

DECLARATION OF CONDOMINIUM

**WORLDMARK, THE CLUB AT
WOLF CREEK VILLAGE**

**E# 1663020 BK2034 PG1375
DOUG CROFTS, WEBER COUNTY RECORDER
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TABLE OF CONTENTS

1. RECITALS 1

2. DEFINITIONS 1

3. DESCRIPTION OF THE PROPERTY AND THE IMPROVEMENTS AND
SUBMISSION TO THE ACT. 4

4. DESCRIPTION OF UNITS 5

5. DESCRIPTION AND OWNERSHIP OF COMMON AREAS AND FACILITIES .. 5

6. DESCRIPTION OF LIMITED COMMON AREAS AND FACILITIES 6

7. OPTION TO EXPAND 6

8. NATURE AND INCIDENTS OF UNIT OWNERSHIP 8

9. TITLE TO UNITS 9

10. CERTAIN ADDITIONAL DEVELOPMENTAL RIGHTS 10

11. RESTRICTIONS ON USE 11

12. ASSOCIATION AND MANAGEMENT COMMITTEE 13

13. MAINTENANCE, ALTERATION AND IMPROVEMENT 16

14. INSURANCE 16

15. DESTRUCTION OR DAMAGE 20

16. TERMINATION 23

17. EMINENT DOMAIN. 23

18. MORTGAGEE PROTECTION 25

19. AMENDMENT 26

20. ASSESSMENT OF UNITS BY THE ASSOCIATION 27

E# 1663020 BK2034 PG1376

21.	VOTING	32
22.	EASEMENTS	32
23.	NOTICES	33
24.	NO WAIVER	33
25.	ENFORCEMENT	34
26.	DECLARANT	34
27.	AGENT FOR SERVICE OF PROCESS	35
28.	SEVERABILITY	35
29.	CAPTIONS	35
30.	LAW CONTROLLING	35
31.	EFFECTIVE DATE	35

EXHIBIT A--WORLD MARK, THE CLUB AT WOLF CREEK VILLAGE

Schedule of Units, Square Footage, Votes and Undivided Interests in Common Areas	A-1
---	-----

EXHIBIT B--Copy of Record of Survey Map	B-1
---	-----

EXHIBIT C--Association Bylaws	C-1
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E# 1663020 BK2034 PG1377

DECLARATION OF CONDOMINIUM

WORLD MARK, THE CLUB AT WOLF CREEK VILLAGE

THIS DECLARATION OF CONDOMINIUM for WORLD MARK, THE CLUB AT WOLF CREEK VILLAGE ("Declaration") is made and executed by TRENDWEST RESORTS, INC., an Oregon corporation and WORLD MARK, THE CLUB, a California non-profit mutual benefit corporation (hereinafter referred to as "Declarant"), pursuant to the provisions of Title 57, Chapter 8, Utah Code Annotated, as amended.

1. RECITALS.

1.1. Declarant holds both legal and equitable title to the real property located in the County of Weber, State of Utah, hereinafter more particularly described, upon which Declarant desires to develop a condominium project.

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

1.3. Recorded simultaneously herewith is a Record of Survey Map of the Project as required by the Act.

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

1.5. The Project shall be known as WorldMark, The Club at Wolf Creek Village.

2. DEFINITIONS.

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

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

2.3. Additional Land shall mean the land which may be added to the Project in accordance with the provisions of Section 7.

2.4. Amendment shall mean any amendment to this Declaration made in accordance with the Declaration and the Act.

2.5. Articles shall mean the Articles of Incorporation of WorldMark, The Club at Wolf Creek Village Owners Association, Inc.

E# 1663020 BK2034 PG1378

2.6. Association shall mean WorldMark, The Club at Wolf Creek Village Owners Association, Inc., a non-profit corporation, organized for the purposes set forth in this Declaration.

2.7. Building(s) shall mean the buildings constructed as part of the Project, as described in Section 3.2.

2.8. Bylaws shall mean the Bylaws of the Association, a copy of which is attached hereto as Exhibit C, as amended from time to time.

2.9. Common Area Manager shall mean the person, firm or company designated by the Association to manage, in whole or in part, the affairs of the Association and the Common Areas and Facilities excluding the operation of the Units as residential facilities.

2.10. Common Areas and Facilities shall mean all portions of the Project other than the Units, as described in Section 5.1 hereof. The undivided interest in the Common Areas and Facilities appurtenant to each Unit is described in Section 5.2 hereof and is set forth in Exhibit A hereto.

2.11. Common Assessments shall mean those assessments described in Section 20 to fund the Common Expenses, and include Regular Common Assessments, Special Common Assessments and any other assessments levied by the Association.

2.12. Common Expense Fund shall mean one or more deposit or investment accounts of the Association into which are deposited the Common Assessments.

2.13. Common Expenses shall mean (i) all expenses of the administration, maintenance, repair, or replacement of the Common Areas and Facilities and all other expenses denominated as Common Expenses by this Declaration or by the Act and (ii) the pro rata portion of the expenses charged to the Association and the Owners resulting from the Project's participation in the Recreational Facilities Association.

2.14. Cost of Living Index shall mean the Consumer Price Index for Urban Wage Earners and Clerical Workers: U.S. City Average, All Items 1967 = 100 compiled by the Bureau of Labor Statistics, United States Department of Labor. The Index for December 1982-1984 is the reference base index. Declarant may select any other comparable index which measures changes in the cost of living.

2.15. Declarant shall mean Trendwest Resorts, Inc., an Oregon corporation and WorldMark, the Club, a California non-profit mutual benefit corporation, or any successor in interest as defined by the Act.

2.16. Declaration shall mean this Declaration of Condominium, and all amendments, modifications and supplements hereto.

E# 1663020 BK2034 PG1379

2.17. Developmental Rights shall mean the right under the Act to (1) add real estate to the Project pursuant to Section 7 hereof, and (2) exercise any of the rights set forth in Section 10 hereof.

2.18. Eligible Mortgagee shall mean and refer to a First Mortgagee which has requested notice of certain matters from the Association in accordance with Section 18.1 of this Declaration.

2.19. Limited Common Areas and Facilities shall mean a portion of the Common Areas and Facilities allocated by the Declaration or the Act, and as may be shown on the Map, for the exclusive use of one or more, but fewer than all, of the Units.

2.20. Management Committee shall mean the Board of Trustees of the Association, appointed or elected in accordance with this Declaration and the Bylaws.

2.21. Map shall mean the Record of Survey Map of WorldMark, The Club at Wolf Creek Village recorded in the office of the County Recorder for Weber County, State of Utah, a reduced copy of which is attached hereto as Exhibit B, as it may be amended from time to time pursuant to this Declaration and the Act. It is contemplated that the initial Map may be amended at such time as the Buildings are constructed in the event there are material changes in the Building boundaries or elevations as constructed. Such an amendment to the Map is expressly authorized and may be undertaken by Declarant without the joinder or consent of any other Owners. To the extent required by applicable law, such amendment shall be subject to the review and approval of Weber County.

2.22. Mortgage shall mean any mortgage, deed of trust or other security instrument (including the seller's rights under a contract for deed) by which a Unit or any part thereof or interest therein is encumbered. A First Mortgage is a Mortgage having priority as to all other Mortgages encumbering a Unit or any part thereof or interest therein.

2.23. Mortgagee shall mean any person or entity named as the mortgagee, beneficiary or holder of the seller's interest (so long as a copy of the contract for deed is given to the Association) under any Mortgage by which the interest of any Owner is encumbered, or any successor to the interest of such person under such Mortgage. A First Mortgagee shall mean any person or entity holding a First Mortgage including any insurer or guarantor of a First Mortgage. Any and all Mortgagee protections contained in the Declaration shall also protect the Declarant as the holder of a First Mortgage of a Unit or any interest therein.

2.24. Owner shall mean any person or entity, including Declarant, at any time owning a Unit within the Project (including, to the extent permitted by law, those purchasing an interest pursuant to a contract for deed who have given written notice of their purchase and a copy of their contract to the Association). The term "Owner" shall not refer to any Mortgagee, unless such Mortgagee has acquired title for other than security purposes.

E# 1663020 BK2034 PG1380

2.25. Project shall mean the Property, the Units, the Common Areas and Facilities and all improvements submitted by this Declaration to the provisions of the Act.

2.26. Property shall mean that certain real property situated in the County of Weber, State of Utah, more particularly described in Section 3 hereinafter, on which the Units and other improvements are located.

2.27. Recreational Facilities Association shall mean the Wolf Creek Recreational Facilities Association, Inc. which leases and operates certain recreational facilities including a swimming pool, tennis courts and other recreational amenities located at the Wolf Creek Resort.

2.28. Regular Common Assessments shall mean the annual assessments levied by the Association to pay the budgeted Common Expenses.

2.29. Special Common Assessments shall mean assessments which the Association may levy from time to time, in addition to the Regular Common Assessments, for unexpected Common Expenses or other purposes as provided herein.

2.30. Supplemental Map shall mean any amendment to the Map made in accordance with this Declaration and the Act.

2.31. Total Votes of the Association shall mean the total number of votes appertaining to all Units, as described in Section 21 hereof.

2.32. Unit shall mean a physical portion of the Project designed for separate ownership and occupancy as described in Section 4 hereof.

2.33. Unit Number shall mean the number, letter or combination of numbers and letters that identifies only one Unit in the Project. The Unit Number for all Units shall consist of two alphabetic or numeric characters representing (in order): the building in which the Unit is located and the room number of the Unit.

3. DESCRIPTION OF THE PROPERTY AND THE IMPROVEMENTS AND SUBMISSION TO THE ACT.

3.1. The Property on which the Units and improvements are located is situated in Weber County, Utah and more particularly described in Exhibit D which is attached hereto and incorporated herein by this reference.

3.2. The initial improvements will consist of two freestanding three-story residential buildings containing 32 Units. The Buildings will be supported by concrete footings with slab on grade foundation. The structures will be of wood frame construction with hardboard siding. The roofs will be sloped with asphalt shingles and metal flashing. The Buildings will be supplied with telephone, cable television, electricity, natural gas, water, and sewer service.

E# 1663020 BK2034 PG1381

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

4. DESCRIPTION OF UNITS.

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

5. DESCRIPTION AND OWNERSHIP OF COMMON AREAS AND FACILITIES.

5.1. The Common Areas and Facilities shall mean and include the Property on which all Units are located and all portions of the Project not included as part of any Unit, including, but not by way of limitation, the foundation, columns, girders, beams, supports, exterior and bearing walls, roofs, halls, corridors, elevators, stairwells, lobbies, fire escapes and entrances and exits of the Buildings; the grounds and recreational facilities, if any, and certain parking areas in the Project, designated as part of the Common Areas and Facilities on the Map; the areas used for storage of janitorial supplies and maintenance equipment and materials; installations of all central services, including power, light, gas, hot and cold water, heating, ventilating and garbage collection; tanks, pumps, motors, fans, ducts and, in general, all apparatuses and installations existing for common use; all utility pipes, lines or systems servicing the Units; all ducts, flues, chutes, wires, conduits and other accessories and utility installations to the outlets used therewith; all other parts of the Property necessary or convenient to its existence, maintenance and safety,

E: 1663020 BK2034 PG1382

or normally in common use, or which have been designated as Common Areas and Facilities on the Map or any Supplemental Map; and all repairs and replacements of any of the foregoing. Parking stalls which are Common Areas and Facilities may be utilized for locating trash containers and similar items if needed by the Association.

5.2. The undivided interest in the Common Areas and Facilities appurtenant to each Unit in the Project is based upon the approximate square footage area of each Unit and shall be set forth in Exhibit "A" attached hereto and, except as otherwise provided in this Declaration, shall have a permanent character and shall not be altered. Declarant also reserves the right to determine approximate square footage area with respect to Units created pursuant to Section 7 hereof and to adjust the undivided interest of each Unit in the Common Areas and Facilities following any additions to the Project. The undivided interest of a particular Unit in the Common Areas and Facilities shall be equal to a percentage derived from a fraction, the numerator of which shall be the approximate square footage area of that Unit and the denominator of which shall be the aggregate approximate square footage areas of all Units.

6. DESCRIPTION OF LIMITED COMMON AREAS AND FACILITIES.

Limited Common Areas and Facilities shall mean a portion of the Common Areas and Facilities reserved for the use of certain Owners to the exclusion of other Owners, including but not limited to any porches, balconies, patios, and other areas as indicated by the Declaration, the Map or the Act to be for the exclusive use of one or more but fewer than all of the Units. Mechanical systems serving only the certain Units shall be Limited Common Areas and Facilities with respect to the Units which they serve. The Limited Common Areas and Facilities shall be those areas designated as such on the Map, in this Declaration or as provided for by the Act. The use and occupancy of designated Limited Common Areas and Facilities shall be reserved to the Units as shown on the Map or as specified in this Declaration. Owners may not reallocate Limited Common Areas and Facilities between or among Units in which they have an interest.

7. OPTION TO EXPAND.

7.1. It is anticipated that the Project will be developed in a series of phases. Accordingly, Declarant hereby reserves, pursuant to Section 57-8-13.6 of the Act, the option to expand The Project (the "Option to Expand") upon the terms and provisions set forth in this Section without the prior consent of the Owners or the Association. Each Option to Expand must be exercised no later than seven (7) years from the date of recording this Declaration. The terms and conditions of the option to expand shall be as follows:

7.1.1. The real property subject to the option to expand consists of the real property sometimes hereinafter referred to as "the Additional Land," being more particularly described in Exhibit E which is attached hereto and incorporated herein by this reference.

E# 1643020 BK2034 PG1383

7.1.2. Subject to the provisions of paragraph 7.1.3 below, the option to expand may be exercised at different times as to portions of the parcels described in paragraph 7.1.1 and in any order elected by the Declarant. No assurance is made with regard to which portions of the Additional Land, if any, will be added to the Project or the order in which such portions will be so expanded. In the event the option to expand is exercised with respect to a portion of the Additional Land, the option to expand may subsequently be exercised with respect to any other portion of the Additional Land. There are no limitations as to which portions of the Additional Land may be added.

7.1.3. Declarant shall not be restricted in the location of improvements on the Additional Land or in the number of Units that may be created on the Additional Land, except as may be required by applicable zoning requirements, ordinances or regulations, provided the Project when completed shall not exceed 192 Units. The maximum number of Units per acre shall not exceed 16. The foregoing limitations on the number of Units to be constructed in the Project are set forth herein for the purpose of satisfying Section 57-8-10(4)(a)(vii) of the Act.

7.1.4. The Units to be located on the Additional Land shall be subject to the same uses as provided in Section 8 hereof. Declarant reserves the right to exercise all Developmental Rights with respect to any Units located on the Additional Land.

7.1.5. The Units to be built on the Additional Land will be substantially similar to the Units. Future improvements shall be consistent with the initial improvements in structure, type, quality of construction, principal materials to be used and architectural style of the future Units. Structures other than buildings containing Units may be erected on the Additional Land. Additional improvements may include recreational facilities, parking areas, walkways and landscaping of the Common Areas and Facilities contained therein, but Declarant makes no assurances regarding such other improvements. Declarant reserves the right to add additional Limited Common Areas and Facilities to the Additional Land without limitation.

7.1.6. The ownership interest in the Common Areas and Facilities, the corresponding responsibility for Common Assessments and the votes for all Units in the Project shall be changed at the time Declarant records an Amendment and Supplemental Map reflecting Declarant's exercise of the Option to Expand in accordance with the provisions set forth in paragraph 7.1.7 below. Said changes in ownership interest and votes shall be reflected in an amended Exhibit "A" to this Declaration to be filed with the Weber County Recorder as part of the Amendment. It is contemplated that there may be multiple Amendments filed by Declarant and such Amendments are hereby expressly authorized.

7.1.7. Declarant shall calculate and revise the undivided interest for each Unit in the Project based upon the following formula:

E# 1663020 BK2034 PG1384

Approximate Square Footage
Area of Unit

Aggregate Total Approximate
Square Footage Area of all Units

=

Ownership Interest
in the Common Areas Facilities
of the Project

Declarant shall have the right to adjust the resulting ownership interests of all Units in the Common Areas and Facilities of the Project as may be necessary to assure that the total ownership interest equals 100% (or one) as required by the Act.

7.1.8. Each Owner, by execution of a contract for deed or the acceptance of a deed to a Unit in the Project, shall be deemed to have consented to all provisions of this Section, including the procedure for adjustment of Unit ownership interests pursuant to paragraph 7.1.7 hereof. After the filing for record of any amended Exhibit "A" to this Declaration and the Supplemental Map reflecting Declarant's exercise of the option to expand, or any part thereof, legal and equitable title to each Unit thereby created within the Additional Land including its appurtenant ownership interest in the Common Areas and Facilities shall be vested in and held by Declarant and none of the other Owners shall have any claim or title to or interest in such Unit or its appurtenant ownership interest in the Common Areas and Facilities.

7.1.9. Declarant reserves the right to create Limited Common Areas and Facilities within the Additional Land including porches, balconies or other apparatus intended to serve a single Unit. In addition, Declarant reserves the right to designate hallways and other portions of the improvements constructed on the Additional Land as Limited Common Areas and Facilities in accordance with the other terms and provisions of this Declaration. The size, type and total number of such Limited Common Areas and Facilities shall be reasonable and shall be appropriate to the Units involved in light of the number and nature of Units created within the Additional Land.

7.1.10. Declarant shall not be required to obtain the consent of any Owners or of any other person or entity having any right or interest in all or any portion of the Project prior to or subsequent to adding all or portions of the Additional Land.

7.1.11. No provision of this Section 7 shall be amended without the prior written consent of Declarant, so long as Declarant owns or has the right to acquire any Units in the Project.

8. NATURE AND INCIDENTS OF UNIT OWNERSHIP.

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

E# 1663020 BK2034 PG1385

8.2. Subject to the limitations contained in this Declaration, each Owner shall have the non-exclusive right to use and enjoy the Common Areas and Facilities and the exclusive right to occupy and use their Unit and any Limited Common Areas and Facilities designated for exclusive use by such Owner or all Owners.

8.3. Each Owner shall have the exclusive right to paint, repaint, tile, wax, paper, carpet or otherwise decorate the interior surfaces of the walls, ceilings, floors and doors forming the boundaries of their Unit and the surfaces of all walls, ceilings, floors and doors within such boundaries. Each Owner shall keep the interior of their Unit, including without limitation, interior walls, windows, ceilings, floors and permanent fixtures and appurtenances thereto, in a sanitary condition and in a good state of repair. In the event that any such Unit should develop an unsanitary condition or fall into a state of disrepair and in the event that the Owner of such Unit should fail to correct such condition or state of disrepair promptly following written notice from the Management Committee, the Management Committee shall have the right, at the expense of the Owner and without liability to the Owner for trespass or otherwise, to enter said Unit and correct or eliminate said unsanitary condition or state of disrepair. Owners of adjoining Units may not reallocate or change the boundaries of such Units. No Owner may subdivide their Unit.

8.4. The Management Committee shall have the right to enter into any Unit for the purpose of cleaning, maintenance, repairs, including emergency repairs, and for the purpose of abating a nuisance, or a known or suspected dangerous or unlawful activity.

8.5. Nothing in this Declaration shall limit the rights of Declarant or any other Owner to operate the Units owned by it for transient rental purposes and Declarant reserves to itself and shall have the right to operate the Project for, among other things, transient rental purposes and for fractional or other timeshare use. Declarant reserves the right to sell, transfer and otherwise convey fractional interests in Units and/or club membership interests in the Project.

8.6. The persons or entities who are at the time of reference Owners shall be members of the Association, the characteristics and nature of which are determined by the Act, the Declaration, the Bylaws, the Articles and other applicable Utah law.

9. TITLE TO UNITS.

9.1. Title to a Unit within the Project may be held or owned by any person or entity and in any manner in which title to any other real property may be held or owned in the State of Utah.

9.2. Title to no part of a Unit within the Project may be separated from any other part thereof during the period of ownership, and each Unit, and the undivided interest in the Common Areas and Facilities appurtenant to each shall always be conveyed, devised, encumbered and otherwise affected only as a complete Unit. Every gift, devise, bequest, transfer, encumbrance, conveyance or other disposition of a Unit, or any part thereof, shall be construed to be a gift, devise, bequest, transfer, encumbrance or conveyance, respectively, of the entire Unit, together

with all appurtenant rights created by law and by this Declaration, including appurtenant membership in the Association as herein set forth.

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

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

9.5. No labor performed or services or materials furnished with the consent of or at the request of an Owner may be the basis for the filing of a lien against the Unit of any other Owner, or against any part thereof, or against any other property of any other Owner, unless the other Owner has expressly consented to or requested the performance of such labor or furnishing of such services. Express consent shall be deemed to have been given by the Owner in the case of emergency repairs thereto. Labor performed or services or materials furnished for the Project, if authorized by the Association and provided for in the Declaration, shall be deemed to be performed or furnished with the express consent of each Owner. The Owner may remove his Unit from a lien against two or more Units or any part thereof by payment to the holder of the lien of the fraction of the total sums secured by such lien which is attributable to his Unit.

9.6. Every contract for the sale of a Unit and every other instrument affecting title to a Unit within the Project may describe a Unit by the name of the Project, the recording date for this Declaration, the county wherein the Project is located and its Unit Number as indicated in this Declaration or as shown on the Map. Such description will be construed to describe the Unit, together with the appurtenant undivided interest in the Common Areas and Facilities, and to incorporate all the rights incident to ownership of a Unit within the Project and all of the limitations on such ownership as described in this Declaration.

10. CERTAIN ADDITIONAL DEVELOPMENTAL RIGHTS.

The following additional Developmental Rights are hereby granted or reserved by Declarant:

10.1. Declarant hereby reserves an easement throughout the Project for a period of seven (7) years from the recording of this Declaration for the purpose of completing all improvements contemplated by the Declaration and the Map, including but not limited to improvements to the Additional Land.

E# 1663020 BK2034 PG1387

10.2. Declarant hereby reserves the right to maintain sales offices, management offices, signs advertising the Project and models in any of the Units which it owns or leases or on the Common Areas and Facilities of the Project for a period of seven (7) years from the recording of this Declaration. Declarant shall be entitled to utilize, at any one time, up to 15 Units which it owns or leases and some or all of the Common Areas and Facilities as sales offices, management offices, and models anywhere in the Project. Declarant may relocate sales offices, management offices and models to other Units or Common Areas and Facilities at any time.

10.3. There is hereby established a period of Declarant control of the Association, during which period Declarant or persons designated by it shall have the authority to appoint and remove the Association officers and members of the Management Committee. The period of Declarant control shall terminate no later than the earlier of:

10.3.1. six (6) years after the first Unit is conveyed to an Owner or

10.3.2. after Units to which three-fourths 3/4 of the undivided interest in the Common Areas and Facilities appertain have been conveyed to Owners, or after all the Additional Land has been added to the Project, whichever last occurs.

11. RESTRICTIONS ON USE.

The Units and Common Areas and Facilities, including but not limited to the Limited Common Areas and Facilities, except as otherwise permitted in writing by the Management Committee shall be used in accordance with the following restrictions:

11.1. No Unit shall be used for commercial purposes; provided, however, that nothing in this Subsection shall prevent (a) Declarant or an affiliated entity or a duly authorized agent from using any Unit owned or leased by Declarant as sales offices and model Units or a property management office as provided in Section 10.2 hereof, or (b) any Owner or his duly authorized agent from renting or assigning use rights to his Unit from time to time.

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

11.3. No activities shall be conducted, or improvements constructed, in or upon any part of the Project which are or may become unsafe or hazardous to any person or property.

11.4. No signs, flags or advertising devices of any nature, including, without limitation, political, informational or directional signs or devices, shall be erected or maintained on any part of the Project, except as may be necessary temporarily to caution or warn of danger, except as may be used by Declarant as part of its sales program.

E# 1663020 BK2034 PG1388

11.5. No animals of any kind shall be kept, raised or bred on any portion of the Project.

11.6. The draperies, shades and other interior window coverings in Units shall present a uniform appearance from the outside of the Units. All draperies, shades or other interior window coverings shall be installed or employed in each Unit by the Management Committee or with the prior inspection and written approval of the Management Committee. The Management Committee shall have the right to establish rules requiring window coverings to present a uniform appearance from the exterior of Buildings.

11.7. Except as otherwise provided in the Declaration, no Unit, or portions thereof, may be further divided or subdivided or a fractional portion thereof sold or conveyed so as to be held in divided ownership (as opposed to community property, tenancy in common, or other form of joint undivided ownership).

11.8. Except as otherwise permitted by this Declaration, no Owner shall, without the prior written consent of the Management Committee, make or permit to be made any alteration, improvement or addition in or to any Unit. No Owner shall, without the prior written consent of the Management Committee, do any act that would impair the structural soundness or integrity of the Buildings or the safety of property, impair any easement or hereditament appurtenant to the Project, or make or permit to be made any alteration, improvement or addition to the Common Areas and Facilities, notwithstanding Section 8.3 hereof.

11.9. There shall be no obstruction of the Common Areas and Facilities by any Owner. Owners shall neither store nor leave any of their property in the Common Areas and Facilities, other than Limited Common Areas and Facilities appurtenant to their Unit, except with the prior consent of the Management Committee.

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

11.11. No Owner shall violate the rules and regulations for the use of Units and Common Areas and Facilities as adopted from time to time by the Association.

11.12. Any lease agreement between an Owner and a lessee respecting a Unit shall be subject in all respects to the provisions of this Declaration, the Articles and Bylaws and any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All such lease agreements shall be in writing. Other than the foregoing, there is no restriction on the right of any Owner to lease his Unit. An Owner shall be responsible and liable for any damage to the Project caused by its tenant.

12. ASSOCIATION AND MANAGEMENT COMMITTEE.

12.1. The Association shall be governed by the following provisions:

12.1.1. The management and maintenance of the Project and the administration of the affairs of the Association shall be conducted by a Management Committee consisting of three (3) natural persons as provided in the Bylaws. The Management Committee shall be elected as provided in this Declaration and in the Bylaws.

12.1.2. Except as otherwise provided herein, the Management Committee shall have all the powers, duties and responsibilities as are now or may hereafter be provided by the Act, this Declaration and the Bylaws, including but not limited to the following:

12.1.2.1. To make and enforce all rules and regulations covering the operation and maintenance of the Project and the Units.

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

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

12.1.2.4. To determine and pay the Common Expenses.

12.1.2.5. To assess and collect the proportionate share of Common Expenses from the Owners, as provided in Section 20 hereinafter.

12.1.2.6. To enter into contracts, deeds, leases and/or other written instruments or documents and to authorize the execution and delivery thereof by the appropriate officers including but not limited to, contracts for management of the parking areas.

12.1.2.7. To open bank accounts on behalf of the Association and to designate the signatories therefor.

E# 1663020 BK2034 PG1390

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

12.1.2.9. To bring, prosecute and settle litigation for itself, the Association and the Project, provided that it shall make no settlement which results in a liability against the Management Committee, the Association or the Project in excess of \$100,000 (as measured in 1999 dollars and thereafter adjusted by the Cost of Living Index) without the prior approval of a majority of the Total Votes of the Association at a meeting or by written ballot distributed to Owners by mail; provided, any settlement which would be paid from proceeds of insurance which may be settled by the Association's insurance carrier and which in either case results in no actual liability of funds of the Association in excess of \$100,000 shall not require Association approval.

12.1.2.10. To obtain insurance for the Association with respect to the Units and the Common Areas and Facilities, as well as worker's compensation insurance.

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

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

12.1.2.13. To keep adequate books and records and implement the policies and procedures for the inspection of the books and records of the Project by Owners in accordance with the terms of the Bylaws. The Association or the Management Committee shall make available to the Owners, Mortgagees and the holders, insurers and guarantors of the First Mortgage on any Unit current copies of the Declaration, Articles, Bylaws and other rules governing the Project and other books, records and financial statements of the Association. "Available" shall mean available for inspection, upon request, during normal business hours or under other reasonable circumstances.

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

E4 1663020 BK2034 PG1391

12.1.2.15. To prepare, adopt, amend and disseminate budgets and other information from time to time in accordance with the terms of the Bylaws.

12.1.2.16. To grant easements and rights-of-way over the Common Areas and Facilities and to approve signage for the Project.

12.1.2.17. Subject to the limitations of Section 12.1.4, the Act and any other applicable law, the Management Committee may delegate to a Common Area Manager by written agreement all of the foregoing powers, duties and responsibilities referred to in this Section 12.1.2.

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

12.1.2.19. When a member of the Management Committee is sued for liability for actions undertaken in his role as a member of the Management Committee, the Association shall indemnify him for his losses or claims, and undertake all costs of defense, until and unless it is proven that he acted with willful or wanton misfeasance or with gross negligence. After such proof the Association is no longer liable for the cost of defense, and may recover costs already expended from the member of the Management Committee who so acted. Members of the Management Committee are not personally liable to the victims of crimes occurring at the Project. Punitive damages may not be recovered against the Association, but may be recovered from persons whose gross negligence gave rise to the damages.

12.1.3. Neither the Management Committee nor the Common Area Manager shall sell any property of the Association except as permitted by the Act and this Declaration.

12.1.4. The Association acting through the Management Committee may enter into a contract with the Common Area Manager for the management of the Project which complies with the requirements of Section 12.1.2 hereof as applicable to the

Project. The Common Area Manager so engaged shall be responsible for managing the Project for the benefit of the Association and the Owners, and shall, to the extent permitted by law and by the terms of the agreement with the Association, be authorized to perform any of the functions or acts required to be performed by the Association itself. Any such management agreement executed on or before the termination of Declarant control of the appointment of the Management Committee as described in Section 10.3 may be terminated by the Association without cause at any time after termination of such control. The above term and termination provisions shall not apply to any other types of service contracts.

13. MAINTENANCE, ALTERATION AND IMPROVEMENT.

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

13.2. Some of the Common Areas and Facilities are or may be located within the Units or may be conveniently accessible only through the Units. The Association shall have the irrevocable right to have access to each Unit and to all Common Areas and Facilities from time to time during such reasonable hours as may be necessary for the cleaning, repair or replacement of any Common Areas and Facilities or for making any emergency repairs at any time and when necessary to prevent damage to the Common Areas and Facilities or to any Unit. The Association shall also have the irrevocable right to have access to any Unit when necessary in connection with any cleaning, maintenance, repair, replacement, painting, landscaping, construction or reconstruction for which the Association is responsible or for the purpose of abating a nuisance or a known or suspected dangerous or unlawful condition. Such entry shall be made with as little inconvenience to the Owners as is practicable under the circumstances and any damage caused thereby shall be repaired by the Association.

14. INSURANCE.

14.1. The Association shall at all times maintain in force insurance meeting the following requirements:

14.1.1. A "master" or "blanket" type policy of property insurance shall be maintained covering the entire Project, including: Common Areas and Facilities; all Buildings including all Units; fixtures, building service equipment, personal property and supplies comprising a part of the Common Areas or Facilities or owned by the Association, but excluding land, foundations, excavations, and other items normally not covered by such policies. References herein to a "master" or "blanket" type policy of

E# 1663020 BK2034 PG1393

property insurance are intended to denote single entity insurance coverage. As a minimum, such "master" or "blanket" policy shall afford protection against loss or damage by fire, by other perils normally covered by the standard extended coverage endorsement, and by all other perils which are customarily covered with respect to projects similar to the Project in construction, location, and use, including (without limitation) all perils normally covered by the standard "all risk" endorsement, where such endorsement is available. Such "master" or "blanket" policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all elements of the Project covered by such policy, exclusive of land, foundations, excavation, and other items normally excluded from coverage. If the Management Committee deems such advisable, the insurance policy shall include either of the following endorsements to assure full insurable value replacement cost coverage: (1) a Guaranteed Replacement Cost Endorsement (under which the insurer agrees to replace the insurable property regardless of the cost) and, if the policy includes a co-insurance clause, an Agreed Amount Endorsement (which waives the requirement for co-insurance); or (2) a Replacement Cost Endorsement (under which the insurer agrees to pay up to one-hundred percent of the property's insurable replacement cost but no more) and, if the policy includes a co-insurance clause, an Agreed Amount Endorsement (which waives the requirement for co-insurance). Unless the Management Committee otherwise determines, the maximum deductible amount for such a policy covering the Common Areas and Facilities shall be Ten Thousand Dollars (\$10,000) and for losses related to individual Units that are covered by such a policy, the deductible related to each individual Unit shall be Ten Thousand Dollars (\$10,000.00). Funds to cover these deductible amounts shall be included in the Association's operating reserve account.

14.1.2. If any habitable structure located within the Project is or comes to be situated in a Special Flood Hazard Area as designated on a Flood Insurance Rate Map, a "master" or "blanket" policy of flood insurance shall be maintained covering the Buildings (a separate policy is required for each separate multi-story building that houses Units), any machinery and equipment that are not part of a Building and all Common Areas and Facilities within the Project (hereinafter "Insurable Property") in an amount deemed appropriate, but not less than the lesser of: (1) the maximum limit of coverage available under the National Flood Insurance Administration Program for all Buildings and Insurable Property within any portion of the Project located within a designated flood hazard area; or (2) one hundred percent (100%) of the insurable value of all such facilities. The maximum deductible amount for any such policy shall be the lesser of Five Thousand Dollars (\$5,000.00) or one percent (1%) of the policy face amount.

14.1.3. The name of the insured under each policy required to be maintained by the foregoing Sections 14.1.1 and 14.1.2 shall be the Association for the use and benefit of the individual Owners. (Said Owners shall be designated by name, if required.) Notwithstanding the requirement of the two immediately foregoing sentences, each such policy may be issued in the name of an authorized representative of the Association, including any Insurance Trustee with whom the Association has entered into an Insurance

E# 1663020 BK2034 PG1394

Trust Agreement, or any successor to such Trustee, for the use and benefit of the individual Owners. Loss payable shall be in favor of the Association (or Insurance Trustee), as a trustee for each Owner and each such Owner's Mortgagee. Each Owner and each such Owner's Mortgagee, if any, shall be beneficiaries of such policy. Evidence of insurance shall be issued to each Owner and Mortgagee upon request.

14.1.4. Each policy required to be maintained by the foregoing Sections 14.1.1 and 14.1.2 shall contain the standard mortgage clause, or equivalent endorsement (without contribution), commonly accepted by private institutional mortgage investors in the area in which the Project is located. In addition, such mortgage clause or another appropriate provision of each such policy shall provide that the policy may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in the policy.

14.1.5. Each policy required to be maintained by the foregoing Sections 14.1.1 and 14.1.2 shall provide, if available, for the following: recognition of any insurance trust agreement; a waiver of the right of subrogation against Owners individually; the insurance is not prejudiced by any act or neglect of individual Owners which is not in the control of such Owners collectively or the Association; and the policy is primary in the event the Owner has other insurance covering the same loss.

14.1.6. In contracting for the policies of insurance required to be maintained by the foregoing Section 14.1.1, the Management Committee shall make reasonable efforts to secure, if the Management Committee deems such advisable, coverage which provides the following endorsements: (1) "Inflation Guard Endorsement" (2) "Building Ordinance or Law Endorsement", if the enforcement of any building, zoning, or land use law will result in loss or damage, increased cost of repairs or reconstruction, or additional demolition and removal costs. (The endorsement must provide for contingent liability from the operation of building laws, demolition costs, and increased costs of reconstruction); and (3) "Steam Boiler and Machinery Coverage Endorsement", if the project has central heating or cooling, which shall provide that the insurer's minimum liability per accident at least equals the lesser of Two Million Dollars (\$2,000,000.00) or the insurable value of the Building containing the boiler or machinery. In lieu of obtaining this as an endorsement to the commercial package property, the Association may purchase separate stand-alone boiler and machinery coverage.

14.1.7. The Association shall at all times maintain in force and pay the premiums for "blanket" fidelity bonds for all officers, members, and employees of the Association and for all other persons handling or responsible for funds of or administered by the Association whether or not that individual receives compensation for services. Furthermore, where the Association has delegated some or all of the responsibility for the handling of funds to the Common Area Manager, the Common Area Manager shall provide "blanket" fidelity bonds, with coverage identical to such bonds required of the

E 1663020 BK2034 PG1395

Association, for the Common Area Manager's officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. The total amount of fidelity bond coverage required shall be based upon the Association's best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association, or the Common Area Manager, as the case may be, at any given time during the term of each bond.

14.1.8. The Association shall maintain in force, and pay the premium for a policy providing commercial general liability insurance coverage covering all of the Common Areas and Facilities, Building exteriors, public ways in the Project, all other areas of the Project that are under the Association's supervision, and any commercial spaces owned by the Association, if any, whether or not such spaces are leased to some third party. The coverage limits under such policy shall be in amounts generally required by private institutional mortgage investors for projects similar to the Project in construction, location, and use. Nevertheless, such coverage shall be for at least One Million Dollars (\$1,000,000) for bodily injury, including deaths of persons, and property damage arising out of a single occurrence. Coverage under such policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance, or use of the Common Areas and Facilities, Building exteriors, and legal liability arising out of lawsuits related to employment contracts of the Association. Additional coverages under such policy shall include protection against such other risks as are customarily covered with respect to projects similar to the Project in construction, location, and use, including but not limited to (where economically feasible and if available), host liquor liability, contractual and all-written contract insurance, employers liability insurance, and comprehensive automobile liability insurance. If such policy does not include "severability of interest" in its terms, the policy shall include a special endorsement to preclude an insurer's denial of any Owner's claim because of negligent acts of the Association or any other Owner. Such policy shall provide that it may not be canceled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association and to each First Mortgagee which is listed as a scheduled holder of a Mortgage in such policy.

14.1.9. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance. Each Owner hereby appoints the Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Association, as his or her attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association, or any Insurance

E# 1663020 BK2034 PG1396

Trustee, shall receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for the use and benefit of the Owners and their Mortgagees, as their interests may appear.

Each insurance policy maintained pursuant to the foregoing Sections 14.1.1, 14.1.2, 14.1.7, and 14.1.8 shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a B general policyholder's rating or a financial performance index of 6 or better in the Best's Key Rating Guide or an A or better rating from Demotech, Inc., or which is written by Lloyd's of London. No such policy shall be maintained where: (1) under the terms of the carrier's charter, bylaws, or policy, contributions may be required from, or assessments may be made against, an Owner, a Mortgagee, the Management Committee, or the Association; (2) by the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members; or (3) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled (including, without limitation, the Management Committee, the Association, or Owner) from collecting insurance proceeds. The provisions of this Section 14.1.9 and of the foregoing Sections 14.1.1, 14.1.2, 14.1.7, and 14.1.8 shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association may deem appropriate from time to time.

14.1.10. All insurance policies shall be reviewed at least annually by the Management Committee in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the Project which may have been damaged or destroyed. In addition, such policies shall be reviewed to determine their compliance with the provisions of this Declaration.

15. DESTRUCTION OR DAMAGE.

15.1. All of the Owners irrevocably constitute and appoint the Association their true and lawful attorney-in-fact in their name, place and stead for the purpose of dealing with the Project upon its damage or destruction as hereinafter provided. Acceptance by any grantee of a deed from the Declarant or from any Owner shall constitute an appointment by said grantee of the Association as his or her attorney-in-fact as herein provided. As attorney-in-fact, the Association shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or other instrument with respect to the interest of an Owner which may be necessary or appropriate to exercise the powers herein granted. All insurance proceeds shall be payable to the Association except as otherwise provided in this Declaration.

15.2. Repair and reconstruction of the improvements as used herein means restoring the Project to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas and Facilities having substantially the same vertical and horizontal boundaries as before.

15.3. In the event all or any part of the Project is damaged or destroyed, the Association shall proceed as follows:

15.3.1. The Association shall give timely written notice to any holder of any First Mortgage on a Unit who requests such notice in writing in the event of substantial damage to or destruction of any part of the Common Areas or Facilities or a Unit subject to such First Mortgage.

15.3.2. As soon as practicable after an event causing damage to or destruction of any part of the Project, the Association shall obtain complete and reliable estimates of the costs to repair and reconstruct the part of the Project damaged or destroyed.

15.3.3. If the proceeds of the insurance maintained by the Association equal or exceed the estimated costs to repair and reconstruct the damaged or destroyed part of the Project, such repair and reconstruction shall be carried out.

15.3.4. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project and if less than seventy-five percent (75%) of the Project is damaged or destroyed, such repair and reconstruction shall nevertheless be carried out. The Association shall levy a Special Common Assessment sufficient to provide funds to pay the actual costs of such repair and reconstruction to the extent that such insurance proceeds are insufficient to pay such costs. Such Special Common Assessment shall be allocated and collected as provided in Section 20.1.3 hereof, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected (together with the proceeds of insurance) are insufficient to pay all actual costs of such repair and reconstruction.

15.3.5. If the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project and if seventy-five percent (75%) or more of the Project is damaged or destroyed, such damage or destruction shall be repaired and reconstructed, but only if within one hundred (100) days following the damage or destruction, Owners entitled to vote at least seventy-five percent (75%) of the votes of the Total Votes of the Association vote to carry out such repair and reconstruction. If, however, the Owners do not, within one hundred (100) days after such damage or destruction, elect by a vote of at least seventy-five percent (75%) of the votes of the Total Votes of the Association to carry out such repair and reconstruction and if, to the extent permitted by the Act, Eligible Mortgagees who represent at least fifty-one percent (51%) of the votes of Units subject to Mortgages held by Eligible Mortgagees do not approve such repair and reconstruction, the Association shall record in the office of the County Recorder of Weber County, State of Utah, a notice setting forth such facts. Upon the recording of such notice, the following shall occur:

E# 1663020 BK2034 PG1398

15.3.5.1. the Project shall be deemed to be owned in common by the Owners;

15.3.5.2. Each Owner shall own an undivided interest in the Project equal to his ownership interest in the Common Areas and Facilities;

15.3.5.3. Any liens affecting any of the Units shall be deemed to be transferred, in accordance with the existing priorities, to the undivided interest of the respective Owner in the Project; and

15.3.5.4. The Project shall be subject to an action for partition at the suit of any Owner, in which event the net proceeds of any sale resulting from such suit for partition, together with the net proceeds of the insurance of the Project, if any, shall be considered as one fund and shall be divided among all Owners in an amount equal to the percentage of undivided interest owned by each Owner in the Project after first paying out of the respective share of each Owner, to the extent sufficient for the purposes, all liens on the undivided interest in the Project owned by such Owner.

15.3.6. In no event shall an Owner of a Unit or any other party have priority over the holder of any First Mortgage on such Unit with respect to the distribution to such Unit of any insurance proceeds.

15.4. If the damage or destruction is to be repaired or reconstructed as provided above, the Association shall, as soon as practicable after receiving the said estimate of costs, commence and diligently pursue to completion the repair and reconstruction of that part of the Project damaged or destroyed. The Association may take all necessary or appropriate action to effect repair and reconstruction, as attorney in fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith, except as otherwise expressly provided herein. The Project shall be restored or repaired to substantially the same condition in which it existed prior to the damage or destruction, with each Unit and the Common Areas and Facilities having the same vertical and horizontal boundaries as before. Any restoration or repair of the Project, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Declaration and the original architectural plans and specifications.

15.5. If repair or reconstruction is to occur, the insurance proceeds held by the Association and any amounts received from Common Assessments made pursuant to Section 20.1.3 hereof shall constitute a fund for the payment of costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for costs of repair and reconstruction shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners equally.

15.6. This Section 15 shall not be amended unless Owners entitled to vote at least seventy-five percent (75%) of the Total Votes of the Association consent and agree to such amendment and such consent and agreement is reflected in an instrument duly executed by the Association and recorded in accordance with the provisions of this Declaration.

16. TERMINATION.

16.1. Except as otherwise provided in Section 14 and Section 15, the Project may be terminated only by agreement of Owners entitled to vote all of the votes of all Units.

16.2. All of the Owners may remove the Project from the provisions of the Act by an instrument duly recorded to that effect, provided that the holders of all liens affecting any of the Units consent or agree by instruments duly recorded that their liens are transferred to the fractional ownership interest of the Owners in the Project. Provided further, as long as Declarant has ownership rights in the Project, its consent shall also be required to remove the Project from the provisions of the Act.

16.3. A termination agreement may provide that all the Project shall be sold following termination. If, pursuant to the agreement, any real estate in the Project is to be sold following termination, the termination agreement shall set forth the minimum terms of the sale.

16.4. The Association, on behalf of the Owners, may contract for the sale of real estate in the Project, but the contract is not binding on the Owners until approved pursuant to Sections 16.1 and 16.2. If any real estate in the Project is to be sold following termination, title to that real estate on termination vests in the Association as trustee for all Owners. Thereafter, the Association has all powers necessary and appropriate to effect the sale. Until the sale has been concluded and the proceeds of the sale distributed, the Association continues in existence with all powers it had before termination. Proceeds of the sale shall be distributed to Owners and Mortgagees as their interests may appear, based on the relative value of each Unit. Unless otherwise specified in the termination agreement, as long as the Association holds title to the real estate, each Owner and their successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted their Unit in accordance with the terms of this Declaration. During the period of that occupancy right, each Owner and their successors in interest remain liable for all assessments and other obligations imposed on Owners by this Declaration.

16.5. Following termination of the Project, the proceeds of any sale of real estate, together with the assets of the Association, shall be held by the Association as trustee for Owners and Mortgagees as their interests may appear. Following termination, Mortgagees holding Mortgages on the Units which were recorded before termination may enforce those liens in the same manner as any lienholder.

17. EMINENT DOMAIN.

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

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

17.3. With respect to one or more Units or portions thereof, the damages or awards for such taking shall be deemed to be proceeds from insurance on account of damage or destruction pursuant to Section 15 above and shall be deposited with the Management Committee as trustee. Even though the damages or awards may be payable to one or more Owners, the Owners shall deposit the damages or awards with the Management Committee as trustee. In the event an Owner refuses to so deposit his award with the Management Committee, then at the option of the Management Committee, either a Special Common Assessment shall be made against the defaulting Owner and his Unit in the amount of this award or the amount of such award shall be set off against the sum hereafter made payable to such Owner.

17.4. In the event the Project is removed from the provisions of the Act pursuant to Section 16 above, the proceeds of the damages or awards shall be distributed or used in accordance with the Owners respective undivided interest in the Common Areas and Facilities.

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

17.5.1. If the taking reduces the size of a Unit and the remaining portion of the Unit may be made tenantable, the Unit shall be made tenantable. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against the Owners of the Unit. The balance of the award, if any, shall be distributed to the Mortgagee to the extent of the unpaid balance of its Mortgage and the excess, if any, shall be distributed to the Owner.

17.5.2. If the taking destroys or so reduces the size of a Unit that it cannot be made tenantable, the award shall be distributed to the Mortgagee of the Unit to the extent of the unpaid balance of its Mortgage and the excess, if any, shall be distributed to the Owners thereof. The remaining portion of such Unit, if any, shall become a part of

E# 1443020 BK2034 PG1401

the Common Areas and Facilities and shall be placed in condition for use by all Owners in the manner approved by the Management Committee. The ownership interest in the Common Areas and Facilities appurtenant to the Units that continue as part of the Project shall be equitably adjusted to distribute the ownership of the Common Areas and Facilities among the reduced number of Owners.

17.6. Changes in Units, in the Common Areas and Facilities and in the ownership of the Common Areas and Facilities that are affected by the taking referred to in this Section 17 shall be evidenced by an amendment to this Declaration and the Map, which need not be approved by the Owners.

18. MORTGAGEE PROTECTION.

18.1. Upon written request made to the Association by a First Mortgagee, or an insurer or governmental guarantor of a First Mortgage, which written request shall identify the name and address of such First Mortgagee, insurer or governmental guarantor and Unit number, any such First Mortgagee, insurer or governmental guarantor shall be entitled to timely written notice of:

18.1.1. Any condemnation loss or any casualty loss which affects a material portion of the Project or any Unit on which there is a First Mortgage held, insured or guaranteed by such First Mortgagee, insurer or governmental guarantor;

18.1.2. Any delinquency in the payment of Common Assessments or charges owed by an Owner, whose Unit is subject to a First Mortgage held, insured or guaranteed by such First Mortgagee, insurer or governmental guarantor, which default remains uncured for a period of sixty (60) days;

18.1.3. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

18.2. Except as provided elsewhere in this Declaration, the vote or prior written consent of Owners entitled to vote at least sixty-seven percent (67%) of the Total Votes of the Association (unless pursuant to a specific provision of this Declaration the consent of Owners entitled to vote a greater percentage of the votes in the Association is required, in which case such specific provisions shall control), and Eligible Mortgagees holding First Mortgages on Units having at least fifty-one percent (51%) of the votes of the Units subject to First Mortgages held by Eligible Mortgagees shall be required to:

18.2.1. Abandon or terminate the legal status of the Project after substantial destruction or condemnation occurs.

18.2.2. Amend any material provision of the Declaration, Articles, Bylaws or Map which amendment would have a material, adverse impact on rights of First Mortgagees.

Any Mortgagee, insurer or governmental guarantor who receives a written request from the Association to approve additions or amendments to the constituent documents and who fails to deliver or post to the Association a negative response within thirty (30) days shall be deemed to have approved such request, provided the written request was delivered by certified or registered mail, with a "return receipt" requested.

18.3. The Association shall maintain and have current copies of the Declaration, Articles, Bylaws, and other rules concerning the Project as well as its own books, records, and financial statements available for inspection by Owners or by holders, insurers, and guarantors of First Mortgages that are secured by Units in the Project. Generally, these documents shall be available during normal business hours.

18.4. The lien or claim against a Unit for unpaid assessments or charges levied by the Association pursuant to this Declaration shall be subordinate to the First Mortgage affecting such Unit if the First Mortgage was recorded before the delinquent assessment was due, and the First Mortgagee thereunder which comes into possession of or which obtains title to the Unit shall take the same free of such lien or claim for unpaid assessment or charges, but only to the extent of assessments or charges which accrue prior to foreclosure of the First Mortgage, exercise of a power of sale available thereunder, or taking of a deed or assignment in lieu of foreclosure. No assessment, charge, lien, or claim which is described in the preceding sentence as being subordinate to a First Mortgage or as not to burden a First Mortgagee which comes into possession or which obtains title shall be collected or enforced by the Association from or against a First Mortgagee, a successor in title to a First Mortgagee, or the Unit affected or previously affected by the First Mortgage concerned.

18.5. In the event any taxes or other charges which may or have become a lien on the Common Areas and Facilities are not timely paid, or in the event the required hazard insurance described in 14.1.1 lapses, is not maintained, or the premiums therefore are not paid when due, any Mortgagee or any combination of Mortgagees may jointly or singly, pay such taxes or premiums or secure such insurance. Any Mortgagee which expends funds for any of such purposes shall be entitled to immediate reimbursement therefor from the Association.

18.6. No provision of this Declaration or the Articles gives or may give an Owner or any other party priority over any rights of Mortgagees pursuant to their respective Mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for loss to or taking of all or any part of the Units or the Common Areas and Facilities.

19. AMENDMENT.

19.1. Except as provided elsewhere in this Declaration, any amendment to this Declaration or the Map shall require the affirmative vote of at least sixty-seven percent (67%) of the Total Votes of the Association cast in person or by proxy at a meeting duly called for such purpose or otherwise approved in writing by such Owners. Any amendment authorized pursuant to this Section shall be accomplished through the recordation in the office of the Weber County

E: 1663020 BK2034 PG1403

Recorder of an instrument executed by the Association. In such instrument an officer or Trustee of the Association shall certify that the vote required by this Section for amendment has occurred.

20. ASSESSMENT OF UNITS BY THE ASSOCIATION.

20.1. The making and collection of Common Assessments by the Association from Owners of Units for their share of Common Expenses shall be pursuant to the Bylaws and subject to the following provisions:

20.1.1. Each Owner, including Declarant, for each Unit which it owns, shall be liable for a proportionate share of the Common Expenses, such share being the same as the ownership interest in the Common Areas and Facilities appurtenant to the Unit owned by him. Two separate and distinct funds shall be created and maintained hereunder, one for operating expenses and one for capital reserve expenses. Such combined expenses shall constitute the Common Expenses, and the funds received from Common Assessments under this Article 20 shall be the Common Expense Fund. Common Assessments shall include both Regular Common Assessments and Special Common Assessments. Until the Association makes an assessment for Common Expenses, the Declarant shall pay all Common Expenses. After an assessment has been made by the Association, Regular Common Assessments must be made at least annually, based on a budget adopted at least annually by the Association in accordance with the provisions of this Declaration and the Bylaws. Regular Common Assessments shall be levied against each separate Unit, and shall commence as to all Units in each phase of the Project on the first day of the month following the closing of the first sale of a Unit in such phase.

20.1.2. The Association may not impose a Regular Common Assessment per Unit which is more than 25% greater than the previous year's Regular Common Assessment, without first obtaining the vote of Owners, constituting a quorum, casting a majority of the Total Votes of the Association at a meeting of the Association. Such percentage increase shall be calculated without regard to any increase attributable to an increase in real estate taxes against the Units. The Association shall provide notice, by first class mail to all Owners, of any increase in the Regular Common Assessments not less than thirty (30) nor more than sixty (60) days prior to the date the increased Regular Common Assessment is due.

20.1.3. In addition to the Regular Common Assessments, the Association may levy in any calendar year, Special Common Assessments applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon any Common Areas and Facilities, including the necessary fixtures and personal property related thereto, and other costs, expenses of operation or shortfalls in the collection of Common Assessments from the Owners. However, in any fiscal year, except as otherwise provided in this Declaration, the Management Committee shall not, without the vote or written assent of Owners, constituting a quorum, casting a majority of the Total Votes of

the Association at a meeting or election of the Association, levy Special Common Assessments which in the aggregate exceed 5% of the budgeted gross expenses of the Association for that fiscal year. The portion of any Special Common Assessment levied against a particular Unit shall be equal to the percentage of undivided interest in the Common Areas and Facilities appurtenant to such Unit. These provisions with respect to the imposition or allocation of Special Common Assessments shall not apply when the special assessment is to pay an increase in real property taxes or when the special assessment against an Owner is a remedy utilized by the Management Committee to reimburse the Association for costs incurred in bringing the Owner and/or his Unit into compliance with the provisions of this Declaration, the Bylaws, rules and regulations of the Association, or any other governing instrument for the Project. The Management Committee shall provide notice by first class mail to all Owners of any Special Common Assessments not less than thirty (30) nor more than sixty (60) days prior to the date such Assessment is due.

20.1.4. All Common Assessments shall be due as determined pursuant to the Bylaws. Common Assessments and any installments thereof not paid on or before ten (10) days after the date when due shall bear interest at the rate of eighteen percent (18%) per annum, or at such lower rate of interest as may be set by the Management Committee, from the date when due until paid. Furthermore, Owners who do not pay their Common Assessments when due shall be subject to a late fee of up to fifty dollars (\$50.00), adjustable from year to year at the discretion of the Management Committee pursuant to the Cost of Living Index. All payments of Common Assessments shall be first applied to accrued interest and late fees, and then to the Common Assessment payment first due. All Common Assessments to pay a judgment against the Association may be made only against the Units in the Project at the time the judgment was entered, in proportion to their liabilities for Common Expenses. If any Common Expense is caused by the misconduct of any Owner, the Association may assess that expense exclusively against such Owner's Unit(s). If the Owners' percentage interests in the Common Areas and Facilities are reallocated, assessments for Common Expenses and any installment thereof not yet due must be recalculated in accordance with the reallocated percentage interests of the Owners.

20.1.5. There shall be a lien upon the applicable Unit for all unpaid Common Assessments, together with late fees, interest and costs (including attorneys' fees) charged pursuant to the Declaration and the Act. The lien for unpaid Common Assessments and related charges shall be effective upon recordation in the Office of the Weber County Recorder of a written notice of lien by the Management Committee or the Common Area Manager. The written notice of lien shall set forth the amount of the Common Assessment, the date(s) due, the amount remaining unpaid, the name of the Owner of the Unit and a description of the Unit. No notice of lien shall be recorded until there is a delinquency in payment of the Common Assessment. Such lien may be enforced by sale or foreclosure conducted in accordance with the provisions of law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any other manner permitted by law including specifically, but without limitation, the method

E# 1663020 BK2034 PG1405

recognized under the laws of the state of Utah for the enforcement of a mechanics lien which has been established in accordance with the provisions of Chapter 1, Title 38, Utah Code Annotated, as amended from time to time. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees), and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any Common Assessments against the Unit which shall become due during the period of foreclosure, and all such Common Assessments shall be secured by the lien being foreclosed. The Management Committee shall have the right and power in behalf of the Association to bid in at any foreclosure sale and to hold, lease, mortgage or convey the subject Unit in the name of the Association. In furtherance of such foreclosure rights, the Association may bring an action at law against the Owner personally obligated to pay the same or the Association may foreclose the lien in accordance with the provisions of the Utah Condominium Ownership Act (Title 57, Chapter 8, Utah Code). The Association and each Owner hereby appoint First American Title Insurance Company, its successors and/or assigns, as trustee for the purpose of exercising the power of sale in connection with non-judicial foreclosures as provided in Title 57, Chapter 1 Utah Code and made applicable hereto by Title 57, Chapter 8 Utah Code. Provided, however, the Association reserves the right to substitute and appoint a successor trustee as provided for in Title 57, Chapter 1 Utah Code. Each Owner hereby conveys all of its right, title and interest in its Unit to such trustee, in trust, with a power of sale, to secure each Owner's obligations under the Declaration, including but not limited to the obligation to pay all Common Assessments. The Association may, through its duly authorized agents, bid on the Unit at any foreclosure sale and acquire, hold, lease, mortgage and convey the same. The lien of the Association shall be superior (prior) to all other liens and encumbrances except liens and encumbrances recorded before recordation of this Declaration, a First Mortgage on a Unit as provided for in Section 18.4 hereof and assessments, liens and charges in favor of the state or any political subdivision thereof, for taxes and other governmental assessments or charges past due and unpaid on the Unit. The lien procedures described herein do not prohibit actions to recover sums for which the Act creates a lien or prohibit the Association from taking a deed in lieu of foreclosure. The Management Committee, upon written request, shall furnish to an Owner a statement setting forth the amount of unpaid assessments against the Unit. This statement must be furnished within ten (10) business days after receipt of the request and is binding on the Association, the Management Committee, the Common Area Manager and every Owner, in favor of all who rely on such statement in good faith.

20.1.6. The amount of any Common Assessment against any Unit shall be the personal obligation of the Owner of such Unit to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any such personal obligation by waiver of the use and enjoyment of any of the Common Areas and Facilities or by abandonment of his Unit or by waiving any services or amenities provided for in this Declaration. In the event of any suit to recover a money judgment of unpaid assessments hereunder, the involved Owner shall pay the costs and

E# 1663020 BK2034 PG1406

expenses incurred by the Association in connection therewith, including reasonable attorneys' fees.

20.1.7. The personal obligation of an Owner to pay unpaid assessments against his Unit as described in Section 20.1.6 shall not pass to successors in title unless assumed by them. Provided, however, a lien to secure unpaid assessments shall not be affected by the sale or transfer of the Unit unless foreclosure by a First Mortgagee is involved in which case the foreclosure will extinguish the lien for any assessments that were payable before the foreclosure sale, but shall not relieve any subsequent Owner from paying further assessments.

20.2. The Association through the Management Committee shall include in the Common Assessments amounts representing sums to be used for the replacement of or additions to capital items or improvements in the Project. Said amounts shall be dedicated for the uses provided in this Section and shall be set up as capital reserve accounts for each Unit. In the event of transfer of a Unit, the capital reserve account for such Unit shall be deemed transferred to the transferee of the Unit. In assessing the Owners for capital improvements to the Common Areas and Facilities, there shall be no single improvement exceeding the sum of One Hundred Thousand Dollars (\$100,000) (as measured in 1999 dollars and thereafter adjusted by the Cost of Living Index) made by the Management Committee without the same having been first voted on and approved by the majority of the votes of those present in person or by proxy at a meeting of the Association duly called for that purpose. The foregoing shall not apply in connection with damage or destruction referred to in Section 15 hereof or to such structural alterations or capital additions or capital improvements to the Common Areas and Facilities as are necessary in the Management Committee's reasonable judgment to preserve or maintain the integrity of the Common Areas and Facilities.

20.3. The Management Committee shall not expend funds designated as reserves for any purpose other than the repair, restoration, replacement or maintenance of major components of the Common Areas and Facilities for which the Association is responsible and for which the reserve fund was established or for litigation involving such matters. Nevertheless, the Management Committee may authorize the temporary transfer of money from the reserve account to the Association's operating account from time to time to meet short term cash flow requirements and pay other expenses. Any such funds so transferred shall constitute a debt of the Association, and shall be restored and returned to the reserve account within three (3) years of the date of the initial transfer; provided, however, the Management Committee may, upon making a documented finding that a delay in the restoration of such funds to the reserve account would be in the best interests of the Project and Association, delay such restoration until the time it reasonably determines to be necessary. The Management Committee shall exercise prudent fiscal management in the timing of restoring any transferred funds to the reserve account and shall, if necessary, levy a Special Common Assessment to recover the full amount of the expended funds within the time limit specified above. Any such Special Common Assessment shall not be subject to the limitations set forth in Section 20.1.3 hereof. At least once every three (3) years the Management Committee shall cause a study to be conducted of the reserve account of the

Association and its adequacy to satisfy anticipated future expenditure requirements. The Management Committee shall, thereafter, annually review the reserve account study and shall consider and implement necessary adjustments to reserve account requirements and funding as a result of that review. Any reserve account study shall include, at a minimum:

20.3.1. Identification of the major components which the Association is obligated to repair, replace, restore or maintain which, as of the date of the study, have a useful life of less than 30 years.

20.3.2. Identification of the probable remaining useful life the components identified in subparagraph 20.3.1 above, as of the date of the study.

20.3.3. An estimate of the cost of repair, replacement, restoration or maintenance of each major component identified in subparagraph 20.3.1 above, during and at the end of its useful life.

20.3.4. An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore or maintain each major component during and at the end of its useful life, after subtracting total reserve funds as of the date of the study.

For the purposes of this Section, the term "reserve account requirements" means the estimated funds which the Management Committee has determined are required to be available at a specified point in time to repair, replace or restore those major components which the Association is obligated to maintain.

20.4. A working capital fund equal to at least two monthly installments of the annual assessment for each Unit shall be established and maintained for the Project. Each Unit's share of the working capital fund shall be collected from the purchaser of a Unit and transferred to the Association at the time of the closing of sale of that Unit. The working capital fund must be maintained in a segregated account for the use and benefit of the Association. The purpose of the working capital fund is to ensure that the Association will have cash available to meet unforeseen expenditures or to acquire additional equipment or services deemed necessary or desirable by the Association. Amounts paid into the working capital fund are not to be considered advance payments of any Regular Common Assessment. The working capital fund shall be transferred to the Association for deposit to a segregated fund when control of the Association is transferred to the Owners. The Declarant shall not use the working capital fund to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits while it is in control of the Association.

20.5. If an Owner shall at any time lease his Unit and shall default in the payment of Common Assessments, the Management Committee may, at its option, so long as such default shall continue, demand and receive from any tenant of the Owner the rent due or becoming due, and the payment of such rent to the Management Committee shall be sufficient payment and discharge of such tenant and the Owner for such assessments to the extent of the amount so paid.

21. VOTING.

At any meeting of the Association, each Owner of a Unit, including Declarant, either in person or by proxy, shall be entitled to vote the number of votes appurtenant to each respective Unit as set forth in Exhibit A. The voting rights appurtenant to each Unit shall vest upon execution and recording of this Declaration.

The number of votes appurtenant to each respective Unit shall be based on the Units undivided interest in the Common Areas and Facilities as set forth in Exhibit "A". The number of votes appurtenant to each Unit shall have a permanent character, and, except as otherwise permitted and provided for in this Declaration, shall not be altered without the unanimous consent of all Owners expressed in a duly recorded Amendment.

22. EASEMENTS.

22.1. If any part of the Common Areas and Facilities encroaches or shall hereafter encroach upon a Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Areas and Facilities, or upon an adjoining Unit or Units, an easement for such encroachment and for the maintenance of the same shall and does exist. Such easements shall extend for whatever period the encroachment exists. Such encroachments shall not be considered to be encumbrances either on the Common Areas and Facilities or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of any improvement constructed or to be constructed within the Project, by error in the Map, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

22.2. Improvements, including Units, Common Areas and Facilities and Limited Common Areas and Facilities, constructed as subsequent phases of the Project may encroach upon portions of the Common Areas and Facilities of earlier phases of the Project. A perpetual easement for such encroachment and the activities necessary to repair, maintain and operate such improvements is hereby granted.

22.3. It is contemplated that Declarant may construct additional Buildings, as subsequent phases of the Project, which may encroach upon portions of the Common Areas and Facilities, and Declarant shall also have an easement over, across and within the Common Areas and Facilities for such purposes.

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

E# 1663020 BK2034 PG1409

22.5. The Association shall have an easement to make such use of the Common Areas and Facilities as may be necessary or convenient to perform the duties and functions that each is obligated or permitted to perform pursuant to this Declaration, including, without limitation, the right to construct and maintain in the Common Areas and Facilities for use by the Owners and the Association.

22.6. The Declarant shall have a temporary construction easement over the Common Areas and Facilities for the purpose of doing all things that are reasonably necessary as a part of constructing future phases of the Project including all future buildings and other physical improvements as well as all Units and Common Areas and Facilities. The Owners of Units which have been constructed in prior phases do hereby acknowledge and agree that there will be construction activities, traffic, noises, odors and vibrations which may temporarily disrupt their quiet enjoyment of their Units and the Common Areas and Facilities appurtenant thereto, and such Owners do hereby waive any right to object to such construction activity; provided, however, Declarant shall endeavor to use reasonable efforts to minimize the adverse impact of such construction activities on the Owners of Units in the Project. Declarant's construction activities pursuant to the easement granted hereunder shall not be deemed to be a violation of the restrictions set forth in Section 11 hereof.

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

23. NOTICES.

Any notice permitted or required to be delivered as provided herein may be delivered either personally, by first class mail, by express mail or overnight courier service providing proof of delivery, or by telecopy or facsimile transmission. Notice to Owners shall be addressed to each Owner at the address given by such Owners to the Management Committee for the purpose of service of such notice or to the Unit of such Owner if no such address has been given to the Management Committee. Notice shall be deemed given when actually received if personally delivered or sent by overnight courier; if faxed, when the fax is received, except that if the fax is received at a time other than the normal business hours of the office at which it is received, on the next regular business day; and if by mail, the earlier of the day actually received or the third business day after the notice is deposited in the United States Mail, properly addressed and postage prepaid. Such address may be changed from time to time by notice in writing to the Management Committee addressed to:

Management Committee
WorldMark, The Club at Wolf Creek Village
9805 Willows Road
Redmond, WA 98052

24. NO WAIVER.

E# 1663020 BK2034 PG1410

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

25. ENFORCEMENT.

25.1. All Owners, guests or lessees of an Owner, and persons under Owner's control, shall strictly comply with the provisions of the Declaration, the Bylaws, and the rules and regulations and decisions issued pursuant thereto. The Association and any aggrieved Owner shall have a right of action against Owners who fail to comply with provisions of the Declaration or the decisions of the Association. Owners shall have a similar right or action against the Association. Failure to so comply shall be grounds for: (i) an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee, or its agent or designee on behalf of the Owners, or in an appropriate case, by an aggrieved Owner; and/or (ii) the Management Committee to impose monetary penalties, temporary suspensions of an Owner's right to the use of a Unit or the Common Areas and Facilities, or other appropriate discipline so long as any such Owner has been given notice and has had an opportunity to present a written or oral defense to the charges in a hearing. The Management Committee shall determine whether the Owner's defense shall be oral or written. After the hearing, but before any disciplinary action is taken, the Owner shall be notified of the decision of the Management Committee. The Management Committee may delegate to the Common Area Manager, the power and authority to carry out disciplinary actions duly imposed.

25.2. The Association shall not be empowered to cause the absolute forfeiture of an Owner's right, title or interest in the Project on account of the Owner's failure to comply with the provisions of the Declaration or the rules and regulations for the Project except pursuant to:

25.2.1. The judgment of a court; or

25.2.2. A foreclosure for the failure of an Owner to pay assessments duly levied by the Association.

25.2.3. The Association shall only be empowered to cause or require alteration or demolition of any construction to enforce any restrictions contained in this Declaration pursuant to judicial proceedings.

26. DECLARANT.

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The term "Declarant" as used herein shall mean and include Declarant and any person or persons who might acquire title from it to all or some of the unsold Units or Additional Land through purchase, assignment or other transfer including foreclosure or deed in lieu of foreclosure; or, in the situation where, any person purchases all, or some of the remaining Units or Additional Land in a sale in the nature of a bulk sale. The person acquiring any of such property from the Declarant shall be considered a Declarant with respect to that portion of the property so acquired and shall have the right to develop the property and/or sell such property in accordance with the terms and provisions of this Declaration and the Act.

27. AGENT FOR SERVICE OF PROCESS.

The agent for service of process under the Act until the expiration of the option to expand under Section 7 shall be C.T. Corporation whose address is 50 West Broadway, Salt Lake City, Utah 84101. Thereafter, the agent for service of process shall be the Common Area Manager.

28. SEVERABILITY.

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

29. CAPTIONS.

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

30. LAW CONTROLLING.

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

31. EFFECTIVE DATE. This Declaration shall take effect when recorded.

IN WITNESS WHEREOF, the undersigned have executed this instrument this 29th day of June, 1999.

Trendwest Resorts, Inc., an Oregon corporation

By W. F. Peare
Its William F. Peare, President

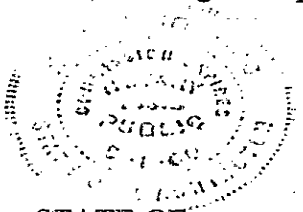
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WORLDMARK, THE CLUB, a California non-profit mutual benefit corporation

By Gene F. Hensly
Its PRESIDENT

STATE OF WASHINGTON)
: ss.
COUNTY OF KING)

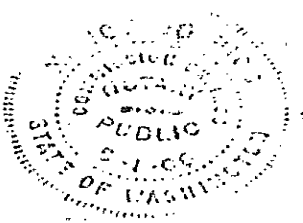
On the 29th day of June, 1999, personally appeared before me Wm. F. Peare, who, being by me duly sworn, did say that ~~she~~ ~~he~~ is the President of TrendWest Resorts, Inc., an Oregon corporation.



Nancy Jo Pigg
NOTARY PUBLIC in and for the State of Washington, residing in Tacoma, WA
My commission expires May 1, 2000

STATE OF WASHINGTON)
: ss.
COUNTY OF KING)

On the 29th day of June, 1999, personally appeared before me Gene F. Hensly, who, being by me duly sworn, did say that ~~she~~ ~~he~~ is the President of WorldMark, The Club, a California non-profit mutual benefit corporation.



Nancy Jo Pigg
NOTARY PUBLIC in and for the State of Washington, residing in Tacoma, WA
My commission expires May 1, 2000

EXHIBIT A

**WORLDMARK, THE CLUB AT
WOLF CREEK VILLAGE**

Schedule of Units, Square Footage,
Votes and Undivided Interests in Common Areas

Unit Identifying Number	Unit Type	Approx. Sq. Footage of Unit	No. of Votes Per Unit	Undivided Interest Per Unit¹
301	2BR/2BA	1,170	31	3.138%
302	1BR/1BA	839	23	2.250%
303	1BR/1BA	839	23	2.250%
304	1BR/1BA	839	23	2.250%
305	1BR/1BA	839	23	2.250%
306	Studio	727	20	1.950%
307	1BR/1BA	839	23	2.250%
308	2BR/2BA	1,170	31	3.138%
309	3BR/Loft	1,685	45	4.519%
310	2BR/Loft	1,360	36	3.647%
311	2BR/Loft	1,360	36	3.647%
312	2BR/Loft	1,360	36	3.647%
313	2BR/Loft	1,360	36	3.647%
314	2BR/Loft	1,360	36	3.647%
315	2BR/Loft	1,360	36	3.647%
316	3BR/Loft	1,685	45	4.519%
401	2BR/2BA	1,226	33	3.288%
402	1BR/1BA	878	24	2.355%
403	1BR/1BA	878	24	2.355%
404	1BR/1BA	878	24	2.355%
405	1BR/1BA	878	24	2.355%

Unit Identifying Number	Unit Type	Approx. Sq. Footage of Unit	No. of Votes Per Unit	Undivided Interest Per Unit¹
406	Studio	720	19	1.931%
407	1BR/1BA	878	24	2.355%
408	2BR/2BA	1,226	33	3.288%
409	3BR/Loft	1,516	41	4.066%
410	2BR/Loft	1,317	35	3.532%
411	2BR/Loft	1,317	35	3.532%
412	2BR/Loft	1,317	35	3.532%
413	2BR/Loft	1,317	35	3.532%
414	2BR/Loft	1,317	35	3.532%
415	2BR/Loft	1,317	35	3.532%
416	3BR/Loft	1,516	41	4.066%
		37,288	1,000	100.002%

¹ May total slightly more or less than 100% due to rounding.

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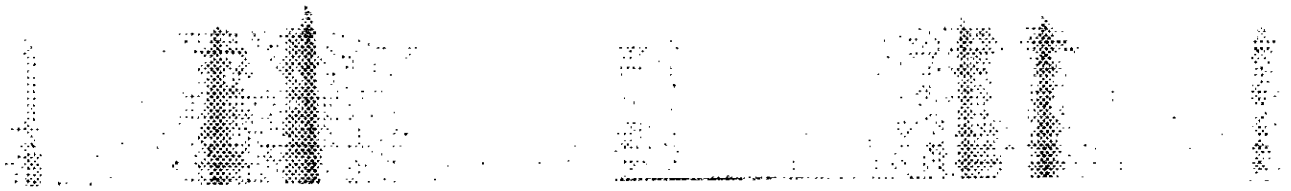


EXHIBIT B

[Copy of Record of Survey Map]

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EXHIBIT C

Association Bylaws

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BYLAWS

WORLD MARK, THE CLUB AT WOLF CREEK VILLAGE OWNERS ASSOCIATION, INC.

The administration of WorldMark, The Club at Wolf Creek Village Owners Association, Inc. ("Association") shall be governed by the Act, the Declaration, the Articles and these Bylaws. Terms which are capitalized in these Bylaws and which are not otherwise defined herein shall have the meaning set forth in the Declaration of Condominium WorldMark, The Club at Wolf Creek Village recorded in the Official Records of Weber County, Utah.

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

2. Management Committee

2.1. The management and maintenance of the Project and the administration of the affairs of the Association shall be conducted by the Management Committee consisting of three (3) persons. The initial Management Committee shall be appointed by the Declarant, and shall serve until the first meeting of the Association, at which time an election of all the members of the Management Committee shall be conducted.

2.2. The Declaration establishes a period of Declarant control of the Association, during which period the Declarant or persons designated by it have authority to appoint and remove the officers and members of the Management Committee. The period of Declarant control shall terminate no later than the earlier of: (i) six (6) years after the first Unit is conveyed to an Owner or (ii) after Units to which three-fourths 3/4 of the undivided interest in the Common Areas and Facilities appertain have been conveyed to Owners, or after all the Additional Land has been added to the Project, whichever last occurs.

Not later than the termination of the period of Declarant control, the Owners shall elect a Management Committee of three (3) members, as set forth above in Section 2.1. The members and officers of the Management Committee shall take office upon election. Thereafter, at every annual meeting, the Association shall elect the members of the Management Committee to fill those positions becoming vacant at such meeting, pursuant to the terms of this Section 2.

At least thirty (30) days prior to the annual meeting of the Association, the Management Committee shall elect from the Owners a nominating committee of not less than three (3) members, none of whom shall be at that time members of the Management Committee. The Management Committee may, but shall not be obligated to, inquire of the Owners to identify those having an interest in serving on the Management Committee. The nominating committee shall recommend to the Association at least one nominee for each position on the Management Committee to be filled at that particular annual meeting. Nominations for positions on the Management Committee may also be made by petition filed with the Secretary of the Association at least seven (7) days prior to the annual meeting of the Association, which petition shall be signed by one (1) or more Owners and the nominee named therein indicating his or her willingness to serve as a member of the Management Committee, if elected.

2.3. Voting for the Management Committee shall be by secret written ballot. At any meeting of the Association, each Owner, either in person or by proxy, shall be entitled to the number of votes set forth in the Declaration for each Unit owned multiplied by the number of Management Committee seats to be filled. Each Owner may cumulate his or her votes with respect to the Units for which he or she is voting and cast all of them in favor of a single candidate, or distribute his or her votes among as many candidates as the Owner sees fit. The positions on the Management Committee shall be as follows: President, Vice President, and Secretary-Treasurer. The initial members of the Management Committee shall be the following persons and each shall hold the office indicated:

Carla Murphy, President
c/o WorldMark, The Club
9805 Willows Road
Redmond, WA 98052

Colleen Morris, Vice President
c/o Trendwest Resorts, Inc.
9805 Willows Road
Redmond, WA 98052

Mike Litawa, Secretary & Treasurer
WorldMark, The Club at Wolf Creek Village Resort
3618 N. Wolf Creek Drive
Eden, UT 84310

2.4. Members of the Management Committee shall serve for terms of two (2) years beginning immediately upon their election by the Association; provided, however, that a majority of the members of the Management Committee elected at the first annual meeting following the termination of Declarant control shall serve for an initial term of one (1) year, and the balance shall serve for initial terms of two (2) years. Thereafter, all

members of the Management Committee elected shall serve for two-year terms. The members of the Management Committee shall serve until their respective successors are elected, or until death, resignation, or removal. Any member of the Management Committee who fails to attend three consecutive Management Committee meetings or fails to attend at least 25% of the Management Committee meetings held during any fiscal year shall be deemed to have tendered his resignation, and upon acceptance by the Management Committee his position shall be vacant.

2.5. Any member of the Management Committee may resign at any time by giving written notice to the President of the Association or to the remaining Management Committee members. The Owners, by a two-thirds vote, either at a meeting of such Owners or by written consent, may remove any Member of Management Committee with or without cause, other than a member appointed by Declarant during the period of Declarant control.

2.6. If vacancies shall occur in the Management Committee by reason of the death or resignation of a Management Committee member, the Management Committee members then in office shall continue to act, and such vacancies shall be filled by a vote of the Management Committee members then in office, though less than a quorum. Any vacancy in the Management Committee occurring by reason of removal of a Management Committee member by the Association may be filled by election at the meeting at which such Management Committee member is removed or any subsequent regular or special meeting of the Association. A vacancy resulting from a removal shall only be filled by the vote or written consent of a majority of the votes of the Association entitled to vote for that Manager.

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

2.8. The Management Committee, for the benefit of the Project and the Association, shall manage the business, property and affairs of the Project and the Association and enforce the provisions of the Declaration, these Bylaws and the rules and regulations governing the Project. The Management Committee is authorized to adopt rules and regulations governing the use and operation of the Project, which shall become effective 30 days after adoption by the Management Committee. The Management

Committee shall have the powers, duties and responsibilities with respect to the Project as contained in the Declaration, the Articles and these Bylaws.

2.9. The meetings of the Management Committee shall be held at least semi-annually at such times and places within the Project, or some other reasonable and suitable location in Weber County, unless a meeting at another location would significantly reduce the cost to the Association and/or the inconvenience to Management Committee members, as the Management Committee shall determine. A majority of the Management Committee shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Management Committee. The Management Committee shall annually elect all of the officers of the Association. The election of officers shall be conducted at the first meeting of the Management Committee held subsequent to the annual meeting of the Association.

2.10. Written notice of the time and place of Management Committee meetings shall be posted at a prominent place or places within the Project not less than four (4) days prior to the meeting.

2.11. Special meetings of the Management Committee may be called by written notice signed by any two members of the Management Committee. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Special meetings shall be held within the Project or some other reasonable location in Weber County unless a meeting at another location would significantly reduce the cost to the Association and/or inconvenience to the members of the Management Committee. Written notice of any special meeting shall be posted in a manner prescribed for notice of regular meetings of the Management Committee and shall be sent to all members of the Management Committee not less than 72 hours prior to the scheduled time of the meeting; provided, however, that notice of such meeting need not be given to any member signing a waiver of notice or a written consent to the holding of such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail, with first-class postage thereon prepaid. If an agenda is prepared for a special meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

2.12. Notices of all regular Management Committee meetings shall be given in writing to each member of the Management Committee not less than 30 days prior to the meeting, provided that this requirement shall not apply to any member of the Management Committee who has signed a waiver of notice or a written consent to the holding of a meeting.

2.13. The Management Committee members shall act only as a Management Committee, and individual Management Committee members shall have no powers as such. Regular and special meetings of the Management Committee shall be open to all members of the Association; provided, however, that the Association members who are not on the Management Committee may not participate in any deliberation or discussion

E# 1663020 BK2034 PG1421

unless expressly so authorized by the vote of a majority of a quorum of the Management Committee. The Management Committee may, with the approval of a majority of a quorum of its members, adjourn the meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

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

2.15. After the election of the members of the first Management Committee following termination of Declarant control of the Association, Declarant may execute, acknowledge and record an affidavit stating the names of the members of the newly elected Management Committee. Thereafter, any two (2) persons who are designated of record as being members of the most recent Management Committee, whether or not they shall still be members, may execute, acknowledge and record an affidavit stating the names of all of the members of the then current Management Committee. The most recently recorded evidence or copy of such affidavits shall be prima facie evidence that the persons named therein are all of the incumbent members of the Management Committee and shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.

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

2.17. When a member of the Management Committee is sued for liability for actions undertaken in his role as a member of the Management Committee, the Association shall indemnify him for his losses or claims, and undertake all costs of defense, until and unless it is proven that he acted with willful or wanton misfeasance or with gross negligence. After such proof the Association is no longer liable for the cost of defense, and may recover costs already expended from the member of the Management Committee who so acted. Members of the Management Committee are not personally liable to the victims of crimes occurring at the Project. Punitive damages may not be recovered against the Association, but may be recovered from persons whose activity gave rise to the damages.

2.18. An officer, employee, agent or director of a corporate Owner of a Unit, a trustee or designated beneficiary of a trust that owns a Unit, a partner of a partnership that owns a Unit, a member of a limited liability company that owns a Unit, and a fiduciary of an estate that owns a Unit may be considered an Owner for the purpose of determining eligibility for membership of the Management Committee. In all events where the person

serving or offering to serve as an officer or member of the Management Committee is not the record Owner, they shall file proof of authority in the records of the Association.

2.19. The Management Committee or the officers appointed thereby may delegate to the Common Area Manager, or such other persons as it so determines, all of the duties and obligations of the Management Committee set forth herein and in the Declaration to the extent such duties and obligations are properly delegable.

3. Meetings of the Association.

3.1. The first meeting of the Association shall be held within one year after the closing of the sale of the first Unit or timeshare interest sold in the Project. Thereafter, there shall be an annual meeting of the Association on the third Saturday of each April at 11:00 a.m. at a reasonable place in the Project or at a meeting place as close thereto as reasonably possible, or at such other reasonable time not more than sixty (60) days before or after such date as may be designated by written notice by the Management Committee. Notice of the annual meeting shall be delivered to the Owners postage prepaid at least fifteen (15) days prior to the date set for said meeting and shall specify the place, day and hour of the meeting and a brief statement of the matters on the agenda which the Management Committee intends to present or believes others will present for action by the members.

3.2. Special meetings of the Association may be called by the Declarant, the President, a majority of the Management Committee, or Owners representing at least twenty five percent (25%) or more of the Total Votes of the Association and may be held at a reasonable place in the Project or at a meeting place as close thereto as reasonably possible, to consider matters which, by the terms of the Declaration, require the approval of all or some of the Owners or for any other reasonable purpose. Special meetings shall be called by written notice signed by the Declarant, a majority of the Management Committee or by Owners representing at least twenty five percent (25%) or more of the Total Votes of the Association, which shall be hand delivered or sent prepaid by United States mail, not less than fifteen (15) days prior to the date fixed for said meeting, to each Owner at such Owner's address as shown in the records of the Association or to any other mailing address designated in writing by the Owner. Such notice shall specify the place, day and hour of the meeting and a brief statement of the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budgetary changes and any proposal to remove an officer or member of the Management Committee.

3.3. The presence in person or by proxy of Owners holding 10% or more of the Total Votes of the Association at any meeting of the Association held in response to notice to all Owners of record properly given shall constitute a quorum. In the absence of a quorum at an Association meeting, a majority of those present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. An

adjournment for lack of a quorum by those in attendance shall be to a date not less than five (5) nor more than thirty (30) days from the original meeting date. The quorum for an adjourned meeting shall also be 10% of the Total Votes of the Association. If the time and place for an adjourned meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members in the manner prescribed for regular meetings of the Association. At any special meeting of the Association, only those matters of business, the general nature of which was given in the notice of the special meeting, may be voted upon by the Owners. Unless otherwise expressly provided in the Act, the Declaration and these Bylaws, any action may be taken at any meeting of the Owners upon a majority vote of the Owners who are present in person or by proxy.

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

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

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

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

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

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

3.6. At each meeting of the Owners, each Owner entitled to vote shall be entitled to vote in person or by proxy. For any Units owned by more than one Owner, all of the Owners of such Unit may sign a certificate designating one of the co-Owners as the Owner authorized to cast the votes appurtenant to such Unit. In such event the Management Committee may rely on such certificate as being sufficient evidence of the authority of the Owner casting the votes appurtenant to such Unit. In the absence of such a certificate, if only one of several Owners of a Unit is present at a meeting of the Association, that

Owner is entitled to cast all the votes allocated to that Unit. If more than one of the Owners of a Unit is present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of such Owners. Absent a certificate of authorization, there shall be deemed to be majority agreement if any one of the Owners casts the votes allocated to the Unit owned without protest made promptly to the person presiding over the meeting by any of the other Owners of such Unit. The right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Owner or by its attorney thereunto duly authorized in writing. The instrument authorizing the proxy to act shall meet the requirements set forth in Section 3.5.4 above and shall be delivered, at the beginning of the meeting, to the secretary of the Association, or such other officer or person who may be acting as the secretary at the meeting. The secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting. A Owner may revoke a proxy given pursuant to this Section only by actual notice of revocation to the Association. A proxy is void if it is not dated or purports to be revocable without notice.

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

4. Officers.

4.1. All officers and employees of the Association shall serve at the will of the Management Committee. So long as there are three (3) members of the Management Committee, the officers shall be a President, a Vice President and a Secretary-Treasurer. The Management Committee may appoint additional Vice Presidents and such other assistant officers as the Management Committee may deem necessary. No officer shall be required to be an Owner. No officer shall receive compensation for serving as such. Officers shall be annually elected by the Management Committee and may be removed and replaced by the Management Committee. The Management Committee shall require that officers (and other employees of the Association) be subject to fidelity bond coverage.

4.2. The President shall be the chief executive of the Management Committee and shall preside at all meetings of the Association and of the Management Committee and may exercise the power ordinarily allowable to the presiding officer of an association, including the appointment of committees. The President shall exercise general supervision over the Project and its affairs. He shall sign, and the Secretary shall witness, on behalf of the Association, all conveyances, mortgages and contracts of material importance to its business. He shall do and perform all acts which the Management Committee may require.

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

4.4. The Secretary shall keep minutes of all proceedings of the Management Committee and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the Owners and the Management Committee.

4.5. The Treasurer shall be responsible for the fiscal affairs of the Association, but may delegate the daily handling of funds and the keeping of records to the Common Area Manager.

4.6. Any officer may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

5. Common Expenses: Assessments.

5.1. All Common Expenses shall be made in accordance with the Declaration.

5.2. No Owner shall be exempt from liability for Common Expenses by waiver of the use or enjoyment of any of the Project or by abandonment of his Unit.

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

5.4. All Common Assessments shall be a separate, distinct and personal liability of the Owners at the time each Common Assessment is made. The Management Committee shall have the rights and remedies contained in the Act and in the Declaration to enforce the collection of Common Assessments.

5.5. Any person who shall have entered into a written agreement to purchase a Unit, by written request directed to the Management Committee, shall be entitled to obtain a written statement from the Treasurer setting forth the amount of the monthly, quarterly, annual or other periodic Common Assessment and the amount of unpaid Common Assessments charged against such Unit and its Owner(s), and if such statement does not reveal the full amount of the unpaid Common Assessments as of the date it is rendered, neither the purchaser nor the Unit shall be liable for the payment of an amount in excess of the unpaid Common Assessments shown thereon, provided that the former Owner shall remain so liable. Any such excess which cannot be promptly collected from the former Owner-grantor shall be reassessed by the Management Committee as a Common Expense to be collected from all Owners, including without limitation the purchaser of such Unit, his successors and assigns. The new Owner shall, and the former Owner shall not, be

liable for any Common Assessments made after the date of transfer of title, even though the expenses incurred or the advances made by the Management Committee for which the Common Assessment is made relate in whole or in part to any period prior to that date. The Management Committee is authorized to require a reasonable fee for furnishing such statements.

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

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

6. Litigation.

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

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

E# 1663020 BK2034 PG1427

7. Abatement and Enjoyment of Violations by Owners.

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

7.1.1. To enter the Unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner or Owners, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Management Committee shall not thereby be deemed guilty in any manner of trespass provided that items of construction may not be altered or demolished without proper judicial proceedings; and/or

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

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

8. Accounting.

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

8.2. A budget for each fiscal year shall be adopted by the Management Committee and distributed to all members of the Association prior to the beginning of the fiscal year to which the budget applies.

8.3. The Management Committee shall distribute to the Owners an unaudited financial statement, prepared by an independent public accountant approved by the Association, within one hundred twenty (120) days after the close of each fiscal year.

8.4. The membership register, including mailing addresses and telephone numbers, books of account and minutes of meetings of the Association, of the Management Committee and of committees of the Management Committee and all other records of the Project maintained by the Association, Common Area Manager or managing company shall be made available for inspection and copying by any member of the Association or his duly appointed representative at any reasonable time and for a purpose reasonably related to his interest as an Owner, at the office where the records are maintained. Upon receipt of an authenticated written request from a Owner along with the fee prescribed by the Management Committee to defray the costs of reproduction, the Common Area Manager or other custodian of records of the Association shall prepare and

transmit to the Owner a copy of any and all records requested. The Association may, as a condition to permitting an Owner to inspect the membership register or to its furnishing information from the register, require that the Owner agree in writing not to use, or allow the use, of information from the membership register for commercial or other purposes not reasonably related to the regular business of the Association and the Owner's interest in the Association. The Management Committee shall establish reasonable rules with respect to:

8.4.1. Notice to be given to the custodian of the records by the Owner desiring to make the inspection or obtain copies;

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

8.4.3. Payment of the cost of reproducing copies of documents requested by a Owner.

Every member of the Management Committee shall have the absolute right at any time to inspect all books, records and documents of the Association and to inspect all real and personal properties owned or controlled by the Association. This right of inspection shall include the right to make extracts and copies of records, subject only to the right of the Association to require that the Management Committee member agree in writing not to use, or allow the use of, the information from the membership register for commercial or other purposes not reasonably related to the business of the Association and the Management Committee member's interest in such Association.

9. Special Committees. The Management Committee by resolution may designate one or more special committees, each committee to consist of three (3) or more Owners, which to the extent provided in said resolution shall have and may exercise the powers set forth in said resolution. Such special committee or committees shall have such name or names as may be determined from time to time by the Management Committee. All special committees shall keep regular minutes of their proceedings and report the same to the Management Committee when required. The members of such special committee or committees designated shall be appointed by the Management Committee or the President. The Management Committee or the President may appoint Owners to fill vacancies on each of said special committees occasioned by death, resignation, removal or inability to act for any extended period of time.

10. Rental or Lease of Units by Owners.

10.1. Any Owner who rents or leases his Unit shall advise the Management Committee or Common Area Manager in writing that the Unit has been leased or rented. The provisions of Section 7 of these Bylaws shall apply with equal force to renters or lessees of Units.

E# 1663020 BK2034 PG1429

10.2. Any Owner who rents or leases or otherwise permits any other person to utilize his Unit shall be responsible for the conduct of his tenants or occupants, and upon written notice from the Management Committee or the Common Area Manager, said Owner shall be responsible for correcting violations of the Declaration, Bylaws or rules and regulations committed by such tenants or occupants.

10.3. If an Owner fails to correct violations by tenants within 72 hours of such notice, the Management Committee or Common Area Manager shall be deemed to be the agent of the Owner and empowered to take any enforcement action the Owner would be entitled to take, the reasonable costs of such action, including but not limited to fees and costs paid to third parties, to be assessed to the Owner and payable within 30 days of Common Assessment. Such costs shall be collected and enforced in the same manner as Common Expenses under the Declaration.

10.4. The power of the Management Committee or Common Area Manager hereunder shall include but not be limited to any and all legal remedies available under the laws of the State of Utah. Any Owner by the act of renting, leasing or otherwise permitting any other person to utilize his Unit shall be deemed to have consented to these procedures and shall indemnify and save harmless the Management Committee and the Common Area Manager from and against any and all liability therefor. It is expressly understood that the remedies available to the Management Committee or Common Area Manager shall include but not be limited to the right to seek eviction of the tenant without any liability to the Owner.

11. Amendment of Bylaws. Except as otherwise provided in the Act, the Declaration or these Bylaws, the Bylaws may be amended by the vote or written assent of Owners holding a majority of the Total Votes of the Association present in person or by proxy at a meeting duly called for such purpose. Provided, however, the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause. Upon such an affirmative vote, the Management Committee shall acknowledge the amended Bylaws, setting forth the fact of the required affirmative vote of the Owners, and the amendment shall be effective upon recording. Notwithstanding anything to the contrary contained or implied herein, Declarant reserves the right, without the consent of any other Owners, to amend any provisions of these Bylaws to comply with the then existing statutes, regulations or other requirements of any federal, state or local regulatory authority affecting the Project.

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

13. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of these Bylaws nor the intent of any provision hereof.

E# 1663020 BK2034 PG1430

14. Effective Date. These Bylaws shall take effect as of the date of the Declaration, having been duly adopted by the Management Committee.

15. Seal. The Management Committee may by resolution provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation and the words "Corporate Seal."

E# 1663020 BK2034 PG1431

Exhibit D

22-102-0001 TO 0033

A part of the South Half of Section 22, Township 7 North, Range 1 East, Salt Lake Base and Meridian, U.S. Survey;

Beginning at a point on the Westerly line of Wolf Creek Drive (a 66 foot wide right-of-way) which is 352.79 feet South 0°00'33" West along the Quarter Section line and 258.88 feet South 75°36'42" East from the Center of said Section 22; running thence South 25°18'44" West 218.78 feet along said Westerly line to the Northeast corner of Wolf Creek Village I, a timeshare condominium in Ogden Valley, Weber County, Utah; thence seven (7) courses along the Northerly line of said Wolf Creek Village I and Wolf Creek Village II, a timeshare condominium in Ogden Valley, Weber County, Utah as follows: North 63°00'00" West 28.00 feet; North 84°27'51" West 36.43 feet; North 64°30'00" West 67.29 feet; North 80°00'00" West 40.95 feet; South 66°56'45" West 51.66 feet; North 83°45'00" West 63.19 feet and South 63°08'53" West 44.20 feet; thence Northwesterly along the arc of a 49.14 foot radius curve to the left a distance of 35.20 feet (Central Angle equals 41°02'29" and Long Chord bears North 47°22'20" West 34.45 feet) to a point of tangency; thence North 67°53'36" West 106.25 feet; thence North 0°03'32" East 251.21 feet; thence South 75°36'42" East 546.26 feet to the point of beginning.

E# 1663020 BK2034 PG1432

Exhibit E

22-016-0034

A part of the South 1/2 of Section 22, Township 7 North, Range 1 East, Salt Lake Base and Meridian, U.S. Survey:

Beginning at a point on the Westerly line of Wolf Creek Drive (66 foot right-of-way) being 352.79 feet South 0°00'33" West along the Quarter Section line and 258.89 feet South 75°36'42" East from the Center of said Section 22; and running thence South 86°31'00" West 801.13 feet and South 43°30'00" East 101.21 feet along the Northerly line of Wolf Creek Village II, a Time Share Condominium in Weber County, Utah; thence Southwesterly along the arc of a 245.50 foot radius curve to the left a distance of 133.55 feet (Central Angle equals 31°10'02" and Long Chord bears South 54°17'03" West 131.90 feet); thence North 35°52'46" West 173.54 feet; thence North 41°53'00" West 80.66 feet; thence South 47°35'44" West 164.12 feet; thence North 30°56'12" West 187.57 feet; thence North 36°45'57" West 292.66 feet; thence North 42°09'04" East 51.82 feet; thence North 71°55'50" East 39.43 feet; thence South 75°36'42" East 1355.69 feet to the point of beginning; and

22-016-0006, 22-017-0002 22-087-0001 TO 0014

A part of the Southwest Quarter of Section 22, Township 7 North, Range 1 East, Salt Lake Base and Meridian, U.S. Survey:

22-106-0001 TO 0017

Beginning at a point on the Westerly line of Wolf Creek Drive (66 foot right-of-way) being 1072.00 feet South 0°00'33" West along the Quarter Section line and 115.75 feet North 89°59'27" West from the Center of Section 22; and running thence three (3) courses along said Westerly line as follows: Southwesterly along the arc of a 2603.00 foot radius curve to the right a distance of 313.84 feet (Central Angle equals 6°54'29" and Long Chord bears South 40°10'36" West 313.65 feet) to a point of tangency; South 43°37'50" West 169.28 feet to a point of curvature and Southwesterly along the arc of a 2158.06 foot radius curve to the right a distance of 21.30 feet (Central Angle equals 0°33'56" and Long Chord bears South 43°54'48" West 21.30 feet); thence North 18°17'33" West 335.48 feet; thence North 21°30'34" West 60.65 feet; thence North 29°40'00" West 198.13 feet; thence North 22°30'44" West 235.32 feet; thence North 34°54'43" West 134.24 feet; thence North 20°02'54" West 38.28 feet; thence North 30°56'12" West 14.83 feet; thence North 47°35'44" East 164.12 feet; thence South 41°53'00" East 80.66 feet; thence South 35°52'46" East 173.54 feet; thence Southwesterly, Southerly and Southeasterly along the arc of a 245.50 foot radius curve to the left a distance of 498.78 feet (Central Angle equals 116°24'29" and Long Chord bears South 19°30'13" East 417.32 feet) to a point of compound curve; thence along the arc of a 65.50 foot radius curve to the left a distance of 25.04 feet (Central Angle equals 21°54'20" and Long Chord bears South 88°39'37" East 24.89 feet) to a point of tangency; thence North 80°23'13" East 117.78 feet; thence Southeasterly along the arc of a 142.62 foot radius curve to the right a distance of 109.39 feet (Central Angle equals 43°56'48" and Long Chord bears South 77°38'23" East 106.73 feet); thence South 55°39'59" East 103.97 feet to the point of beginning.

EXCLUDING the Wolf Creek Water Well Parcel more particularly described as follows:

A part of the Southwest Quarter of Section 22, Township 7 North, Range 1 East, Salt Lake Base and Meridian, U.S. Survey:

Beginning at a point being 1046.43 feet South 0°00'33" West along the Quarter Section line and 449.68 feet West from the center of said Section 22; and running thence South 15°08'01" East 39.29 feet; thence South 74°51'58" West 38.01 feet; thence North 15°08'01" West 39.29 feet and North 74°51'58" East 38.01 feet the point of beginning.

ALSO SUBJECT TO THE FOLLOWING:

A Well Parcel Access Easement over and across the following described parcel:

A part of the Southwest Quarter of Section 22, Township 7 North, Range 1 East, Salt Lake Base and Meridian, U.S. Survey:

Beginning at a point on the Westerly line of Wolf Creek Drive (66 foot right-of-way) being 1075.99 feet South 0°00'33" West along the Quarter Section line and 118.75 feet West from the center of said Section 22; and running thence Southwesterly along the arc of a 2603.00 foot radius curve to the right a distance of 41.06 feet (Central Angle equals 0°54'13" and Long Chord bears South 37°17'04" West 41.05 feet) on said Westerly line of Wolf Creek Drive; thence North 55°39'59" West 89.08 feet; thence North 42°22'16" West 37.97 feet; thence Northwesterly along the arc of a 47.50 foot radius curve to the left a distance of 27.24 feet (Central Angle equals 32°51'12" and Long Chord bears North 66°03'58" West 26.87 feet); thence Southwesterly along the arc of a 112.62 foot radius curve to the left a distance of 38.64 feet (Central Angle equals 19°39'24" and Long Chord bears South 87°41'01" West 38.45 feet); thence South 77°51'18" West 72.24 feet; thence Southwesterly along the arc of a 4.50 foot radius curve to the left a distance of 7.07 feet (Central Angle equals 90°00'00" and Long Chord bears South 32°51'18" West 6.36 feet); thence South 12°08'42" East 19.63 feet; thence Southeasterly along the arc of a 82.50 foot radius curve to the right a distance of 33.56 feet (Central Angle equals 23°18'26" and Long Chord bears South 0°29'29" East 33.33 feet); thence North 81°21'59" West 64.75 feet; thence North 15°08'01" West 39.29 feet; thence South 74°51'58" West 38.01 feet; thence North 15°08'01" West 24.76 feet; thence North 20°29'54" East 25.00 feet; thence Southeasterly along the arc of a 255.50 foot radius curve to the left a distance of 36.59 feet (Central Angle equals 8°12'21" and Long Chord bears South 73°36'17" East 36.56 feet); thence Southeasterly along the arc of a 75.50 foot radius curve to the left a distance of 32.20 feet (Central Angle equals 24°26'15" and Long Chord bears South 89°55'34" East 31.96 feet); thence North 77°51'18" East 108.47 feet; thence Southeasterly along the arc of a 137.62 foot radius curve to the right a distance of 111.64 feet (Central Angle equals 46°28'43" and Long Chord bears South 78°54'20" East 108.60 feet) and South 55°39'59" East 103.76 feet to the point of beginning; and

E+ 1663020 BK2034 PG1434

A part of the South ½ of Section 22, Township 7 North, Range 1 East, Salt Lake Base and Meridian, U.S. Survey:

Beginning at a point being 432.39 feet S 0°00'33" W along the Quarter Section line from the Center of said Section 22, and running thence N 86°31'00" E 251.24 feet to the Westerly line of Wolf Creek Drive, thence S 25°18'44" W 218.78 feet along said Westerly line of Wolf Creek Drive; thence Northwesterly and Southwesterly along the Northerly line of Wolf Creek Village Phase I and Wolf Creek Village II in Weber County, Utah the following six (6) courses: N 63°00'00" W 28.00 feet; N 84°27'51" W 36.43 feet; N 64°30'00" W 67.29 feet; N 80°00'00" W 40.95 feet; S 66°56'45" W 51.66 feet and N 83°45'00" W 63.19 feet; thence N 31°00'00" W 153.66 feet; thence N 86°31'00" E 194.89 feet to the point of beginning; and

A part of the Southwest 1/4 Quarter of Section 22, Township 7 North, Range 1 East, Salt Lake Base and Meridian, U.S. Survey:

Beginning at a point being 432.39 feet S 0°00'33" W along the Quarter Section line and 194.89 feet S 86°31'00" W from the Center of said Section 22; running thence S 31°00'00" E 153.66 feet to the Northerly line of Wolf Creek Village II in Weber County, Utah; thence S 63°08'53" W 249.06 feet along said Northerly line of Wolf Creek Village II; thence N 43°30'30" W 306.94 feet; and N 86°31'00" E 355.00 feet to the point of beginning.

Less and excepting from the above referenced legal descriptions the following described property

A part of the South Half of Section 22, Township 7 North, Range 1 East, Salt Lake Base and Meridian, U.S. Survey;

Beginning at a point on the Westerly line of Wolf Creek Drive (a 66 foot wide right-of-way) which is 352.79 feet South 0°00'33" West along the Quarter Section line and 258.88 feet South 75°36'42" East from the Center of said Section 22; running thence South 25°18'44" West 218.78 feet along said Westerly line to the Northeast corner of Wolf Creek Village I, a timeshare condominium in Ogden Valley, Weber County, Utah; thence seven (7) courses along the Northerly line of said Wolf Creek Village I and Wolf Creek Village II, a timeshare condominium in Ogden Valley, Weber County, Utah as follows: North 63°00'00" West 28.00 feet; North 84°27'51" West 36.43 feet; North 64°30'00" West 67.29 feet; North 80°00'00" West 40.95 feet; South 66°56'45" West 51.66 feet; North 83°45'00" West 63.19 feet and South 63°08'53" West 44.20 feet; thence Northwesterly along the arc of a 49.14 foot radius curve to the left a distance of 35.20 feet (Central Angle equals 41°02'29" and Long Chord bears North 47°22'20" West 34.45 feet) to a point of tangency; thence North 67°53'36" West 106.25 feet; thence North 0°03'32" East 251.21 feet; thence South 75°36'42" East 546.26 feet to the point of beginning.