives the homestead exemption provided by Utah Code Sections 78231 through 782315.

6.12 Estoppel Certificates; Notices to Mortgagees.

(a) The Association shall furnish to an Owner or its designee or to a Mortgagee or its designee, upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Association registered agent, a statement setting forth the amount of unpaid Assessments currently levied against such Owner's Site. The statement shall be furnished within fourteen calendar days after the Association's receipt of the request and shall be binding on the Association, the Executive Board and every Owner. If no statement is furnished to the Owner, the Mortgagee or their designee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, then the Association shall have no right to assert an Assessment Lien upon the Site for unpaid Assessments which were due as of the date of the request.

(b) The Association shall report to any First Mortgagee any unpaid Assessments remaining unpaid for more than ninety days after the same shall have become due, if such First Mortgagee first shall have delivered to the Association a written request for notice of unpaid Assessments. Any First Mortgagee holding a lien on a Site may pay any unpaid Assessment with respect to such Site, together with any and all costs and expenses incurred with respect to the Assessment Lien securing such unpaid Assessment, and upon such payment, such First Mortgagee shall have a lien on the Site for the amounts paid with the same priority as a lien of the First Mortgage held by such First Mortgagee.

6.13 Administration of Assessments.

(a) The Association shall have the right to inspect and copy all records of any Owner that are related to the Owner's obligation to pay any Assessment or to deliver any information to the Association under this Article VI.

(b) The Association may adopt any Rules and Regulations that the Executive Board deems necessary or appropriate with respect to the administration of the Assessments, including, without limitation, Rules and Regulations that:

(i) relate to information that an Owner must obtain from the Owner's lessees, shareholders, partners or members; and

(ii) relate to the Association's right to inspect and copy all records of any Owner that are related to the Owner's obligation to pay any Assessment or to deliver any information to the Association under this Article VI.

(c) The Executive Board shall resolve any dispute or question regarding the imposition, application, determination, administration, payment or collection of any Assessment. Any decision made in that regard shall be final and binding on the Association and the Owners.

6.14 Rental Assessments.

(a) The Association shall regularly levy and collect from each Owner an assessment (the "Rental Assessment") equal to the product obtained by multiplying:

(i) the Rental Income from each Residential Site in the Project by

(ii) the rate of two percent (2%).

(b) "Rental Income" means all gross receipts from the rental or lease of any Residential Site in the Project, including rentals of rooms in the Lodge, after the payment of any travel agent or booking commissions to wholesalers or governmental sales or hotel taxes.

(c) For the purpose of determining an Owner's Rental Income, "gross receipts" means the total amount of payments (whether made in cash, by check or by credit card) actually received with respect to any rentals or leases made from any of such Residential Sites.

(d) Each Owner shall pay the Rental Assessment to the Association on or before the twentieth day of each calendar month for Rental Income received during the preceding calendar month.

(e) Each Owner shall maintain, and shall require its lessees to maintain, true and complete records regarding all of the Rental Income from the Owner's Sites in such forms as the Association may require from time to time. Each Owner shall deliver to the Association true

and complete copies of such records on or before the twentieth day of each calendar month for Rental Income from the Owner's Sites received during the prior calendar month. To the extent that an Owner leases all or any portion of a Site to a lessee, the Owner shall cause the lease between the Owner and its lessee to provide that the lessee must maintain such records and deliver true and complete copies of the same to the Owner and to the Association as described above, and that the Association may inspect and audit the lessee's books and records.

(f) Notwithstanding anything to the contrary contained in this Section 6.14, the Association may not levy or collect any Rental Assessment with respect to any Rental Income received by any organization exempt from federal income taxation pursuant to section 5.01(c)(iii) of the Internal Revenue Code of 1986, as the same may be amended from time to time.

6.15 Resort Assessment.

Commencing on the date of the first Assessment to Owners of Residential Sites, the Resort shall pay an annual assessment to the Association, at the time within the Association fiscal year for which such annual assessment is made as determined by the Executive Board, equal to the lesser of thirteen percent (13%) of the Association's annual budget for such year, or \$100,000 (the "Resort Assessment"). The Resort Assessment shall be in addition to such other Assessments that the Resort may be liable for by virtue of its ownership of Sites within the Project. The Resort Assessment shall terminate upon the first to occur of twenty-five (25) years, or when the Resort has fewer than five votes on the Executive Board.

ARTICLE VII MAINTENANCE OF COMMON ELEMENTS AND SITES

7.01 Maintenance of Common Elements.

Except as otherwise provided in this Declaration, the Association, or its duly designated agent, shall maintain all Common Elements and the improvements and landscaping located thereon in good order and repair and shall otherwise manage and operate all Common Elements as it deems necessary or appropriate, including any and all obligations of repair maintenance and otherwise to or in favor of the Resort pursuant to the access easements provided by the Resort. In this regard the Association may:

- (a) construct, modify, add to, remove, replace, repair or renovate any improvements that are located on, or constitute a part of, any Common Element;
- (b) plant and replace trees, shrubs and other vegetation on any Common Element;
- (c) place, maintain and replace, signs upon any Common Element;

- Elements;
- (d) adopt and enforce Rules and Regulations regulating the use of Common Elements;
 - (e) impose and collect fees for the use of any Common Element; and
 - (f) take any other actions that the Association deems necessary or appropriate to protect, maintain, operate, manage or regulate the use of Common Elements, including without limitation, snow removal and garbage and waste removal.

7.02 Maintenance of Sites.

- (a) Each Owner shall, at such Owner's sole cost and expense, maintain such Owner's Site and the improvements and landscaping located thereon, or constituting a part thereof, in good order and repair.
- (b) The association for each condominium project located within Solitude Resort Village shall, at such association's sole cost and expense, maintain such association's common elements.
- (c) If, in the reasonable judgment of the Association, an Owner fails to maintain its Site or the improvements or landscaping located thereon, or an individual condominium association fails to maintain its common elements, in good order and repair, and such failure remains uncured for more than thirty days after the Association's delivery of written notice thereof to such Owner or individual condominium association, the Association may enter upon such Site or such common elements and perform such maintenance or repair as the Association deems necessary or appropriate and charge all costs and expenses incurred by the Association in connection therewith to such Owner or such association's members as a Default Assessment.
- (d) The Association may, without notice, make emergency repairs to and maintain any Site or improvement located thereon, or any individual condominium association's common elements, as may, in its judgment, be necessary for the safety of any Person or to prevent damage to any other property. The cost of such maintenance and repair shall be charged to the Owner of the Site or such association's members as a Default Assessment.
- (e) Notwithstanding anything herein to the contrary, until such time as an Owner has commenced construction on a Site, the Resort shall have a nonexclusive easement for ingress, egress and parking for vehicular and pedestrian traffic on and over such Site, in connection with Resort operations.
- (f) The foregoing provisions of this Section 7.02 shall not restrict or impair Intrawest's sales, construction and development activities during the Intrawest Development Period.

ARTICLE VIII
DESIGN REVIEW

8.01 Design Review Board.

The Executive Board shall act as the design review board (the "Design Review Board") for Solitude Resort Village.

(a) The Design Review Board shall select its own chairman from its members. The chairman shall be the presiding officer of its meetings. In the absence of the chairman from a meeting, the members present shall appoint a member to serve as acting chairman at such meeting. Meetings shall be held upon call of the chairman at the offices of the Association. A majority of members shall constitute a quorum for the transaction of business. In the absence of a quorum, a lesser number may adjourn any meeting to a later time or date. The affirmative vote of a majority of the members of the Design Review Board shall constitute the action of the Design Review Board on any matter before it. Except as set forth above, the Design Review Board shall operate in accordance with its own Rules and Regulations which shall be filed with the Association and maintained in the records of the Association and shall be subject to inspection by all Owners and Mortgagees.

(b) Subject to budgets established by the Executive Board, the Design Review Board is hereby authorized to retain the services of one or more consulting architects, landscape architects, urban designers or other professionals to advise and assist the Design Review Board in performing the design review functions described in this Article VIII. The Design Review Board is also authorized to hire employees for the Association to perform the design review functions described in this Article VIII.

8.02 Design Review Board Approval and Control.

- (a) No Person may:
- (i) perform any earth movement, vegetation removal, paving or drainage modification;
 - (ii) construct any building, structure or other improvement;
 - (iii) subject to paragraph 8.02(c) below, make any physical or cosmetic alteration or modification to existing buildings, structures or improvements;
 - (iv) install or alter on any building, structure or other improvement any exterior signage or any interior signage that is visible from outside the building, structure or improvement;

(v) install or alter any landscaping or exterior furniture, fixtures, equipment or art;

(vi) change the exterior appearance of any land or any building, structure or improvement located thereon; or

(vii) take any action which changes or affects the Common Elements, the access easements, the flow of vehicular and pedestrian traffic, or the overall design concept for the Solitude Resort Village, within Solitude Resort Village,

without the prior written consent of the Design Review Board, which consent shall not be arbitrarily or capriciously withheld or delayed.

The foregoing shall not affect the rights of the Resort to perform any of the foregoing with respect to property owned by the Resort, so long as such activities by the Resort do not unreasonably interfere with the easements granted by it in favor of the Owners, nor shall the foregoing affect or limit the ability of Declarant to develop its own property within the Solitude Resort Village during the Declarant Control Period.

(b) If the Design Review Board fails to respond to a request for its consent within thirty days after its receipt of such request, the Design Review Board shall be deemed to have granted its consent to the actions described in such request. The decisions of the Design Review Board shall be conclusive and binding on all interested parties.

(c) Notwithstanding anything to the contrary contained herein, improvements, alterations, modifications, installations, furniture and fixtures that:

(i) are completely within a building, structure or improvement;

(ii) do not change the exterior appearance of a building, structure or improvement and are not visible from the outside of a building, structure or improvement; and

(iii) do not change (A) the number of Sites, (B) the amount of Commercial Space, (C) the number of Lodge Rooms, or (D) the number of Community Facilities, within the building, structure or other improvement,

may be undertaken without Design Review Board consent, but are subject to all other covenants, conditions and restrictions contained in this Declaration.

(d) Each Owner shall comply with the Rules and Regulations of the Design Review Board, as the same may be amended from time to time by the Design Review Board.

(e) The Design Review Board or its designated representative may monitor any approved project to the extent required to ensure that the construction or work on such project complies with any and all approved plans and construction procedures. The Design Review Board or its designated representatives may enter upon any Site at any reasonable time or times to inspect the progress, work status or completion of any project. In addition to the remedies described in Section 8.03 below, the Design Review Board may withdraw approval of any project and require all activity at such project to be stopped, if deviations from the approved plan or approved construction practices are not corrected or reconciled within twenty-four hours after written notification to the Owner specifying such deviations.

(f) The Design Review Board may, as a condition to any consent or approval, require an Owner to enter into a written agreement with the Association containing such covenants, conditions and restrictions as the Design Review Board deems necessary or appropriate, including penalties for failures to comply.

(g) Notwithstanding the foregoing, during the Intrawest Development Period, Intrawest shall not be required to obtain Design Review Board approval, or pay review fees, with respect to work and improvements which would otherwise come within the scope of this Article VIII.

8.03 Enforcement of Restrictions.

(a) If an Owner violates any term or condition set forth in this Article VIII or in the Rules and Regulations of the Design Review Board, the Association shall have the following rights and remedies:

(i) The Association may, by written notice to the Owner, revoke any approval previously granted to the Owner by the Design Review Board, in which event the Owner shall, upon receipt of such notice, immediately cease any construction, alteration or landscaping covered by the approval so revoked.

(ii) The Association may, but is not obligated to, enter upon the Owner's Site and cure such violation at the Owner's sole cost and expense. If the Association cures any such violation, the Owner shall pay to the Association the amount of all costs and expenses incurred by the Association in connection therewith within thirty days after the Owner receives a Default Assessment therefor from the Association.

(iii) The Association may sue the Owner to enjoin such violation.

(iv) The Association shall have all other rights and remedies available to it under this Declaration, at law or in equity. All rights and remedies of the Association shall be cumulative and the exercise of one right or remedy shall not preclude the exercise of any other right or remedy.

(b) The Association may delegate any of its rights under paragraph 8.03(a) above to the Design Review Board.

8.04 Fees.

The Design Review Board may establish reasonable processing and review fees for considering any requests for approvals submitted to it, which fees shall be paid at the time the request for approval is submitted. All of such fees shall be set annually and disclosed in the annual budgets described in Section 6.02 above. The Executive Board may also establish a requirement for the escrowing of funds in an amount sufficient to guarantee completion of a proposed Site, landscaping or other finish work included as a part of construction plans which have been presented to or approved by the Design Review Board, if such requirement is not imposed by a governmental or quasi-governmental authority for that purpose.

8.05 Lapse of Approval.

Any approval issued by the Design Review Board shall lapse and become void in accordance with the terms and conditions of the Rules and Regulations adopted by the Design Review Board and the terms and conditions of any consents, approvals or permits issued by the Design Review Board. In addition, an approval issued by the Design Review Board for a project will lapse and become void if any building permit or approval issued by a governmental or quasi-governmental entity for the same project lapses or is revoked or suspended.

8.06 Liability.

Neither Declarant, the Association, the Executive Board, the Design Review Board nor any of their respective members, officers, directors, employees or agents shall be responsible or liable for any defects, errors or omissions in any plans or specifications submitted, revised or approved under this Article VIII, nor for any defects, errors or omissions in construction pursuant to such plans and specifications. A consent or approval issued by the Design Review Board or the Association means only that the Design Review Board or Association believes that the construction, alteration, installation or other work for which the consent or approval was requested complies with the Rules and Regulations adopted by the Design Review Board and the Association. No such consent or approval shall be interpreted to mean that the construction, alteration, installation or other work covered thereby (a) complies with laws, rules, regulations, ordinances or other requirements of any governmental or quasi-governmental authority, (b) is free from defects, errors or omissions or (c) lies within the boundaries of the Site. No consent, approval or permit issued by the Design Review Board or the Association shall relieve Owners or other Persons of their obligations to comply with laws, rules, regulations, ordinances and other requirements of governmental or quasi-governmental authorities.

ARTICLE IX
COVENANTS, CONDITIONS AND RESTRICTIONS

9.01 Applicability of Covenants, Conditions and Restrictions.

Except as otherwise provided herein, and except with respect to sales, construction and development activities (including without limitation subdividing, platting and creating condominium regimes) by Intrawest during the Intrawest Development Period, the covenants, conditions and restrictions set forth in this Article IX shall apply to all of the Property.

9.02 Land Use Restrictions.

In addition to the covenants, conditions and restrictions found in this Article IX, the Association, all Owners and the individual associations for all condominium projects within Solitude Resort Village shall comply with all covenants, conditions and restrictions set forth in any Supplemental Declarations for Solitude Resort Village or any portion thereof recorded with the Recorder of Salt Lake County, Utah.

9.03 Solitude Village Master Association Documents.

Except as otherwise provided herein, each Owner and the associations for all individual condominium projects within Solitude Resort Village shall comply with all provisions of the Solitude Village Master Association Documents that apply to such Owner, such Owner's Sites, such association or such association's common elements. Each Owner and the associations for all individual condominium projects within Solitude Resort shall require that its Guests comply with all provisions of the Solitude Village Master Association Documents.

9.04 Construction and Alterations.

(a) No Person shall perform any construction, alterations, installations or other work within Solitude Resort Village, except in accordance with this Declaration and the applicable Rules and Regulations of the Design Review Board.

(b) Except as previously approved by the Executive Board, no Person shall construct or allow the existence of any temporary structures of any sort, including, without limitation, sheds, shacks, tents or trailers, except in connection with normal construction activities, and then only in accordance with this Declaration and the applicable Rules and Regulations of the Design Review Board. The Executive Board shall not unreasonably withhold its approval of kiosks, banners and structures for temporary events and promotions, and food vending trailers or carts which are compatible with the Solitude Resort Village.

9.05 Nuisances, Hazardous Activities and Unsightliness.

(a) No Person shall conduct any activity in Solitude Resort Village which creates a nuisance. Without limiting the generality of the foregoing:

- unreasonable glare;
- and
- (i) no lights shall be emitted which are unreasonably bright or cause unreasonable glare;
 - (ii) no sound shall be emitted which is unreasonably loud or annoying;
 - (iii) no odor shall be emitted which is unreasonably offensive to others.

(b) No Person shall conduct any activity in Solitude Resort Village which is or might be hazardous to any Person or property. Without limiting the generality of the foregoing:

- (i) no open fires shall be allowed to exist, unless contained in a customary barbecue grill or other structure approved by the Design Review Board;
- (ii) no firearms may be discharged;
- (iii) no hunting may be conducted; and
- (iv) no installation of propane tanks and satellite dishes except as expressly approved by the Design Review Board.

(c) No unsightliness shall be permitted in Solitude Resort Village. Without limiting the generality of the foregoing:

- (i) all exterior mechanical equipment lines, wires, pipes and other facilities shall either be buried or enclosed within a structure approved by the Design Review Board; and
- (ii) all garbage shall be kept in covered containers and any such container shall be kept within an enclosed structure approved by the Design Review Board.

(d) The Association shall have the power to grant variances from the terms and conditions of this Section 9.05 from time to time as it deems necessary. Normal construction activities, normal commercial activities, skiing, and other winter sports activities shall not be considered to violate the terms and conditions of this Section 9.05.

(e) Notwithstanding anything to the contrary contained in this Declaration or in any other Solitude Village Master Association Document, retail stores, restaurants, bars, nightclubs, theatres and other recreational and entertainment facilities may be open for business with the general public during the hours of 5:00 a.m. through 2:00 a.m.

9.06 Signs.

(a) No signs whatsoever shall be erected or maintained in Solitude Resort Village, except:

(i) signs advertising the Resort, and signs required by legal proceedings;

(ii) such other signs that both (A) comply with any sign code adopted by the Design Review Board, and (B) are approved in advance and in writing by the Design Review Board; and

(iii) signs erected by Intrawest during the Intrawest Development Period.

(b) Without limiting the generality of the foregoing, no "For Sale," "For Rent," "Open," "Open House" or similar signs shall be displayed on the exterior or interior of any Site.

(c) The foregoing shall not prevent the use of event banners and other temporary signage erected in connection with promotional activities conducted by the Resort or approved by the Executive Board.

9.07 Compliance With Laws.

Nothing shall be done or kept within Solitude Resort Village in violation of any law, ordinance, rule or regulation of any governmental or quasi-governmental authority.

9.08 Compliance With Insurance.

Except as may be approved in writing by the Association, nothing shall be done or kept within Solitude Resort Village which may result in an increase in the rates of any insurance, or the cancellation of any insurance, maintained by the Association.

9.09 Restriction on Subdivision and Rezoning.

(a) Except for conveyances, subdivisions, condominium projects and other developments by Declarant that Declarant records in the Salt Lake County Records, or by Intrawest during the Intrawest Development Period, no portion of the Property shall be subdivided without the prior written consent of the Association and the Resort, which consent must be evidenced on the plat or other instrument creating the subdivision.

(b) No further covenants, conditions or restrictions shall be recorded by any Owner or other Person against any portion of the Property without the Association's and the

Resort's prior written consent, and any covenants, conditions or restrictions recorded without such consent evidenced thereon shall be null and void.

(c) Except as may be permitted under a declaration for a condominium project or other development within Solitude Resort Village that Declarant records in the Salt Lake County Records, no application for rezoning of any portion of the Property, and no applications for variances or use permits, shall be filed with any governmental authority, unless the proposed use of that portion of the Property has been approved by the Association and the Resort and the proposed use otherwise complies with this Declaration and all other Solitude Village Master Association Documents.

(d) The covenants, conditions and restrictions set forth in paragraphs 9.09(a) through (c) above shall not apply to Declarant's development of Declarant's Property, Intrawest's development of Sites owned by it, or the Resort's development of the property subject to the easements so long as such activities by the Resort do not unreasonably interfere with the easements granted by the Resort to the Solitude Resort Village.

9.10 Common Interest Ownership.

(a) Prior to the recording in the Salt Lake County Records of an instrument submitting any portion of the Property to the Act, the Owner of such property shall submit to the Association for its review and approval, copies of the proposed declaration, articles of incorporation and bylaws of the individual condominium association. Within thirty days after the submittal of such documents to the Association, the Association shall approve or disapprove the documents by written notice to such Owner. If such documents are disapproved by the Association, the Association shall set forth the reasons for such disapproval. If notice of approval or disapproval is not given by the Association on or before such thirty day period, such documents shall be deemed to be approved.

(b) The covenants, conditions and restrictions set forth in paragraph 9.10(a) above shall not apply to Declarant's development of Declarant's Property, or Intrawest's development of a Site owned by Intrawest.

9.11 Mineral Exploration.

No portion of the Property shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance of any kind.

9.12 Wells, Water, Sewage and Propane.

No water wells shall be permitted on any portion of the Property, without the prior written approval of the Association. All buildings, structures and improvements designed for

residential, commercial or lodging purposes shall be connected to such water and sewer services as the Association may require. No propane tanks or other fuel storage facilities shall be permitted on any portion of the Property without the prior written consent of the Association.

9.13 Vehicles and Equipment.

No automobile, truck, pickup, camper, motorbike, motorcycle, trailbike, trailer, mobile home, tractor, golf cart, snowmobile, boat or any other vehicle of any type shall be parked or operated within Solitude Resort Village, except in accordance with all Rules and Regulations adopted by the Association with respect thereto.

9.14 Trash, Garbage and Other Waste Materials.

All trash, garbage and other waste materials shall be kept in sanitary containers enclosed and screened from public view and protected from disturbance in such places and in such manner as may be approved by the Design Review Board. Owners shall not, and shall ensure that their Guests do not, litter in Solitude Resort Village. No burning of trash, garbage or waste materials shall be permitted within Solitude Resort Village.

9.15 Deliveries.

All deliveries made within Solitude Resort Village shall be made in accordance with all Rules and Regulations adopted by the Association with respect thereto.

9.16 Trademarks.

(a) The terms Solitude, Solitude Resort, Ski Solitude, Solitude Ski Resort Company, and Solitude Ski Corporation are service marks and trademarks of Solitude Ski Corporation, and any use of any such terms as a part of Solitude Resort Village is wholly contingent upon the Association's agreement to enter and be bound by the terms and conditions set forth in a service mark license agreement between the Association and Solitude Ski Corporation. No Owner shall use the trademarks of Solitude Ski Corporation without the prior written permission of Solitude Ski Corporation.

(b) The term "Solitude Resort Village" is a service mark and trademark of Declarant. No Owner shall use the trademark of Declarant without the prior written permission of Declarant.

9.17 Animals.

No dogs or cats are permitted to be kept within Solitude Resort Village pursuant to Salt Lake County water quality and health regulations.

9.18 Exemption.

Nothing contained in this Declaration or any other Solitude Village Master Association Document shall be construed to prevent or limit:

- (a) Declarant's exercise or enjoyment of any Declarant Right; or
- (b) the conduct by Declarant, or Intrust during the Intrust Development Period, or their respective employees or agents of any activity, including, without limitation, the erection or maintenance of temporary structures, trailers, fences, improvements or signs, necessary or convenient to the development, construction, marketing of the Solitude Resort or sale of property or operation of a four season resort within Solitude Resort Village.

ARTICLE X
EASEMENTS AND RESERVATIONS

10.01 Declarant's Easements Over Common Elements.

(a) Declarant hereby reserves for itself, its successors and assigns a general easement over, across, through and under the Common Elements to:

- (i) discharge Declarant's obligations under this Declaration;
- (ii) exercise any of Declarant's rights under this Declaration; and
- (iii) make or construct improvements at the Property, the Additional Property or any other real estate owned by Declarant.

(b) Declarant hereby reserves to itself, its successors and assigns the right to:

- (i) establish from time to time utility and other easements, permits or licenses over, across, through and under the Common Elements; and
- (ii) create other reservations, exceptions and exclusions for the best interest of the Association.

(c) In addition, until such time as Declarant adds any portion of the Additional Property or any other adjacent real property and improvements to Solitude Resort Village, and after such time as Declarant withdraws any portion of the Property from Solitude Resort Village, Declarant shall have whatever easements are reasonably necessary or desirable across the Property for access to and utility services for the Additional Property or the portion of the Property withdrawn from Solitude Resort Village, as the case may be.

(d) During the Intrawest Development Period, Intrawest shall have the same easements and licenses for access, ingress, egress and utilities as reserved by Declarant herein, to the extent necessary for Intrawest's construction, development and sales activities.

10.02 Owners' Easements Over Common Elements

(a) Subject to the terms and conditions of this Declaration and all other Solitude Village Master Association Documents, each Owner shall have a nonexclusive easement over, across and through the Common Elements:

- (i) for ingress to and egress from their Sites; and
- (ii) to use and enjoy the Common Elements.

(b) Each Owner shall have a nonexclusive right to use and enjoy the access and utility easements provided by the Resort.

(c) Each Owner may grant its rights under this Section 10.02 to any Guest of the Owner.

10.03 Utility Easement

(a) Subject to the terms and conditions of this Declaration and all other Solitude Village Master Association Documents, Declarant hereby creates a general easement over, across, through and under all of the Property, for ingress to, egress from, and installation, replacement, repair and maintenance of, all utility and service lines and systems, including, without limitation, water, sewer, gas, telephone, electricity and cable communication that service Solitude Resort Village or any portion thereof. The Association may, but is not obligated to, authorize the release of portions of the general easement created by this Section 10.03 upon the request of any Owner showing good cause therefor.

(b) Pursuant to this easement, a utility or service company may install and maintain facilities and equipment on the Property to provide service to any portion of the Property. Notwithstanding anything to the contrary contained in this Section 10.03, no sewers, electrical lines, water lines, telephone lines or other utility or service lines may be installed or relocated on any portion of the Property, except as approved by the Design Review Board and the Resort. The foregoing sentence shall not apply to Intrawest during the Intrawest Development Period. Any utility or service company using this general easement shall use its best efforts to install, repair, replace and maintain its lines and systems without unreasonably disturbing the usage of Owners, the Association, Declarant, the Resort, and other utility and service companies.

(c) If any utility or service company furnishing utilities or services to Solitude Resort Village or any portion thereof requests a specific easement by a separate recordable document, the Association shall have the right and authority, but not the obligation, to grant such easement over, across, through and under any portion of the Property.

10.04 Solitude Village Master Association's Easement.

(a) Declarant hereby grants the Association an easement over, across, through and under all of the Property to:

(i) exercise any right held by the Association under this Declaration or any other Solitude Village Master Association Document; and

(ii) perform any obligation imposed upon the Association by this Declaration or any other Solitude Village Master Association Document.

(b) Notwithstanding the foregoing, the Association shall not enter upon any Site without reasonable prior notice to the Owner of the Site, except in cases of emergency.

10.05 Emergency Access Easement.

Declarant hereby grants a general easement to all police, sheriff, fire protection, ambulance and all other similar emergency agencies or Persons to enter upon the Property in the proper performance of their duties.

10.06 Special District Easement.

Declarant hereby grants a general easement to the Solitude Special Improvement District and other metropolitan district or other special district providing services or facilities to Solitude Resort Village to enter upon the Property in the proper performance of their duties, and each Owner and other Person acquiring any interest in the Property acknowledges that the Association has the authority to enter into existing and future service districts and service companies, and to sign contracts with such entities, on such terms as are deemed reasonable and appropriate by the Executive Board, for the benefit of the Solitude Resort Village.

10.07 Special District Easement.

Declarant hereby grants a general easement to the general public over, across and through all roads, streets, sidewalks and trails that cross the Property for ingress to and egress from the Solitude Resort over the easements provided by the Resort.

10.08 Easement for Encroachments.

Declarant hereby grants an easement to all individual condominium associations of, and to all Owners of Sites within Solitude Resort Village, for any encroachment of any improvement within any such condominium project constructed by Declarant on, across, over, under or through any Common Element or any Site.

ARTICLE XI
INSURANCE

11.01 Insurance Required To Be Obtained by the Solitude Village Master Association.

The Association shall obtain and maintain all insurance reasonable and customary to fulfill its purposes and any additional insurance that the Executive Board deems necessary. The Association shall require the association for each individual condominium project to be developed on the Property to maintain a commercial general liability policy for such individual condominium project in an aggregate amount of not less than \$5,000,000.

11.02 Adjustments.

Any loss covered by insurance maintained by the Association shall be adjusted with the Association in accordance with the terms and conditions of the Act. The insurance proceeds payable for any such loss shall be paid in accordance with the terms and conditions of the Act. In the event the Act is not applicable to such loss and proceeds, in whole or in part, the Executive Board shall make a fair and equitable adjustment of the loss and allocation of insurance proceeds.

ARTICLE XII
CASUALTY

12.01 Casualty to Common Elements.

The Association shall respond to any damage to, or destruction of, any Common Elements in accordance with the terms and conditions of this Declaration and applicable law.

12.02 Casualty to a Site.

Each Owner shall be responsible for repairing or replacing any damage to, or destruction of, his Site. If an Owner elects not to repair or replace any such damage or destruction, the Owner shall:

(a) landscape the Site in accordance with plans approved by the Design Review Board; and

(b) maintain such Site in a neat and attractive condition, free of hazards.

ARTICLE XIII
CONDEMNATION

13.01 Condemnation of Sites.

If all Sites within Solitude Resort Village are taken by condemnation or similar proceeding, Solitude Resort Village and this Declaration shall terminate as of the date of the taking and any condemnation award payable in connection therewith shall be paid to the Association and then disbursed by the Association in accordance with the terms and conditions of this Declaration.

13.02 Condemnation of Fewer Than All Units.

If one or more Sites, but fewer than all Sites, are taken by condemnation or similar proceeding, any condemnation award payable in connection therewith shall be paid to the Owner of such Sites.

13.03 Condemnation of Common Elements.

If any Common Element is taken by condemnation or similar proceeding, any condemnation award payable in connection therewith shall be paid to the Association and used by the Association:

- (a) first, to repair any damage to Common Elements resulting from the condemnation or similar taking; and
- (b) second, for any other Common Expenses.

ARTICLE XIV
SPECIAL DECLARANT RIGHTS

14.01 Improvements.

Declarant hereby reserves for itself, its successors and assigns the right to construct any improvements that it deems necessary or appropriate on the Common Elements and on any Sites owned by Declarant.

14.02 Development Rights.

- (a) Declarant hereby reserves for itself, its successors and assigns:

(i) the right to amend this Declaration to add all or any portion of the Additional Property or any other adjacent real property and improvements to Solitude Resort Village;

(ii) the right to create as many Residential Sites, square feet of Commercial Space and Lodge Rooms within Solitude Resort Village as permitted by the Solitude Resort Master Plan and any other zoning applicable to the Property;

(iii) the right to amend this Declaration to create additional Sites and certain additional Common Elements on all or any portion of the Additional Property or any other real estate that the Declarant may add to Solitude Resort Village pursuant to subparagraph 14.02(a)(i) above;

(iv) the right to subdivide any Site owned by Declarant;

(v) the right to combine any Sites owned by Declarant;

(vi) the right to convert any Site owned by Declarant into Common Elements; and

(vii) the right to withdraw from Solitude Resort Village any real estate owned by Declarant and located within the Property.

(b) In exercising any development right reserved hereunder, Declarant shall execute and record an amendment to this Declaration.

14.03 Sales Offices.

Declarant hereby reserves for itself, its successors and assigns the right to maintain sales offices and management offices within any Site owned by Declarant. Declarant also reserves for itself, its successors and assigns the right to construct and maintain signs advertising Solitude Resort and/or Solitude Resort Village on any and all Common Elements.

14.04 Merger.

Declarant reserves the, right to merge or consolidate Solitude Resort Village with any other planned community.

14.05 Exercising Special Declarant Rights.

Declarant may exercise its Special Declarant Rights at any time. Declarant may exercise its Special Declarant Rights in any order and no assurance is given as to the order in which Declarant will exercise its Special Declarant Rights. If Declarant exercises any Special Declarant

Right with respect to any portion of the Property or the Additional Property, Declarant may, but is not obligated to, exercise that Special Declarant Right with respect to any other portion of the Property or the Additional Property. Notwithstanding anything to the contrary contained in this Declaration, Declarant may exercise any Special Declarant Right described in this Article XIV and any other right reserved to Declarant in this Declaration, without the consent of the Association or of any of the Owners.

14.06 Interference with Declarant Right.

Neither the Association, nor any Owner may take any action or adopt any Rule or Regulation that interferes with or diminishes any Declarant Right, without Declarant's prior written consent.

14.07 Rights Transferable.

Declarant may transfer any Declarant Right reserved to it under this Article XIV or under any other provision of this Declaration. During the Intrawest Development Period, Intrawest shall also have the rights set forth in Sections 14.01, 14.02(a)(ii), (iv), (v) and (vi), 14.03 and 14.05, with respect to Sites owned by Intrawest.

ARTICLE XV
ENFORCEMENT AND REMEDIES

15.01 Enforcement.

(a) Each provision of this Declaration with respect to the Association or the Common Elements shall be enforceable by Declarant or any Owner by a proceeding for injunctive relief.

(b) Each provision of this Declaration with respect to an Owner, an individual condominium project association or a Site shall be enforceable by the Declarant or the Association by:

- (i) a proceeding for injunctive relief,
- (ii) a suit or action to recover damages; and/or

(iii) in the discretion of the Association, for so long as any Owner or association for an individual condominium project fails to comply with any such provisions, exclusion of such Owner and its Guests from the use of any Common Elements and from the participation in any Association affairs.

(c) In addition to the rights and remedies described in paragraph 15.01(b) above, if an Owner or association for an individual condominium project fails to perform or observe any covenant or condition on such Owner's or individual condominium association's part to be performed or observed under this Declaration or any other Solitude Village Master Association Document, the Association shall have the following rights and remedies:

(i) The Association may, but is not obligated to, cure such failure to comply at the Owner's or individual condominium association's sole cost and expense. If the Association cures any such failure to comply, the Owner or individual condominium association shall pay to the Association the amount of all costs incurred by the Association in connection therewith within thirty days after the Owner or individual condominium association receives written notice of a Default Assessment therefor from the Association.

(ii) The Association may fine the Owner or individual condominium association, as a Default Assessment, an amount not to exceed \$100 for each violation. The Owner or individual condominium association shall pay any such fine to the Association within thirty days after the Owner or individual condominium association receives written notice of a Default Assessment therefor from the Association.

(iii) The Association shall have all other rights and remedies available to it under this Declaration, at law or in equity.

(d) All rights and remedies of the Association shall be cumulative and the exercise of one right or remedy shall not preclude the exercise of any other right or remedy.

(e) The Association may adopt such Rules and Regulations as the Executive Board deems necessary or appropriate to administer and enforce the terms and conditions of this Declaration and the other Solitude Village Master Association Documents.

15.02 Attorneys' Fees.

In the event of any dispute under or with respect to this Declaration or any other Solitude Village Master Association Document, the prevailing party shall be entitled to recover from the nonprevailing party all of its costs and expenses in connection therewith, including, without limitation, the fees and disbursements of any attorneys, accountants, engineers, appraisers or other professionals engaged by the prevailing party.

15.03 Interest.

If an Owner or association for an individual condominium project fails to pay to the Association any Assessment or other amount due to the Association as and when the same becomes due, the Owner or individual condominium association shall pay to the Association interest on such unpaid amount from the due date of such unpaid amount until the date paid at

the greater of (a) 4 percent over the prime rate of interest for commercial loans charged by Wells Fargo Bank in Salt Lake City, Utah or (b) 18 percent per annum.

15.04 Right to Notice and Hearing.

Whenever the Solitude Village Master Association Documents require that an action be taken after "notice and hearing," the following procedure shall be observed. The party proposing to take the action (e.g., the Executive Board, Design Review Board or a committee or officer of the Association) shall give notice of the proposed action to all Owners whose interest the proposing party reasonably determines would be significantly affected by the proposed action. The notice shall be delivered personally or mailed not less than three days before the proposed action is to be taken. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the affected Owner shall have the right, personally or by representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the hearing to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. The affected Owner shall be notified of the decision in the same manner in which notice of the hearing was given. Any Owner having a right to notice and hearing shall have the right to appeal to the Executive Board from a decision of a proposing party other than the Executive Board by filing a written notice of appeal with the Executive Board within ten days after being notified of the decision. Executive Board shall conduct a hearing within forty-five days thereafter, giving the same notice and observing the same procedures as were required for the original hearing. All decisions of the Executive Board shall be final and binding.

ARTICLE XVI
TERM AND AMENDMENTS

16.01 Term.

The covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth in this Declaration shall run with and bind the Property until the Declaration is terminated pursuant to Section 16.02 below.

16.02 Termination.

The Owners may terminate the Solitude Resort Village and this Declaration by a 67 percent or greater vote of all votes in the Association and the written consent of the Resort Owner. If the necessary votes are obtained, the agreement of the Owners to terminate the Solitude Resort Village and this Declaration shall be evidenced by a termination agreement or ratification thereof, executed by the required number of Owners and the Resort Owner in accordance with the terms and conditions of this Declaration, and as to associations for individual condominium projects. Upon recordation of the termination agreement in the Salt

Lake County Records, the Solitude Resort Village shall be terminated, this Declaration shall have no further force or effect, and the Association shall be dissolved. Notwithstanding the foregoing, the Owners may not terminate the Solitude Resort Village or this Declaration during the Declarant Control Period, without the Declarant's prior written consent, which consent Declarant may withhold in its discretion.

16.03 Amendments.

(a) Except for provisions of this Declaration regarding the rights and obligations of Declarant, which may not be amended without Declarant's prior written consent, Owners may amend any provision of this Declaration at any time by a 67 percent or greater vote of all votes in the Association. If the necessary votes are obtained, the Association shall cause to be recorded in the Salt Lake County Records an amendment to the Declaration. Notwithstanding the foregoing, the Owners may not amend this Declaration during the Declarant Control Period, without the Declarant's prior written consent, which consent Declarant may withhold in its discretion.

(b) Notwithstanding the terms and conditions of paragraph 16.03(a) above, the Declarant may amend this Declaration as expressly provided herein, without the approval of the Owners.

(c) Because amendments to this Declaration, including without limitation location and development of Sites on the Property, may adversely impact the access, ingress, egress, parking, visibility and operations of the real property owned by the Resort, no amendment shall be made to this Declaration without the prior written consent of the Resort which consent the Resort may withhold in its discretion.

(d) Notwithstanding anything in this Declaration to the contrary, except for the addition of the Additional Property and other adjacent real property and improvements to the Declaration by Declarant as provided for herein, during the Intrawest Development Period this Declaration shall not be amended in any way which may be detrimental to Intrawest's sales, development and construction activities without Intrawest's prior written approval, which approval shall not be unreasonably withheld, delayed or conditioned.

ARTICLE XVII
MISCELLANEOUS

17.01 Interpretation of the Declaration.

Except for judicial construction, the Association, by its Executive Board, shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction

or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefited or bound by the covenants and the provisions hereof.

17.02 Severability.

Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity and enforceability of any other provisions hereof.

17.03 Disclaimer of Representations.

Notwithstanding anything to the contrary contained in this Declaration, Declarant makes no warranties or representations whatsoever that the plan presently envisioned for the complete development of Solitude Resort Village can or will be carried out or that any land now owned or hereafter acquired by Declarant is or will be subjected to this Declaration, or that any such land, whether or not it has been subjected to this Declaration, is or will be committed to or developed for a particular use, or that, if such land is once used for a particular use, such use will continue in effect.

17.04 Reference to Declaration and Deeds.

Deeds to and instruments affecting any Site or any other part of Solitude Resort Village may contain the provisions set forth herein by reference to this Declaration, but regardless of whether any such reference is made in any deed or instrument, each and all of the covenants, conditions, restrictions, reservations, easements, assessments, charges and liens set forth herein shall be binding upon the grantee Owner or other Person claiming through any deed or other instrument and his or her heirs, executors, administrators, successors and assigns.

17.05 Successors and Assigns of Declarant.

Any reference in this Declaration to Declarant shall include any successors or assignees of Declarant's rights and powers hereunder, on the condition that Declarant's rights and powers may only be assigned by a written recorded instrument expressly assigning such rights and powers.

17.06 Captions and Titles.

All captions and titles of headings of Articles and Sections in this Declaration are for the purpose of reference and convenience and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.

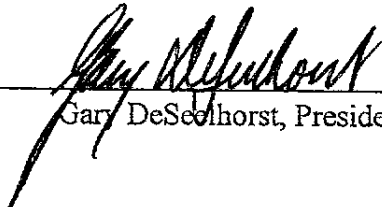
17.07 Notices.

All Owners of each Site shall have one and the same registered mailing address to be used by the Association or other Owners for notices, demands, and all other communications regarding the Association matters. The Owners or the representative of the Owners of a Site shall furnish such registered address to the secretary of the Association within ten days after transfer of title to the Site to such Owner or Owners. Such registration shall be in written form and signed by all of the Owners of the Site or by such persons as are authorized to represent the interests of all Owners of the Site. If no address is registered or if all of the Owners cannot agree, then the address of the Site shall be deemed their registered address of the Owner(s), and any notice shall be deemed duly given if delivered to the Site. All notices and demands intended to be served upon the Association shall be sent to the following address or such other address as the Association may designate from time to time by notice to the Owner(s):

Solitude Village Master Association
12000 Big Cottonwood Canyon
Solitude, Utah 84121

IN WITNESS WHEREOF, Solitude Ski Corporation has hereunto caused its name to be signed by the signature of its duly authorized officer as of the day and year first written above.

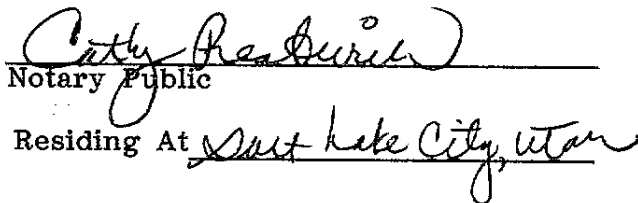
SOLITUDE SKI CORPORATION, a Delaware corporation



Gary DeSeelhorst, President

STATE OF UTAH)
 : ss
COUNTY OF SALT LAKE)

On the 4th day of May, 1999, personally appeared before me Gary L. DeSeelhorst, who acknowledged to me that he executed this instrument in his capacity as President of the Solitude Ski Corporation, a Delaware corporation.



Notary Public
Residing At Salt Lake City, Utah

My Commission Expires:

02/14/2001

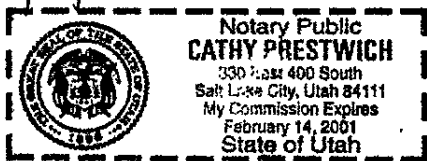


EXHIBIT A

(Attached to and forming a part of the Declaration of Covenants,
Conditions and Restrictions for Solitude Resort Village)

LEGAL DESCRIPTION OF THE
DECLARANT'S PROPERTY

BEGINNING at a point that bears South 48°05'02" East 594.61 feet from the most Westerly corner (No. 3) of Giles Flat Mine Claim (survey No. 4960), said point also being North 89°57'00" West 1308.94 feet and South 23°47'49" West 178.786 feet and South 29°21'25" West 614.151 feet, and South 48°05'02" East 594.61 feet from the Northeast Corner of Section 27 Township 2 South, Range 3 East, Salt Lake Base and Meridian and running thence

North 21°35'43" East, 42.40 feet; thence
North 12°28'15" East, 161.70 feet; thence
North 78°40'29" East, 67.31 feet; thence
South 76°16'42" East, 76.62 feet; thence
North 62°09'35" East, 169.67 feet; thence
North 79°11'53" East, 103.81 feet; thence
North 19°34'38" East, 112.74 feet; thence
North 04°07'32" East, 73.85 feet; thence
North 68°43'28" East, 43.13 feet; thence
South 20°45'34" East, 74.32 feet; thence
South 30°36'00" East, 99.46 feet; to a point on the Easterly edge of Hillside road and running along said edge the following 9 calls,
South 22°01'37" East, 75.94 feet; thence
South 13°35'16" East, 86.98 feet; thence
South 05°34'01" East, 184.23 feet; thence
South 03°17'56" East, 82.07 feet; thence
South 00°24'21" West, 149.75 feet; thence
South 09°05'13" East, 64.38 feet; thence
South 19°13'52" East, 62.63 feet; thence
South 24°21'40" East, 82.01 feet; thence
South 01°14'18" West, 55.51 feet; to a point on the East property line and Forest Service Boundary,
South 29°19'45" West, 129.84 feet; along said property line to the Southeast corner of the Giles flat mine claim (Survey no. 4960).
North 48°05'02" West, 229.84 feet; along the South Property line and running thence,
North 41°54'58" East, 45.91 feet; thence
North 58°33'57" East, 97.16 feet; thence
North 14°59'02" West, 18.26 feet; thence
South 75°00'58" West, 5.48 feet; thence
North 14°59'02" West, 44.61 feet; thence

BK8274PG8397

North 75°00'58" East, 9.86 feet; thence
North 14°59'02" West, 17.69 feet; thence
South 75°00'58" West, 11.66 feet; thence
North 11°04'15" West, 44.01 feet; thence
North 79°50'33" East, 12.90 feet; thence
North 02°17'00" West, 25.30 feet; thence
South 87°43'00" West, 5.86 feet; thence
North 02°37'10" West, 39.02 feet; thence
North 07°33'18" West, 121.04 feet; thence
North 00°39'56" West, 33.00 feet; thence
North 07°23'28" East, 36.86 feet; thence
South 84°17'57" West, 45.50 feet; thence
South 30°16'19" West, 112.05 feet; thence
North 59°48'03" West, 20.00 feet; thence
North 20°04'17" East, 43.41 feet; thence
North 50°04'06" West, 42.99 feet; thence
South 80°21'05" West, 70.47 feet; thence
South 18°45'02" West, 57.23 feet to a point on the Westerly side of the existing
Administration building and running thence,
South 47°54'15" West, 119.21 feet; thence
South 35°12'59" East, 2.96 feet; thence
South 46°47'03" West, 7.98 feet; thence
South 43°21'18" East, 33.42 feet; thence
South 03°05'23" West, 8.38 feet; thence
South 41°54'58" West, 35.88 feet to a point on the South property line and Forest Service
boundary and running along said boundary
North 48°05'02" West, 340.25 feet more or less to the Point of Beginning.
Area contains 6.71 acres

EXHIBIT A-1

(Attached to and forming a part of the Declaration of Covenants,
Conditions and Restrictions for Solitude Resort Village)

LEGAL DESCRIPTION OF OTHER PROPERTY TO BE SUBJECT TO
THE DECLARATION (Creekside, Lauterbach and Miller)

EXHIBIT A-1

BEGINNING at a point South 48° 05' 02" East 617.71 feet and North 14° 57' 52" East 36.86 feet from the Southwest corner (No. 3) of Giles Flat Mine Claim (Survey No. 4960), said point also being North 89° 57' 00" West 1308.94 feet and South 23° 47' 49" West 178.786 feet and South 29° 21' 25" West 614.151 feet and South 48° 05' 02" East 617.71 feet and North 14° 57' 52" East 36.86 feet from the Northeast Corner of Section 27, Township 2 South, Range 3 East, Salt Lake Base and Meridian and running thence;

North 14° 57' 52" East 178.67 feet; thence
South 74° 48' 15" East 90.55 feet; thence
South 06° 14' 20" West 125.35 feet; thence
South 14° 43' 18" West 37.95 feet; thence
South 42° 00' 30" West 25.39 feet; thence
North 77° 46' 20" West 5.57 feet; thence

To a point on a 46.85 foot radius curve to the right (bearing to center of curve bears N51° 40' 59"W and has a central angle of 141° 36' 51") thence along arc of said curve 115.79 Feet; thence North 75° 02' 08" West 4.36 feet to the point of BEGINNING.

Area: 20,671 SQ.FT., 0.47 AC.

BEGINNING at a point North 04°57'39" East, 670.59 feet from the Southeast corner (No. 4) of Giles Flat Mine Claim (Survey No. 4960), said point also being North 89°57'00" West, 1308.94 feet and South 23°47'49" West, 178.786 feet and South 29°21'25" West, 614.151 feet and South 48°05'02" East, 617.701 feet and North 04°57'39" East, 670.59 feet from the Northeast corner of Section 27, Township 2 South, Range 3 East, Salt Lake Base and Meridian and running thence

South 86°48'42" West 150.85 feet; thence
South 15°30'30" West 34.10 feet; thence
South 00°39'56" East 13.50 feet; thence
South 07°23'28" West 36.86 feet; thence
South 00°39'56" East 33.00 feet; thence
North 89°20'04" East 159.04 feet to the approximate south edge of State Highway 152; thence
Along the approximate south edge of Highway 152 North 02°09'18" East 122.52 feet more or less to the point of beginning.

RESERVING UNTO THE GRANTOR THE FOLLOWING DESCRIBED EASEMENT:

A strip of land 20 feet wide, the boundaries of which are parallel to and 10 feet distant at right angles on each side of the following described center line:

Beginning at a point North 01°19'54" West, 545.02 feet from the above described Southeast corner (No. 4) of Giles Flat Mine Claim (Survey No. 4960), said point being on the arc of a 300.00 foot radius curve to the left and running thence Northerly

Along the arc of said curve 4.51 feet (chord bears North 4°20'8" West, 4.51 feet); thence North 8°12'51" West, 114.64 feet more or less.

POOR COPY -
CO. RECORDED

BK 8274 PG 8400

EXHIBIT A-1

DESCRIPTION

HOLDING LOT - A:

BEGINNING at a point North 06°36'11" East 444.327 feet from the Southeast corner (No. 4) of Giles Flat Mine Claim (Survey No. 4960); said point also being North 89°57'00" West 1308.94 feet and South 23°47'49" West 178.786 feet and South 29°21'25" West 614.151 feet and South 48°05'02" East 1499.701 feet and North 06°36'11" East 444.327 feet from the Northeast corner of Section 27, Township 2 South, Range 3 East, Salt Lake Base and Meridian; and running thence South 87°43'00" West 87.46 feet; thence North 02°17'00" West, 11.58 feet; thence South 87°43'00" West, 38.88 feet; thence South 30°20'33" West 27.97 feet; thence South 02°17'00" East, 39.02 feet; thence North 87°43'00" East 6.09 feet; thence South 02°17'00" East, 17.48 feet; thence North 87°43'00" East, 44.19 feet; thence North 02°17'00" West, 12.06 feet; thence North 87°43'00" East, 91.077 feet to point on a 520.708 foot radius curve to the right, said arc being approximate South edge of State highway 152; thence along the arc of said curve 56.14 feet (chord bears North 02°13'07.9" West, 56.417 feet) more or less to the point of BEGINNING.

LESS THAN AND EXCEPTING a 50 foot right-of-way from the centerline of State Highway 152.

HOLDING LOT - B:

BEGINNING at a point North 09°43'11.6" East 348.44 feet from the Southeast corner (No. 4) of Giles Flat Mine Claim (Survey No. 4960), said point also being North 89°57'00" West, 1308.94 feet and South 23°47'49" West, 178.786 feet and South 29°21'25" West, 614.151 feet and South 48°05'02" East 1499.701 feet and North 09°43'11.6" East, 348.44 feet from the Northeast corner of Section 27, Township 2 South, Range 3 East, Salt Lake Base and Meridian and running thence South 75°00'58" West, 90.61 feet; thence North 14°59'02" West, 9.11 feet; thence South 75°00'58" West, 44.53 feet; thence South 14°59'02" East, 17.69 feet; thence South 75°00'58" West, 9.86 feet; thence South 14°59'02" East, 44.61 feet; thence North 75°00'58" East, 5.48 feet; thence South 14°59'02" East, 18.26 feet; thence North 75°00'58" East, 44.29 feet; thence North 14°59'02" West 9.69 feet; thence North 75°00'58" East, 93.455 feet to a point on a 520.708 foot radius curve to the right, said arc being approximate South edge of State highway 152; thence along the arc of said curve 61.82 feet (chord bears North 13°20'15.8" West, 61.786 feet) to the point of BEGINNING.

LESS AND EXCEPTING a 50 foot right-of-way from the centerline of State Highway 152.

POOR COPY
CO. RECORDS

BK8274PG8401

EXHIBIT B

(Attached to and forming a part of the Declaration of Covenants,
Conditions and Restrictions for Solitude Resort Village)

ADDITIONAL PROPERTY FOR ADDITION TO PROJECT
(Including Intrawest Phases 11 and 111)

EXHIBIT _____

PARCEL NO. 2-PHASE 2 BUILDING PAD:

Beginning at a point which is South 48°05'02" East 510.55 feet from the Southwest corner (No. 3) of Giles Flat Mine Claim (Survey No. 4960) and North 45°00'00" East 229.80, said point also being North 89°57'00" West 1308.94 feet, South 23°47'49" West 178.786 feet and South 29°21'25" West 614.151 feet and South 48°05'02" East 510.55 feet and North 45°00'00" East 229.80 feet from the Northeast corner of Section 27, Township 2 South, Range 3 East, Salt Lake Base and Meridian and running thence:

North 22°53'34" East 371.27 feet; thence South 08°45'23" East 43.89 feet; thence North 65°59'18" East 221.31 feet; thence South 22°07'22" East 220.82 feet; thence South 12°18'54" West 148.95 feet; thence South 74°22'29" West 147.49 feet; thence North 24°08'04" West 126.85 feet; thence South 39°14'44" West 194.32 feet; thence North 67°47'52" West 94.85 feet more or less to the point of BEGINNING.

PARCEL NO. 3-PHASE 3A BUILDING PAD:

BEGINNING at a point which is South 48°05'02" East 510.55 feet from the Southwest corner (No. 3) of Giles Flat Mine Claim (survey No. 4960) and North 45°00'00" East 229.80 feet, said point also being North 89°57'00" West 1308.94 feet, South 23°47'49" West 178.786 feet, South 29°21'25" West 614.151 feet, South 48°05'02" East 510.55 feet and North 45°00'00" East 229.80 feet from the Northeast Corner of Section 27, Township 2 South, Range 3 East, Salt Lake Base and Meridian and running thence:

North 67°00'39" West 91.74 feet; thence North 30°55'44" West 34.07 feet; thence North 29°19'15" East 381.32 feet; thence South 73°19'59" East 47.29 feet; thence South 18°53'36" East 44.32 feet; thence South 22°53'34" West 371.27 feet more or less to the point of BEGINNING.

PARCEL NO. 4-PHASE 3B BUILDING PAD:

BEGINNING at a point which is South 48°05'02" East 934.86 feet from the Southwest corner (No. 3) of Giles Flat Mine Claim (survey No. 4960) said point also being North 89°57'00" West 1308.94 feet, South 23°47'49" West 178.786 feet, South 29°21'25" West 614.151 feet and South 48°05'02" East 934.86 feet from the Northeast corner of Section 27, Township 2 South, Range 3 East, Salt Lake Base and Meridian and running thence:

Along the Property line of the Inn at Solitude the next 3 Courses:

North 41°54'58" East 35.877 feet; thence North 00°00'59" East 8.479 feet; thence North 42°55'10" West 28.76 feet; thence North 45°48'30" East 37.06 feet; thence North 67°01'21" East 211.94 feet; thence South 43°19'21" East 21.15 feet; thence South 06°29'05" West 98.92 feet; thence South 52°36'00" West 194.69 feet; thence along the Southerly line of Giles Flat Mine Claim North 48°05'02" West 100.46 feet more or less to the point of BEGINNING.

BK8274PG8403

EXHIBIT D

(Attached to and forming a part of the Declaration of Covenants,
Conditions and Restrictions for Solitude Resort Village)

CONSENT AND SUBORDINATION OF LENDER

(Attached Hereto)

WHEN RECORDED RETURN TO:


Gary L. DeSeelhorst
Solitude Ski Corporation
12000 Big Cottonwood Canyon
Solitude, Utah 84121

SUBORDINATION AGREEMENT

WELLS FARGO BANK, NATIONAL ASSOCIATION ("Wells Fargo") for Ten Dollars and other valuable consideration, receipt of which is hereby acknowledged, does hereby subordinate its interest as "Beneficiary" under that certain Deed of Trust With Assignment of Rents executed by Solitude Ski Resort Company as "Trustor" to First American Title Company of Utah, as "Trustee," for the benefit of Wells Fargo as "Beneficiary," dated April 25, 1996, and recorded May 7, 1996 as Entry No. 6350471 in Book 7393 at Page 2394 of the Official Records of the Salt Lake County, Utah Recorders office, as amended by a First Modification of Deed of Trust With Assignment of Rents dated October 23, 1997, and recorded November 25, 1997 as Entry No. 6799587, in Book 7816 at Page 29 of said Official Records, and does further subordinate its interest as "Secured Party" under the UCC financing Statements recorded as Entry No. 6350472 in Book 7393 at Page 2553 and Entry No. 6350473 in Book 7393 at Page 2565 of said Official Records, to the covenants, conditions, restrictions and easements established by and pursuant to that certain "Declaration of Covenants, Conditions and Restrictions For Solitude Resort Village" dated ^{May} April 7, 1999, and recorded _____, 1999 as Entry No. _____ of said Official Records (the "Master Declaration"), and the undersigned acknowledges that in the event said Deed of Trust as modified, is foreclosed or Wells Fargo or its successors or assigns otherwise acquire title to the real property subject to such Deed of Trust as modified, which property is legally described on Exhibit "A" attached hereto and incorporated herein, that Wells Fargo, its successors or assigns, or the purchaser at such foreclosure sale, will take title to the property described on Exhibit "A" subject to such Master Declaration, and subject to the covenants, conditions, restrictions and easements established therein or appurtenant thereto.

DATED this 28th day of April, 1999.

Wells Fargo Bank, National Association

By: 
Dan Adams
Its: Vice President

BK8274PG8405

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of CALIFORNIA

County of SACRAMENTO

On APRIL 28 1999 before me, JILL COFFIN
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared DAN ADAMS
Name(s) of Signer(s)

personally known to me – OR – proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Jill Coffin
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Subordination Agreement

Document Date: _____ Number of Pages: 1

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER
 Top of thumb here

Signer Is Representing:

Signer's Name: _____

- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER
 Top of thumb here

Signer Is Representing:

BK 8274 PS 8406
 08274180406

The real property located in Salt Lake County, State of Utah, described below. By recording this Subordination Agreement on the real property described below, there is no implication of encumbrance or intent to encumber any real property described below that is not now encumbered by the Deed of Trust and any such encumbrance is disclaimed.

EXHIBIT "A"

PARCEL NO. 14

BEGINNING at a point which is 179.05 feet South 23°22' West and 600 feet South 48°17' East from the Southwest corner of the Southeast quarter of the Southeast quarter of Section 22, Township 2 South, Range 3 East, Salt Lake Base and Meridian, and running thence South 48°17' East 900 feet; thence South 29°08' West 614.7 feet; thence North 48°17' West 900 feet; thence North 29°08' East 614.7 feet to the point of BEGINNING.

LESS AND EXCEPTING the following described property:

BEGINNING at the Southeast corner (No. 4) of Giles Flat Mine Claim (survey No. 4960), said point also being North 89°57'00" West 1308.94 feet and South 23°47'49" West 178.896 feet and South 29°21'25" West 614.15 feet and South 48°05'02" East 1499.70 feet from the Northeast Corner of Section 27, Township 2 South, Range 3 East, Salt Lake Base and Meridian and running thence; North 48°05'02" West 426.17 feet along the South Boundary of said mine claim; thence North 33°46'56" East 6.18 feet; thence North 34°09'55" East 181.14 feet; thence North 55°54'30" East 101.21 feet; thence South 60°48'38" East 115.69 feet; thence South 03°15'23" West 83.38 feet; thence South 14°59'33" East 130.18 feet; thence South 27°13'14" East 133.67 feet to the East line of said mine claim; thence South 29°17'48" West 128.60 feet along said East line to the point of BEGINNING.

ALSO LESS AND EXCEPTING therefrom the following described property; being known as Creekside at Solitude, a Utah Condominium project:

Beginning at a point South 48°05'02" East 617.71 feet and North 14°57'52" East 36.86 feet from the Southwest corner (No. 3) of Giles Flat Mine Claim (Survey No. 4960), said point also being North 89°57'00" West 1308.94 feet and South 23°47'49" West 178.786 feet and South 29°21'25" West 614.151 feet and South 48°05'02"

BK8274PG8407

East 617.71 feet and North 14°57'52" East 36.86 feet from the Northeast corner of Section 27, Township 2 South, Range 3 East, Salt Lake Base and Meridian and running thence:

North 14°57'52" East 178.67 feet; thence South 74°48'15" East 90.35 feet; thence South 06°14'20" West 119.16 feet; thence South 14°48'33" West 46.38 feet; thence South 42°00'30" West 22.80 feet; thence North 77°46'20" West 5.57 feet; thence to a point on a 46.85 foot radius curve to the right (bearing to center of curve bears North 51°40'59" West and has a central angle of 141°36'51") thence along arc of said curve 115.79 feet; thence North 75°02'08" West 4.36 feet to the point of beginning.

ALSO LESS AND EXCEPTING therefrom the following described property:

BUILDING LOT-A:

Beginning at a point North 29°16'47" East 222.96 feet and 256.01 feet along the arc of a 520.71 foot radius curve to the right, said arc being the approximate edge of State Highway 152 (chord bears North 13°11'54" West 253.44 feet) from the Southwest corner (No.4) of Giles Flat Mine Claim (Survey No. 4960); said point also being North 89°57'00" West 1308.94 feet and South 23°47'49" West 178.896 feet and South 29°21'25" West 614.15 feet and South 48°05'02" East 1499.70 feet and North 29°16'47" East 222.96 feet and 256.01 feet along the arc of a 520.71 foot radius curve to the right, said arc being the approximate edge of State Highway 152 (chord bears North 13°11'54" West 253.44 feet) from the Northeast corner of Section 27, Township 2 South, Range 3 East, Salt Lake Base and Meridian; and running thence South 87°43'00" West 87.46 feet; thence North 02°17'00" West 11.58 feet; thence South 87°43'00" West 38.88 feet; thence South 30°20'33" West 27.97 feet; thence South 02°17'00" East 39.02 feet; thence North 87°43'00" East 6.09 feet; thence South 02°17'00" East 17.48 feet; thence North 87°43'00" East 44.19 feet; thence North 02°17'00" West 12.06 feet; thence North 87°43'00" East 91.08 feet to a point on a 520.71 foot radius curve to the right, said arc being approximate edge of State Highway 152; thence along the arc of said curve 56.44 feet (chord bears North 02°13'08" West 56.42 feet) more or less to the point of beginning.

BK8274PG8408

BUILDING LOT-B:

Beginning at a point North $09^{\circ}43'11.6''$ East 348.44 feet from the Southeast corner (No. 4) of Giles Flat Mine Claim (Survey No. 4960), said point also being North $89^{\circ}57'00''$ West 1308.94 feet and South $23^{\circ}47'49''$ West 178.786 feet and South $29^{\circ}21'25''$ West 614.151 feet and South $48^{\circ}05'02''$ East 1499.701 feet and North $09^{\circ}43'11.6''$ East 348.44 feet from the Northeast corner of Section 27, Township 2 South, Range 3 East, Salt Lake Base and Meridian and running thence South $75^{\circ}00'58''$ West 90.61 feet; thence North $14^{\circ}59'02''$ West 9.11 feet; thence South $75^{\circ}00'58''$ West 44.53 feet; thence South $14^{\circ}59'02''$ East 17.69 feet; thence South $75^{\circ}00'58''$ West 9.86 feet; thence South $14^{\circ}59'02''$ East 44.61 feet; thence North $75^{\circ}00'58''$ East 5.48 feet; thence South $14^{\circ}59'02''$ East 18.26 feet; thence North $75^{\circ}00'58''$ East 44.29 feet thence North $14^{\circ}59'02''$ West 9.69 feet to a point on a 520.708 foot radius curve to the right, said arc being approximate South edge of State Highway 152; thence along the arc of said curve 61.82 feet (chord bears North $13^{\circ}20'15.8''$ West 61.786 feet) to the point of beginning.

Also Less and Excepting therefrom the following described property:

Beginning at a point North $04^{\circ}57'39''$ East 670.59 feet from the Southeast corner (No. 4) of Giles Flat Mine Claim (Survey No. 4960), said point also being North $89^{\circ}57'00''$ West 1308.94 feet and South $23^{\circ}47'49''$ West 178.786 feet and South $29^{\circ}21'25''$ West 614.151 feet and South $48^{\circ}05'02''$ East 1499.701 feet and North $04^{\circ}57'39''$ East 670.59 feet from the Northeast corner of Section 27, Township 2 South, Range 3 East, Salt Lake Base and Meridian and running thence South $86^{\circ}48'42''$ West 150.55 feet; thence South $15^{\circ}30'30''$ West 34.10 feet; thence South $00^{\circ}39'56''$ East 13.50 feet; thence South $07^{\circ}23'28''$ West 36.86 feet; thence South $00^{\circ}39'56''$ East 33.00 feet; thence North $89^{\circ}20'04''$ East 159.04 feet to the approximate South edge of State Highway 152; thence along the approximate South edge of Highway 152 North $02^{\circ}09'18''$ East 122.52 feet more or less to the point of beginning.

ALSO LESS AND EXCEPTING therefrom the following described property:

BEGINNING at a point that bears South $48^{\circ}05'02''$ East, 687.65 feet and North $51^{\circ}55'34''$ East, 214.49 feet from the most Westerly corner (No. 3) of Giles Flat Mine Claim (Survey No. 4960), said point also being North $89^{\circ}57'00''$ West, 1308.94 feet, and South $23^{\circ}47'49''$ West,

BK0274PG8409

178.786 feet, and South 29°21'25" West, 614.151 feet, and South 48°05'02" East, 687.65 feet and North 51°55'34" East, 214.49 feet from the Northeast Corner of Section 27, Township 2 South, Range 3 East, Salt Lake Base and Meridian and running thence North 45°44'46" East, 161.52 feet; thence North 72°35'32" East, 36.09 feet; thence South 74°02'29" East, 40.94 feet; thence South 44°15'14" East, 113.96 feet; thence South 10°44'46" West, 108.88 feet; thence North 79°15'14" West, 81.49 feet; thence South 49°38'41" West, 53.94 feet; thence South 58°41'49" West, 72.51 feet; thence North 44°15'14" West, 95.21 feet; thence North 00°44'48" East, 65.56 feet more or less to the point of BEGINNING.

ALSO LESS AND EXCEPTING an Easement 25 feet in width the centerline of which is as follows:

Beginning at a point that bears South 48°05'02" East, 687.65 feet, North 51°55'34" East, 214.49 feet, North 45°44'46" East, 161.52 feet, North 72°35'32" East 36.09 feet, South 74°02'29" East, 40.94 feet, and South 44°15'14" East, 22.07 feet from the most Westerly corner (No. 3) of Giles Flat Mine Claim (Survey No. 4960), said point also being North 89°57'00" West, 1308.94 feet, South 23°47'49" West, 178.786 feet, South 29°21'25" West, 614.151 feet, South 48°05'02" East, 687.65 feet, North 51°55'34" East, 214.49 feet, North 45°44'46" East, 161.52 feet, North 72°35'32" East, 36.09 feet, South 74°02'29" East, 40.94 feet and South 44°15'14" East, 22.07 feet from the Northeast corner of Section 27, Township 2 South, Range 3 East, Salt Lake Base and Meridian and running thence North 44°06'32" East, 19.11 feet to a point on a 28.00 foot radius curve to the right and running along the arc of said curve 8.56 feet (chord bears North 52°52'01" East, 8.53 feet); thence North 61°37'59" East, 23.42 feet more or less to a point which is the end of concrete driveway.

ALSO LESS AND EXCEPTING an Easement 25 feet in width for the purpose of access the centerline of which is as follows:

Beginning at a point which is North 41°54'58" East, 469.38 feet and South 48°05'02" East, 823.22 from the most Westerly corner (No. 3) of the Giles Flat Mine Claim (Survey No. 4960) said point also being the terminus point of the Powderhorn Driveway Easement and running thence, North 63°56'31" East, 18.66 feet; thence North 14°52'48" East, 63.48 feet; thence North 12°56'43" East, 87.25 feet; thence North 01°41'08" West, 80.21 feet; thence North 21°11'13" West, 136.87 feet; thence North 25°18'18" West, 114.99 feet; thence

BK8274PG8410

North 30°59'16" West, 69.71 feet; thence North
48°00'37" West 119.51 feet to a point on a 48.55 foot
radius curve to the right and running along said curve
70.94 feet (chord bears North 06°09'01" West, 64.80
feet) more or less to a point on the South Right of Way
line of State Highway 152.

/LS 504835A.5

BK8274PG8411

EXHIBIT C

(Attached to and forming a part of the Declaration of Covenants,
Conditions and Restrictions for Solitude Resort Village)

PLAT OF THE SOLITUDE RESORT VILLAGE

EXHIBIT E

(Attached to and forming a part of the Declaration of Covenants,
Conditions and Restrictions for Solitude Resort Village)

LEGAL DESCRIPTION OF THE RESORT'S PROPERTY

RESORT PARCEL

BEGINNING at a point that bears South $48^{\circ}05'02''$ East 594.61 feet from the most Westerly corner (No. 3) of Giles Flat Mine Claim (survey No. 4960), said point also being North $89^{\circ}57'00''$ West 1308.94 feet and South $23^{\circ}47'49''$ West 178.786 feet and South $29^{\circ}21'25''$ West 614.151 feet, and South $48^{\circ}05'02''$ East 594.61 feet from the Northeast Corner of Section 27 Township 2 South, Range 3 East, Salt Lake Base and Meridian and running thence

North $21^{\circ}35'43''$ East, 42.40 feet; thence
South $32^{\circ}30'22''$ East, 22.76 feet to the property line of the Creekside Condominiums; thence along the property line of the Creekside Condominiums the next three calls;
South $75^{\circ}02'08''$ East, 4.36 feet to a non-tangent curve to the left (included angle of $.141^{\circ}36'51''$);
thence
along said curve an arc length of 115.79 feet;
thence
South $77^{\circ}46'20''$ East, 5.57 feet; thence
South $19^{\circ}34'37''$ East, 21.39 feet to the property line of "The Inn"; thence along the property line of "The Inn" the next two calls;
South $56^{\circ}54'15''$ West, 30.27 feet; thence
South $33^{\circ}18'26''$ West, 33.60 feet to the Forest Service boundary; thence along the Forest Service boundary
North $48^{\circ}05'02''$ West, 113.50 feet more or less to the Point of Beginning.
Area contains 0.10 acres (4,244 sq.ft.)