

servitudes, where reasonable, and shall run with the land.

ARTICLE II

Definitions

- 2.1 Name. The name by which the Condominium Project shall be known is THE SILVER QUEEN CONDOMINIUMS.
- 2.2 Definitions. The terms used herein shall have the meaning stated in the Utah Condominium Ownership Act and as given in this Article II.
- 2.3 "Act" shall mean and refer to the Utah Condominium Ownership Act, Utah Code Annotated 1953, Sections 57-8-1 through 57-8-36 as the same now exists and as it may be amended from time to time.
- 2.4 "Association of Unit Owners" or "Association" shall mean and refer to the Association of Unit Owners or a Utah nonprofit corporation formed as the Silver Queen Homeowners Association to manage the affairs of the project in accordance with this declaration.
- 2.5 "Board of Trustees" shall mean the governing board of the Association, appointed or elected in accordance with this Declaration and the Articles of Incorporation and the Bylaws of the Association.
- 2.6 "Building" shall mean that certain condominium building that has been constructed on the Property, as such condominium building is shown on the Map.
- 2.7 "Commercial Unit" shall mean those certain Units and all associated Convertible Space located within the Condominium Project, as identified on the Map.
- 2.8 "Common Areas and Facilities" shall mean and refer to:
- (a) the land described on Exhibit "A" attached hereto;
 - (b) that portion of the Property not specifically included in the respective Units as herein defined;
 - (c) all foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, stairs, stairways, yards, landscaping, service areas and in general all other apparatus, installations and other parts of the Property necessary or convenient to the existence, maintenance and safety of the foregoing or normally in common use;

(d) those areas specifically set forth and designed in the Map as "Common Areas"; and

(e) all Common Areas and Facilities as defined in the Act, whether or not expressly listed herein.

2.9 "Common Expenses" shall mean and refer to: All expenses of administration, maintenance, repair or replacement of the Common Areas and Facilities, including an adequate reserve fund for maintenance, repair and replacement of those Common Areas and Facilities that must be replaced on a periodic basis; all items, things and sums described in the Act which are lawfully assessed against the Unit Owners in accordance with the provisions of the Act, this Declaration, the Bylaws, and such rules and regulations pertaining to the Condominium Project as the Association of Unit Owners or the Management Committee may from time to time adopt; and such other expenses incurred pursuant to agreements lawfully made and/or entered into by the Management Committee.

2.10 "Condominium" shall mean and refer to a single unit in this Condominium Project, together with an undivided interest in common with other unit owners in the Common Areas and Facilities of the Property, and together with all other appurtenances belonging thereto, as described in this Declaration.

2.11 "Condominium Project" or sometimes the "Project" shall mean and refer to the entire Property, as defined above, together with all rights, obligations and organizations established by this Declaration.

2.12 "Convertible Space" means a portion of the structure within the condominium project, which portion may be converted into one or more units for Common Areas and Facilities, including, but not limited to, limited Common Areas and Facilities in accordance with this Declaration and the Utah Condominium Ownership Act. All convertible space is located within the commercial units as shown by the Map.

2.13 "Declarant" shall mean the Gail and Lori Potter Trust, sole owner as described on the Record of Survey Map, which has executed this Declaration and/or any successor to or assignee of Declarant which, either by operation of law or through a voluntary conveyance, transfer or assignment, comes to stand in the same relation to the Project as did its predecessor.

2.14 "Declaration" shall mean this instrument by which the Property is established as a Condominium Project.

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2.15 "Limited Common Area" shall mean and refer to those portions of the Common Areas and Facilities reserved for the exclusive use of certain owners as specified herein. The Limited Common Area shall be the second floor balcony as more particularly identified on the Map. The use and occupancy of the Limited Common Area is reserved to the Units on the second floor and each such Unit Owner is hereby granted an irrevocable license to use the same so long as such Owner owns the second floor Unit associated with such Limited Common Area. This use is subject to and restricted by Article X of this Declaration.

2.16 "Management Committee" or "Committee" shall mean and refer to the officers of the Association as provided in this Declaration and the Articles and/or Bylaws hereto attached as Exhibit "B". Said committee is charged with and shall have the responsibility and authority to make and to enforce all of the reasonable rules and regulations covering the operation and maintenance of the project.

2.17 "Manager" shall mean and refer to the person, persons or corporations, if any, selected by the Management Committee to manage the affairs of the Condominium Project.

2.18 "Map" shall mean and refer to the Record of Survey Map of Silver Queen Condominiums recorded herewith by Declarant.

2.19 "Mortgage" shall mean and include both a mortgage on any Condominium Unit and a deed of trust on any Condominium Unit. "First Mortgage" shall mean a Mortgage, the lien of which is prior and superior to the lien of any other Mortgage on the same Unit.

2.20 "Mortgagee" shall mean and include both mortgagee under the Mortgage on any Condominium Unit and the beneficiary under a deed of trust on any Condominium Unit. The words "First Mortgagee" shall mean the Mortgagee under a First Mortgage on any Unit.

2.21 "Property" shall mean and include the land, described in Article I, the buildings, all improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

2.22 "Residential Unit" shall mean those Units of the Condominium Project located on the second, third and fourth levels of the Building depicted on the Map and identified by unit numbers as shown on the Map.

2.23 "Total Votes of Association" shall mean the total number of votes appertaining to all Condominiums in the Condominium Project as shown in Exhibit "C" attached hereto.

2.24 "Unit" shall mean and refer to an individual air space unit, consisting of enclosed rooms, occupying part of the Building and bounded by the interior surfaces of the walls, floors and ceilings along the perimeter boundaries of the air space, as said boundaries are shown on the Map, together with all fixtures and improvements therein contained. Paint and other wall, ceiling or floor coverings on interior surfaces shall be deemed to be a portion of the Unit. Notwithstanding the fact that they may be within the boundaries of such air space, the following are not part of the Unit, insofar as they are necessary for the support or for the use and enjoyment of another unit: bearing walls, floors, ceilings, and roofs (except the interior surfaces under said roof), foundations, ceiling equipment, tanks, pumps, pipes, vents, ducts, shafts, flues, chutes, conduits, wires, and other utility installations, except as the outlets thereof when located within the Unit. The interior surfaces of a window or door means the points at which such surfaces are located when the window or door is closed.

2.25 "Unit Number" shall mean and refer to the letter, number or combination thereof designing the Unit in Declaration and in the Map.

2.26 "Unit Owner" or "Owner" shall mean the entity, person or persons owning a Unit in the Condominium Project in fee simple and an undivided interest in the fee simple estate of the Common Areas and Facilities as shown in the records of the County Recorder of Summit County, Utah. The term Unit Owner or Owner shall not mean or include the mortgagee or beneficiary or trustee under a deed of trust unless and until such a party has acquired title pursuant to foreclosure or any arrangements or proceeding in lieu thereof.

2.27 "Utility Services" shall include, but not limited to, electrical, gas, water, trash collection, snow removal and sewage disposal.

2.28 Those definitions contained in the Act, to the extent they are applicable hereto and not inconsistent herewith, shall be and are hereby incorporated herein by reference and shall have the same effect as if expressly set forth herein and made a part thereof.

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ARTICLE III

Submission to Condominium Ownership

Declarants hereby submit the Property to the provisions of the Act as a Condominium Project and this Declaration is submitted in accordance with the terms and the provisions of the Act and shall be construed in accordance therewith. It is the intention of Declarants that the provisions of the Act shall apply to the Property.

ARTICLE IV

Covenants to Run With the Land

This Declaration contain covenants, conditions and restrictions relating to the Project which are and shall be enforceable equitable servitudes which shall run with the land and be binding upon Declarant, its successors and assigns and upon all Unit Owners or subsequent Unit Owners, their grantees, mortgagees, successors, heirs, personal representatives, devisees, lessees, assigns and guests.

ARTICLE V

Description of Property

5.1 Description of Land. The land is that tract or parcel in Summit County, Utah, more particularly described on Exhibit "A" of this Declaration.

5.2 Description of Improvements. The project has been constructed in accordance with the information contained on the Map. The Building contains four levels. The lowest level consists of the Commercial Area, which Commercial Area shall be Convertible Space. The remaining three levels (the upper three floors of the Building) contain 12 residential units. The Commercial Area consists of space located on the lower level and contains space for retail commercial entities, including restaurant or food service space. All of the Commercial Area will be Convertible Space as provided in Article XXXVII hereof. The Common Area and Facilities (including Limited Common Areas) will be indicated on the Map and will include, but will not be limited to, the elevators, common access hallways, bathrooms and space for the mechanical equipment for the Building. Each Unit will be separately metered for electricity, but electricity for Common Areas will be treated as Common Expense. Central heating, air conditioning and water heaters, where necessary, will be provided and the utility charge therefore will be treated as Common Expense. Natural gas charges and garbage and snow removal charges will be treated and billed

to the Unit Owners as Common Expense. Sewer charges and water charges assessed to the project shall be allocated and paid in accordance with Exhibit "C". The project will be subject to the easements which are reserved through the project, and as may be required for utility service and is shown on the Map, and that are otherwise of record. No parking is provided for the project.

5.3 Description and Legal Status of Units. The Map and Exhibit "C" attached hereto and hereby made a part hereof show the Unit Number of each Unit, its location, and the Common Areas and Facilities to which it has access. All Units shall be capable of being independently owned, encumbered and conveyed.

(a) each Unit shall include that part of the building containing the Unit which lies within the boundaries of the Unit, which boundary shall be determined in the following manner:

(i) the upper boundary shall be the plane of the lower surface of the ceiling;

(ii) the lower boundary shall be the plane of the upper surface of the floor; and

(iii) the vertical boundaries of the Unit shall be (i) the interior surface of the outside walls of the building bounding a Unit; (ii) the center line of any non-bearing interior walls bounding a Unit; and (iii) the interior surface of any interior bearing walls bounding a Unit.

(b) A Convertible Space shall be treated as a Unit in accordance with subsection 57-8-13.4(3) of the Act and of Article XXXVII of this Declaration.

5.4 Description of Common Areas and Facilities. Except as otherwise provided in this Declaration, the Common Areas and Facilities shall consist of the areas and facilities described in the definitions and constitute in general all of the parts of the Property except the Units. Without limiting the generality of the foregoing, the Common Areas and Facilities shall include the following, whether located within the bounds of a Unit or not:

(a) all structural parts of the building including, without limitation, foundations, columns, joists, beams, supports, supporting walls, floors, ceilings and roofs;

(b) elevators, stairs, halls and entrance ways;

- (c) any utility pipe or line or system servicing more than a single Unit, and all ducts, wires, conduits, and other accessories used therewith;
- (d) all other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common Areas and Facilities in the Map;
- (e) all repairs and replacements of any of the foregoing.

ARTICLE VI

Alterations

For one (1) year following the recordation hereof, Declarant reserves the right to change the interior design and interior arrangement of any Unit and to alter the boundaries between Units, or to combine Units, so long as the Units so altered or combined have not been conveyed by Declarant and the total square footage of the Units so altered or combined is not affected. Any change of the boundaries between Units and any resulting alteration of this Declaration and of the Map which may be executed by the Declarants alone, notwithstanding the procedures for amendment described in Article XXVII of this Declaration. Any change in Unit size shall be accompanied by a reallocation of percentage interests in Commons Areas and Facilities on a square-footage basis. However, no such change shall increase the number of Units nor materially alter the boundaries of the Common Areas and Facilities associated with the non-altered or non-combined Units without amendment of this Declaration and of the Map in the manner described in Article XXVII of this Declaration; provided, however, that nothing in this Article VI shall impair, restrict or prevent the exercise of Declarant's right to convert Convertible Space to additional Units as described in Article XXXVII.

ARTICLE VII

Statement of Purpose and Restriction on Use

- 7.1 Purpose. The purpose of the Condominium Project is to provide residential housing space for Residential Unit Owners, their families, guests and lessees, and the family and guests of such lessees, to provide commercial space for the uses authorized herein for the Commercial Unit Owner, all in accordance with the provisions of the Act. No parking spaces are provided for the Project.

7.2 Restrictions on Use. The Units and Common Areas and Facilities shall be used and occupied as hereinafter set forth:

- (a) all Units within the Project are Residential Units except those specifically designated as Commercial Units on the Map. Each of the Residential Units shall be occupied only as a residence and for no other purpose. No business shall be operated in or from any Residential Unit itself other than the rental of the Unit itself, subject to applicable zoning and business regulation laws and ordinances. No use of the Commercial Unit shall violate any city, county, state or federal regulation, ordinance or statute. The Common Areas and Facilities shall be used only for the purposes for which they are intended.
- (b) nothing shall be done or kept in any Unit or in the Common Areas and Facilities which will increase the rate of insurance on the building or contents thereof beyond that customarily applicable for the use authorized for such Unit, or will result in the cancellation of insurance on the building, or the contents thereof, without the prior written consent of the Management Committee. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Areas and Facilities which is in violation of any law or regulation of any governmental authority.
- (c) no Unit Owner shall cause or permit anything (including, without limitation, an awning canopy, shutter, storm door or screen door) to hang, be displayed, be visible or otherwise be placed on the exterior walls or roof of any building or any part thereof, or on the outside of windows or doors, without prior written consent of the Management Committee. No sign of any kind shall be displayed to the public view on or from any Residential Unit or the Common Areas unless it is for common benefit of all Unit Owners.
- (d) no noxious or offensive activity shall be carried on in any Unit or in the Common Areas and Facilities, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants.
- (e) nothing shall be done in any Unit or in, on or to the Common Areas and Facilities which will impair the structural integrity of the building or any part thereof or which would structurally change the building or any part thereof except as is otherwise provided herein.

(f) no pets or animals of any kind shall be allowed, kept, bred or raised in any Unit or on any of the Common Area in the Project, except pursuant to rules and regulations established by the Management Committee.

(g) the Common Areas and Facilities shall be kept free and clear of all rubbish, debris and other unsightly materials.

ARTICLE VIII

Person to Receive Service of Process

The person to receive service of process in the cases provided herein in the Act is Robert Felton, Esq. whose address within Salt Lake County, Utah, is 39 Exchange Place, #200, Salt Lake City, Utah 84111. The said person may be changed by the recording by the Management Committee of an appropriate instrument.

ARTICLE IX

Ownership and Use

9.1 Ownership of a Unit. Except with respect to any of the Common Areas and Facilities located within the bounds of a Unit, each Unit Owner shall be entitled to the exclusive ownership and possession of his Unit and to the ownership of an undivided interest in the Common Areas and Facilities. Exercise of Declarants' right to convert Convertible Space may result in a change in the undivided interest appurtenant to each Unit. Exercise of Declarants' right to create additional units and/or limited common areas and facilities in Convertible Space will result in such a change.

9.2 Nature of and Restrictions on Ownership and Use. Each Unit Owner shall have and enjoy the rights and privileges of fee simple ownership of his Unit. There shall be no requirements concerning who may own Units, it being intended that they may and shall be owned as any other property rights by persons, corporations, partnerships or trusts, and in the form of common or joint tenancy. A Unit Owner may lease or rent his Unit, or any portion thereof which may be separately locked and secured from the remainder of such Unit, with its appurtenant rights subject to terms and conditions chosen solely by the Unit Owner and his lessee, except that all Unit Owners, their tenants and other occupants or users of the Project, shall be subject to the Act, this Declaration, the Bylaws, and all rules and regulations of the Association of Unit Owners and Management Committee.

9.3 Prohibition Against Subdivision of Unit. Except as provided in Article VI and in Paragraph 9.2 of this Article IX, no Unit Owner, by deed, plat or otherwise, shall subdivide or in any manner cause his Unit to be separated into physical tracts or parcels smaller than the whole Unit as shown on the Map, nor shall any Unit Owner cause, suffer or permit the fee ownership of his Unit to be separated or divided into annually recurring or any other time periods for which the Unit will be separately owned.

9.4 Ownership of Common Areas and Facilities. The Common Areas and Facilities contained in the Project are described and identified in Paragraph 5.4 of Article V of this Declaration. Said Common Areas and Facilities shall be owned by the Unit Owners as tenants in common. No percentage ownership interest in the Common Areas and Facilities shall be separated from the Unit to which it appertains; and even though not specifically mentioned in the instrument of transfer, such a percentage of undivided ownership interest shall automatically accompany the transfer of the Unit to which it relates. A Unit Owner's percentage ownership interest in the Common Areas and Facilities is computed on the basis of square footage and shall be the same for all purposes, including voting and assessment of common expenses, except as otherwise provided for herein. The percentage ownership interests in the Common Areas and Facilities are set forth in Exhibit "C" hereto.

9.5 Use of Common Areas and Facilities. The Common Areas and Facilities shall be used only in a manner which is consistent with their community nature and with the use restrictions applicable to the Units contained in the Project, subject to this Declaration, Bylaws and the rules and regulations promulgated by the Management Committee. This right of use shall be appurtenant to and run with each Unit.

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

ARTICLE X

Limited Commons Areas

Each Unit Owner may use the Limited Common Area adjacent to his Unit only for plants or any other use approved, in advance, by the Management Committee. The Management Committee may restrict or prohibit any use if it sees fit. The Limited Common Area shall not be utilized for human occupancy or use.

ARTICLE XI

Voting - Multiple Ownership

The vote attributable to and exercisable in connection with a Unit shall be the percentage of undivided ownership interest in the Common Areas and Facilities which is appurtenant to such Unit. Total number of votes attributable to a Unit is set forth in Exhibit "C" attached hereto. In the event there is more than one Owner of a particular Unit, the vote relating to such Unit shall be exercised as such Owners may determine among themselves. A vote cast at any meeting by any of such Owners shall be conclusively presumed to be the vote attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

ARTICLE XII

The Association

12.1 Membership. Each Owner shall be entitled and required to be a member of the Association; membership shall begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Condominium is held by more than one person, the membership appurtenant to that Condominium shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which title to the Condominium is held. An Owner shall be entitled to one membership for each Condominium owned by him. Each membership shall be appurtenant to the Condominium to which it relates and shall be transferred automatically by conveyance of that Condominium. Ownership of a Condominium within the Project cannot be separated from membership in the Association appurtenant thereto, and any devise, encumbrance, conveyance, or other disposition of a Condominium shall be construed to be a devise, encumbrance, conveyance or other disposition, respectively, of the

Owner's membership in the Association and rights appurtenant thereto. No person or entity other than an Owner may be a member of the Association, and membership in the Association may not be transferred except in connection with the transfer of a Condominium.

12.2 Votes. The number of votes appurtenant to each respective Condominium shall be allocated on the basis of the undivided interest in the Common Areas appurtenant to each Unit, and shall be as set forth in Exhibit "C" attached hereto and by this reference made a part hereof. The number of votes appurtenant to each Condominium as set forth in said Exhibit "C" shall have a permanent character and shall not be altered without the unanimous written consent of all Owners expressed in an amendment to this Declaration duly recorded.

12.3 Amplification. The provisions of this Article XII may be amplified by the Articles of Incorporation and Bylaws of the Association; provided, however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners set forth in this Declaration. A copy of the initial Bylaws of the Association are attached hereto as Exhibit "D" and by this reference made a part hereof.

12.4 Declarant's Authority to Appoint Trustees. Notwithstanding anything contained in the Articles of Incorporation or Bylaws of the Association to the contrary, the Declarant is hereby authorized to appoint and remove all members of the Board of Trustees; provided, however, that such authorization granted to the Declarants of this Section 12.4 shall expire and shall be of no further force or effect upon the first to occur of the following:

- (a) the sixth anniversary of the date hereof; or
- (b) the conveyance of three-fourths of the residential Units.

12.5 Amendment of Article. This Article XII shall not be amended unless the Owners of all Condominiums in the Project unanimously consent and agree to such amendment by instruments duly recorded.

12.6 Management Committee. The business, property and affairs of the Project shall be managed, operated and maintained by the Management Committee as agent for the Association. The Management Committee shall, in connection with its exercise of any of the powers delineated in paragraphs (a) through (g) below, be authorized to deal in the name of the Association. The Management Committee shall have, and is hereby granted, the following authority and powers on behalf

of the Association:

- (a) the authority, without the vote or consent of the Unit Owners or of any other person(s), to grant or create, on such terms as it deems advisable, utility and similar easements, over, under, across and through the Common Areas and Facilities;
- (b) the authority to execute and record, on behalf of all Unit Owners, any amendment to the Declaration or Map which has been approved by the vote or consent necessary to authorize such amendment;
- (c) the power to sue on behalf of and in the name of the Association;
- (d) the authority to enter into contracts which in any way concern the Project, including, without limitation, a comprehensive contract with a management company, so long as any vote or consent of the Unit Owners necessitated by the subject matter of the agreement has been obtained;
- (e) the power and authority to convey or transfer any interest in real property, so long as any vote or consent necessary under the circumstances have been obtained;
- (f) the authority to promulgate such reasonable rules, regulations and procedures as may be necessary or desirable to aid the Committee in carrying out any of its functions or to insure that the Project is maintained and used in a manner consistent with the interests of the Unit Owners; and
- (g) the power and authority to perform any other acts and to enter into any other transactions which may be necessary for the Management Committee to perform its functions as agent for the Association.

Any instrument executed by the Management Committee that recites facts which, if true, would establish the Committee's power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.

12.7 Composition of Management Committee. The Committee shall be selected by the Board of Trustees of the Association; shall be composed of three (3) members and shall constitute the officers of the Association. A member of the Board of

Trustees may also serve as a member of the Management Committee. Committee members shall serve at the pleasure of the Board of Trustees and may be removed at any time upon a majority vote of the Board. Except for the initial Management Committee, only Unit Owners and officers and agents thereof shall be eligible for Committee membership. At each annual meeting of the Owners, members of the Board of Trustees shall be elected for one (1) year terms. At each election for Trustees, the Owner(s) of each Unit shall be entitled to the number of votes as set forth in Exhibit "C", attached hereto. The Board of Trustees shall have three (3) members. Said votes may be voted in favor of as many candidates for Board membership as the Owner(s) desire, or may be cumulated and voted for a lesser number of candidates; provided, however, that until the provisions of subparagraph 12.4 of this Article XII have been fulfilled and complied with, Declarants alone shall be entitled to select all of the Board members. Notwithstanding the foregoing limitations, until the first meeting of the Owners, the members of the Committee shall be the following persons and each shall hold office as indicated:

President	Gail C. Potter
Vice President	Lori Potter
Secretary-Treasurer	Jana Potter

Any Board member who fails on three (3) successive occasions to attend Board meetings (whether regular or special) or who has not attended at least seventy-five (75%) of all Board meetings (whether regular or special) held during any twelve (12) month period shall automatically forfeit his seat. In the event a Board seat becomes vacant, whether by reason of forfeiture or due to another cause, the remaining Board members shall elect a replacement to sit on the Board until the expiration of the term for which the member being replaced was elected. Unless he forfeits or otherwise loses his seat as herein provided, member shall serve on the Board until his successor is elected and qualifies. Board and Committee members shall be reimbursed for all expenses reasonably incurred in connection with Board or Committee business.

12.8 Responsibility. The Management Committee shall be responsible for the control, operation and management of the Project in accordance with the provisions of the Act, this Declaration, such administrative, management and operational rules and regulations as it may adopt from time to time as herein provided, and all agreements and determinations lawfully made and entered into by said Committee.

12.9 Approval Required. The Management Committee shall not, without the prior favorable vote or the written consent of the Owners of a majority interest in the undivided ownership of the Common Areas and Facilities, have the authority to purchase or sell any real property or add any property to the Common Areas and Facilities. Conversion of Convertible Space pursuant to Article XXXVII may be accomplished without the approval of the Management Committee, Trustees or Owners.

12.10 Additional Facilities. The Management Committee shall, subject to any necessary approval, have the authority to provide such facilities, in addition to those for which provision has already been made, as it may deem to be in the best interests of the Unit Owners and to effect the necessary amendment of documents and maps in connection therewith.

12.11 Name. The Management Committee shall be known as Silver Queen Management Committee.

12.12 Manager. The Committee may carry out through a Manager any of its functions which are properly the subject of delegation. Any Manager so engaged shall be an independent contractor and not an agent or employee of the Committee; shall be responsible for managing the Project for the benefit of the Committee and the Unit Owners, and shall, to the extent permitted by law and the terms of the agreement with the Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself. Any agreement for professional management of the Project, or any other contract providing for services of the Declarants which may be entered into by the Management Committee or the Association shall call for a term not exceeding three (3) years.

ARTICLE XIII

Easements

13.1 Easement for Maintenance, Cleaning & Repair. Each Unit shall be subject to such easements as may be necessary for the installation, maintenance, repair or replacement of any Common Area and Facilities located within the boundaries of such Unit or reasonably accessible only through such Unit. Some of the Common Areas are or may be located within the Units or may be conveniently accessible only through Units. The Association shall have the irrevocable right to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, cleaning, repair, replacement of any Common Areas or for making emergency repairs at any time therein necessary to prevent damage to the Common Areas or to any

Unit. In addition, the Association or its agents may enter any Unit when necessary in connection with any cleaning, maintenance, repair, replacement, landscaping, construction or reconstruction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owner as practicable, and any damage caused thereby shall be repaired by the Association with funds from the Common Expense Fund.

13.2 Easements for Encroachments. In the event that, by reason of the construction, reconstruction, settlement or shifting of any part of a building, any part of the Common Areas and Facilities encroaches or shall hereafter encroach upon any part of any Unit or any part of any Unit encroaches or shall hereafter encroach upon any part of the Common Areas and Facilities or any other Unit, valid easements for such encroachment and the maintenance of such encroachment are hereby established and shall exist for the benefit of such Unit and the Common Areas and Facilities, as the case may be, so long as all or any part of the building containing any such Unit shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of any Unit Owner or in favor of the Unit Owners as owners of the Common Areas and Facilities if such encroachment occurred due to the willful conduct of such Unit Owner or Owners occurring after the date on which this Declaration is recorded.

13.3 Right to Ingress, Egress and Support. Each Owner shall have the right to ingress and egress over, upon and across the Common Areas as necessary for access to such Owner's Unit shall have the right to horizontal, vertical and lateral support of such Unit, and such right shall be appurtenant to and pass with title to each Condominium.

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

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

13.6 Ingress and Egress Through Converted Space. In the event that the Declarant chooses to convert any of the convertible space as provided for in Article XXXVII there shall be granted and reserved to the units the right of access, egress and ingress through the existing entrance and by way of the existing stairs and elevators. No change in the first floor space is permitted which would impair or deny this right.

ARTICLE XIV

Change of Ownership

The Management Committee shall maintain up-to-date records showing the name of each Owner, the address of such Owner, and the Unit which is owned by him. In the event of any transfer of a fee or undivided fee interest in a Unit, either the transferor or transferee shall furnish the Management Committee with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of record in the office of the Summitt County Recorder. The Management Committee may for all purposes act and rely on the information concerning Owners and Unit Ownership which is thus acquired by it or, at its option, the Management Committee may act and rely on current ownership information respecting any Unit or Units which is obtained from the office of the County Recorder. The address of an Owner shall be deemed to be the address of the Unit owned by such Owner unless the Management Committee is otherwise advised. An Owner who fails to so furnish the above information shall continue to be liable for monthly assessments of Common Expense even after transferring ownership of the Unit.

ARTICLE XV

Certain Rights and Obligations of the Association

15.1 Common Areas. Subject to the rights and duties of the Owners as set forth in this Declaration, the Association shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including the Common Facilities), and shall keep the same in a good, clean, attractive, safe and sanitary condition, order and repair. The Association shall be responsible for the maintenance and repair of the exterior of the Building and the grounds, including without limitation painting, repair and replacement of exterior trim and roofs, and maintenance of landscape and walkways. The Association shall also be responsible for maintenance, repair and replacement of Common Areas within the Building, including, without limitation, hallways, elevators, utility lines, and all Common Facilities,

improvements and other items located within or used in connection with the Common Areas. The specification of duties of the Association with respect to particular Common Areas shall not be construed to limit its duties with respect to other Common Areas, as set forth in the first sentence of this Section. All goods and services procured by the Association in performing its responsibilities under this Section shall be paid for with funds from the Common Expense Fund.

15.2 Miscellaneous Goods and Services. The Association may obtain and pay for the services of such personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or with which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration. In addition to the foregoing, the Association may acquire, and pay for out of the Common Expense Fund, water, sewer, garbage collection, electrical, gas, cable television and other necessary or desirable utility services for the Common Areas (and for the Units to the extent not separately metered or billed), and insurance, bonds, and other goods and services common to the Units.

15.3 Real and Personal Property. The Association may acquire and hold real, personal, and mixed property of all types for the use and benefit of all of the Owners and may dispose of such property by sale or otherwise. All such property, including Common Facilities, shall be paid for out of the Common Expense Fund and all proceeds from the disposition thereof shall be part of such Fund.

15.4 Rules and Regulations. The Association may make reasonable rules and regulations governing the use of the Units, the Common Areas, and the Limited Common Areas, which rules and regulations shall be consistent with the rights and duties established in this Declaration. The Association may take judicial action against any Owner to enforce compliance with such rules and regulations or other obligations of Owners arising hereunder, or to obtain damages for noncompliance therewith, as permitted by law. In the event of such judicial action, the Association shall be entitled to recover its costs, including reasonable attorneys fees, from the offending Owner.

15.5 Granting Easements. The Association may, without the vote or consent of the Owners or of any other person, grant or create, on such terms as it deems advisable, utility and similar easements and rights-of-way over, under, across and

through the Common Areas.

15.6 Implied Rights. The Association may exercise any right or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonably implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE XVI

Destruction or Damage

16.1 In the event of destruction of or damage to part or all of the improvements in the Condominium Project, the procedures of this section shall apply:

- (a) if the proceeds of the insurance maintained by the Management Committee are alone sufficient to repair or reconstruct the damaged or destroyed improvement, such repair or reconstruction shall be carried out.
- (b) if less than seventy-five percent (75%) of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all of the Unit Owners shall be assessed for any deficiency on the basis of their respective appurtenant percentage of undivided ownership interest in the Common Areas and Facilities, said assessment becoming a lien on the Units as provided in the Act.
- (c) if seventy-five percent (75%) or more of the Project's improvements are destroyed or substantially damaged, and if the proceeds of the insurance maintained by the Management Committee are not alone sufficient to accomplish restoration, and if the Unit Owners within one hundred (100) days after the destruction or damage by a vote of at least seventy-five percent (75%) of the entire undivided ownership interest in the Common Areas and Facilities of the Project elect to repair or reconstruct the affected improvements, restoration shall be accomplished in the manner directed under subsection (b) above.
- (d) if seventy-five percent (75%) or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Committee are insufficient to accomplish restoration, and if the Unit Owners do not, within one hundred (100) days after the destruction or damage and by a vote of at least

seventy-five percent (75%) of the entire undivided ownership interest in the Common Areas and Facilities of the Project, elect to repair or reconstruct the affected improvements, the Management Committee shall promptly record with the County Recorder a notice setting forth such facts. Upon the recording of such notice the provisions of subsections (1) through (4) of Section 57-8-31 of the Act shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units.

- (e) any reconstruction or repair which is required to be carried out by this section shall be accomplished at the instance and direction of the Management Committee. Any determination which is required to be made by this section regarding the extent of damage to or destruction of Project improvements shall be made as follows:

16.2 Selection of Appraisers. The Management Committee shall select three (3) appraisers; each appraiser shall independently estimate the percentage of project improvements which have been destroyed or substantially damaged; the percentage which governs the application of the provisions of this section shall be the median of the three (3) estimates.

ARTICLE XVII

Taxes

It is understood that under the Act each Unit, together with its percentage of undivided interest in the Common Areas and Facilities in the Project, is deemed a parcel and subject to separate assessment and taxation by each assessing unit and special district for all types of taxes authorized by law. Each Unit Owner will, accordingly, pay and discharge any and all taxes which may be assessed against his Condominium.

ARTICLE XVIII

Insurance

18.1 Hazard Insurance. The Management Committee or Association of Unit Owners shall at all times maintain in force hazard insurance meeting the following requirements:

- (a) a multi-peril type policy covering the entire Condominium Project (both Units and Common Areas and Facilities) shall be maintained. Such policy shall provide coverage against loss or damage by fire and other hazards covered by the standard extended coverage endorsement and by debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage,

and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location and use. As a minimum, such policy shall provide coverage on a replacement cost basis in an amount not less than that necessary to comply with any co-insurance percentage specified in the policy, but not less than eighty percent (80%) of the full insurable value of the Project (based upon replacement cost). Such policy shall include an "Agreed Amount Endorsement" or its equivalent, and, if necessary or appropriate, an "Increased Cost of Construction Endorsement" or its equivalent.

(b) if a steam boiler is or comes to be contained in the Project, there shall be maintained boiler explosion insurance and a broad form policy of repair and replacement boiler and machinery insurance, evidenced by the standard form of boiler and machinery insurance policy. Said insurance shall, at a minimum, provide coverage in the amount of Fifty Thousand Dollars (\$50,000.00) per accident per location.

(c) if the Project is or comes to be situated in a locale identified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, a "blanket" policy of flood insurance on the Condominium Project shall be obtained and maintained. The minimum amount of coverage afforded by such policy shall be the lesser of the maximum amount of insurance available under the said Act or the aggregate of the unpaid principal balances of the Mortgages affecting the individual Units. Such policy shall be in the form of the standard policy issued by members of the National Floor Insurers Association or in the form of a policy which meets the criteria established by the Flood Insurance Administration.

(d) the named insured under each policy required to be maintained by the foregoing items (a), (b) and (c) shall be in form and substance essentially as follows: "Silver Queen Owners Association, Inc., or its authorized representative, for the use and benefit of the individual Owners".

(e) each such policy shall include the standard mortgagee clause (without contribution) which either shall be endorsed to provide that any proceeds shall be paid to the Management Committee or the Association of Unit Owners for the use and benefit of Mortgagees as their interests may appear or shall be otherwise endorsed to

fully protect the interests of Mortgagees. In addition, the mortgagee clause shall provide that the insurance carrier shall notify each Mortgagee at least thirty (3) days in advance of the effective date of any reduction in or cancellation of the policy.

- (f) each such policy shall provide that notwithstanding any provision thereof which gives the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable if it is in conflict with any requirement of law or without the prior written approval of the Association.

18.2 Fidelity Insurance. The Management Committee or Association may maintain in force fidelity coverage against dishonest acts on the part of managers (and employees of managers), trustees, employees, officers, Committee members, or volunteers responsible for handling funds belonging to or administered by the Management Committee or Association of Unit Owners. The fidelity bond or insurance shall name the Association as the obligee or insured and shall be written in an amount sufficient to afford the protection reasonably necessary.

18.3 Liability Insurance. The Management Committee or Association of Unit Owners shall at all time maintain in force a comprehensive policy of public liability insurance covering all of the Common Areas and Facilities. Such insurance shall include a "Severability of Interest Endorsement" or its equivalent which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of other Owners, the Management Committee, or the Association of Unit Owners. The coverage afforded by such public liability insurance shall include protection against water damage liability, liability for property of others, and such other risks as customarily are covered with respect to condominium projects similar to the Project in construction, location and use. The limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000.00) for all claims for personal injury, death and/or property damage arising out of a single occurrence.

18.4 General Requirements Concerning Insurance. Each insurance policy maintained pursuant to the foregoing Article XVIII Section 1 through 3 shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a general policyholders rating of B+ or better and a financial category rating of Class XII or better in Best's Insurance Guide.

- (a) no such policy shall be maintained where:

- (i) under the terms of the carrier's charter, bylaws or policy, contributions may be required from, or assessments may be made against, a Unit Owner, a Mortgagee, the Management Committee, the Association of Unit Owners, a Unit, the Common Areas, or the Project;
 - (ii) 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;
 - (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled from collecting insurance proceeds; or
 - (iv) the policy provides that the insurance thereunder shall be brought into contribution with insurance purchased by the individual Unit Owners or their Mortgagees;
- (b) each such policy shall provide that:
- (i) coverage shall not be prejudiced by any act or neglect of the Unit Owners when such act or neglect is not within the control of the Association of Unit Owners or the Management Committee;
 - (ii) coverage shall not be prejudiced by any failure by the Association or Committee to comply with any warranty or condition with regard to any portion of the Project over which the Association and Committee have no control;
 - (iii) coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice to any and all insureds named therein, including any Mortgagee named as an insured; and
 - (iv) the insurer waives any right of subrogation it might have to any and all claims against the Association, the Management Committee, and Unit Owner, and/or their respective agents, employees or tenants, and any defense it might have based upon co-insurance or upon invalidity arising from acts of the insured.

If, due to changed circumstances, excessive cost, or any other reason, any of the insurance coverage required to be obtained and maintained under Sections 1 through 3 of this Article XVIII cannot reasonably be secured, with respect to such coverage the Association or the Committee shall obtain and maintain such substitute, different or other coverage as may be reasonable and prudent under the circumstances as they then exist.

ARTICLE XIX

Assessment

- 19.1 Agreement to Pay Assessments. Declarants, for each Condominium owned by it within the Project, and for and as the Owner of the Project and every part thereof, hereby covenants, and each Owner of any Condominium, by the acceptance of instruments of conveyance and transfer therefor, whether or not it be so expressed in said instruments, shall be deemed to covenant and agree with each other and with the Association to pay to the Association all Assessments made by the Association through the Management Committee for the purposes provided in this Declaration. Such Assessments shall be fixed, established, and collected from time to time as provided in this Article XIX.
- 19.2 Time Payment. Each Unit Owner shall pay the Management Committee his allocated portion of the Assessment upon the terms, at the time, and in the manner herein provided without any deduction on account of any set-off or claim which the Owner may have against the Management Committee or Association. If the Unit Owner shall fail to pay any installment of the Assessment within one (1) month of the time when the same becomes due, the Owner shall pay interest thereon at the rate of eighteen percent (18%) per annum from the date when such installment shall become due to the date of the payment thereof. Interest on delinquent payments shall be compounded annually.
- 19.3 Common Expenses. The Assessment for Common Expenses for each year, or portion of the year, shall be deemed to include adequate reserve fund for maintenance, repairs and replacement of the Common Areas and Facilities as required on a periodic basis, plus such aggregate sum as the Management Committee from time to time shall determine, in its judgment, is to be paid by all the Owners of the Condominium Project to enable the Management Committee to pay all estimated expenses and outlays of the Management Committee to the close of such year, growing out of or in connection with the maintenance and operation of such land, building or improvements; which sum may include, among other things, the cost of management, special assessments, fire, casualty, flood, fidelity, public

liability and other insurance premiums, common lighting, care of the grounds, repairs, and renovations to Common Areas and Facilities, snow removal, wages, all utility services (except telephone, electricity, water and other services which may be separately billed or metered to the individual Units by the utility or party furnishing such service), legal and accounting fees, management fees, expenses and liabilities incurred by the Management Committee under or by reason of this Declaration, the payment of any deficit remaining from the previous period, the creation of a reasonable contingency or other necessary reserve or surplus fund, as well as all other costs and expenses relating to the Condominium Project. The Management Committee may, from time to time, up to the close of the year for which the Common Expenses have been so fixed or determined, increase or diminish the amount previously fixed or determined for such year. It may include in the Common Expenses for any year, any liabilities or items of expense which accrued or became payable in the previous year, or which might have been included in the Common Expenses for a previous year, but were not included therein; and also any sums which the Management Committee may deem necessary or prudent to provide a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

19.4 Apportionment. The Assessment payable with respect to each Unit in and for each year or for a portion of a year shall be a sum equal to the aggregate amount of the Common Expenses for such year, or portion of year, determined as aforesaid, multiplied by the percentage of undivided interest in the Common Areas and Facilities appurtenant to such Unit, as shown in Exhibit "C", except as follows:

- (a) The utility fee for water supplied to the Project and sewer fees assessed to the Project shall be paid in the following percentages: (1) the Commercial Unit shall pay a total of ten percent (10%) of said fees, (2) the Residential Units shall collectively pay the remaining ninety percent (90%).
- (b) Each Residential Unit and Commercial Unit(s) shall pay an individual management fee, which management fee shall be an equal amount for all such Units.

Such Assessments, together with any additional sums accruing under this Declaration, shall be payable monthly in advance, or in payments and installments as shall be provided by the Management Committee. The Management Committee has estimated that the Assessment of Common Expenses for the first year and the monthly share initially attributable to each Unit will be as set forth on Exhibit "C". The latter estimate constitutes the initial monthly assessment of Common Expenses for each

Unit. An additional one-time assessment equal to twice the monthly assessment is to be paid by the initial purchaser of each Unit at the time of purchase, which assessment is in addition to and not in lieu of all other assessments due hereunder. The foregoing is only an estimate, however, and may be revised by the Management Committee as experience is accumulated.

19.5 Management Committee Discretion. The Management Committee shall have discretionary powers to prescribe the manner of maintaining and operating the Condominium Project and to determine the Assessment for Common Expenses of the Project to be paid as aforesaid by the Owners under this Declaration. Every such reasonable determination by the Management Committee within the bounds of the Act and this Declaration, shall be final and conclusive as to the Owners, and any expenditures made by the Management Committee, within the bounds of the Act and this Declaration shall as against the Owner be deemed necessary and properly made for such purposes.

19.6 Assignment of Rent to Pay Assessment. If an Owner shall at any time let or sublet his Unit and shall default for a period of one (1) month in the payment of any assessment, the Management Committee may, at its option, so long as such default shall continue, demand and receive from any tenant or subtenant of the Owner occupying the Unit so much of the rent due and becoming due and payable as is necessary to cure said default and the payment of such rent to the Management Committee shall be sufficient payment and discharge of such tenant or subtenant and the Owner to the extent of the amount so paid. The Owner herewith consents and agrees to such assignment of rent to the Management Committee.

19.7 Personal Obligation of Owner. Each monthly Assessment and each Special Assessment of Common Expenses shall be separate, distinct, and personal obligations of the Owner(s) of the Unit against which the same is assessed at the time the Assessment is made and shall be collectible as such. Suit to recover a money judgment for unpaid Assessments may be maintained without foreclosure or waiving the lien (described hereafter) securing the same. If not paid when due, the amount of any Assessment, whether regular or special, assessed to a Unit plus interest at eighteen percent (18%) compounded per annum, costs of action and reasonable attorney's fees, shall become a lien upon such Unit upon recordation of a notice thereof as provided by the Act. The said lien for non-payment of Common Expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

- (a) tax and special assessment liens on the Unit in favor of any assessing unit, or special district; and
- (b) encumbrances on the interest of the Unit Owner recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

19.8 Personal Liability of Purchaser. In any conveyance, except to a Mortgagee as hereinafter set forth, the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid Assessments against the latter for the share of the Assessments up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee. However, any such grantee shall be entitled to a statement from the Manager or Management Committee setting forth the amounts of the unpaid assessments against the grantor, and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments against the grantor in excess of the amount set forth.

19.9 Statement of Account. A certificate executed and acknowledged by the Manager or Management Committee stating the unpaid Common Expenses then outstanding with respect to a Unit shall be conclusive upon the Management Committee and the Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner or encumbrancer or prospective Owner or encumbrancers of a Unit upon request at a reasonable fee initially not to exceed Ten Dollars (\$10.00). Any encumbrancer holding a lien on a Unit may pay any unpaid Common Expenses payable with respect to such Unit and upon such payment that encumbrancer shall have a lien on that Unit of the same rank as the lien of his encumbrance for the amounts paid.

19.10 Lien for Assessments. All sums assessed to the Owners of any Condominium within the Project pursuant to the provisions of this Article XIX, together with interest thereon, plus costs and attorney fees incurred in the collection of such Assessment, shall be secured by a lien on such Condominium in favor of the Association. To evidence a lien for sums assessed pursuant to this Article XIX, the Association, by and through its Management Committee, may prepare a written Notice of Lien setting forth the amount of the Assessment, the date due, the amount remaining unpaid, the name of the Owner of the Condominium, and a description of the Condominium. Such notice shall be signed and acknowledged by a duly authorized officer of the Association or the Management Committee and may be recorded in the Office of the County Recorder, Summit County, State of Utah. No notice of

lien shall be recorded until there is a delinquency in payment of the Assessment. Such lien may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property may be foreclosed in the State of Utah. The lien may also be enforced in the same manner as foreclosures in deeds of trust under power of sale as made and provided for under the laws of the State of Utah. In any such foreclosure, the Owner shall be required to pay the cost and expense of such proceedings, including reasonable attorney's fees and such costs and expense shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any Assessments against the Condominium which shall become due during the period of foreclosure, and all such Assessments shall be secured by the lien being foreclosed. The Association shall have the right and power to bid at any foreclosure sale, and to hold, lease, mortgage or convey the subject Condominium. The rights of the Association under this paragraph shall be in addition to any and all other rights provided by law with respect to liens for and collection of unpaid Assessments. Upon payment or other satisfaction of delinquent Assessments concerning which a Notice of Lien has been recorded, the Management Committee shall cause to be recorded in the same manner as the Notice of Lien a further notice stating the satisfaction and release of the lien.

19.11 Occupancy of Unit. In the event of foreclosure, the Unit Owner, if he is an owner-occupier and desires to remain in the Unit during any redemption period, shall be required to pay a reasonable rental for the Unit and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the security. The Management Committee or Manager shall have the power to bid on the Unit at foreclosure or other sale and to hold, lease, mortgage and convey the Unit.

19.12 Special Assessments. In addition to the Assessments authorized by this Article XIX, the Association, by and through its Management Committee, may levy, at any time and from time to time, upon affirmative vote of at least seventy-five percent (75%) of the total votes of the Association, Special Assessments payable over such periods as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration (including, without limitation, common expenses). This paragraph shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Articles of this Declaration. Any

amounts assessed pursuant thereto shall be assessed to Owners in proportion to their respective undivided interest in the Common Areas and Facilities. Notice in writing of the amount of such Special Assessments and the time for payment thereof shall be given promptly to the Owners. No payment shall be due less than fifteen (15) days after such notice shall have been given. All unpaid portions of any Special Assessment shall bear interest at the rate of eighteen percent (18%) per annum from the date such portions become due until paid. All funds received from Special Assessments shall be part of the Common Expense Fund.

19.13 Annual Financial Statements. Promptly following the close of each fiscal year of the Association, which fiscal year shall be determined by the Management Committee, the Association shall be caused to be prepared and provided to each Owner financial statements containing a balance sheet of the Association as of the last day of the fiscal year, and reasonable detail as to the income and expenses of the Association during said fiscal year.

19.14 Amendment of Article. The Article XIX shall not be amended unless the Owners of all Condominiums in the Project unanimously consent and agree to such amendment by instruments duly recorded.

ARTICLE XX

Mortgage Protection

20.1 From and after the time a Mortgagee makes written request to the Management Committee or the Association therefor, the Committee or the Association shall notify such Mortgagee in writing in the event that the Owner of the Unit encumbered by the mortgage held by such Mortgagee neglects for a period of sixty (60) or more days to cure any failure on his part to perform any of his obligations under this Declaration.

20.2 The lien or claim against a Unit for unpaid Assessments or charges levied by the Management Committee or by the Association pursuant to this Declaration or the Act shall be subordinate to a First Mortgage affecting such Unit. A Mortgagee who obtains title to a Unit pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall not be liable for such Unit's unpaid assessments which accrue prior to the acquisition of title to such Unit by the Mortgagee and shall take the same free of such lien or claim for unpaid Assessments or charges, but only to the extent of Assessments or charges which accrue prior to the acquisition of title to such Unit by Mortgagee (except for claims for a pro-rata share of such prior Assessments or charges resulting from a pro-rata reallocation thereof to all Units including

the Unit in which the Mortgagee is interested). No Assessment, charge, lien or claim which is described in the preceding sentence as being subordinate to a Mortgagee or as not a burden to a Mortgagee coming into possession pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall be collected or enforced by either the Management Committee or the Association from or against a Mortgagee, a successor in title to a Mortgagee, or the Unit affected or previously affected by the Mortgage concerned (to the extent any such collection or enforcement would prejudice the interests of the Mortgagee or successor in title to the Mortgagee interested in such Unit).

20.3 Without approval of each institutional Mortgagee, neither the Management Committee nor the Association of Unit Owners shall be entitled, by act, omission, or otherwise:

- (a) to seek to abandon or terminate the Condominium Project or to abandon or terminate the arrangement which is established by this Declaration and the Record of Survey Map (except as provided in Article XVI hereof in the event of certain destruction or damage);
- (b) to partition or subdivide any Unit;
- (c) to seek to abandon, partition, subdivide, encumber, sell or transfer all or any of the Common Areas and Facilities (except for the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas and Facilities except as provided in Article XVI hereof in the event of certain destruction or damage);
- (d) to use hazard insurance proceeds resulting from damage to any part of the Condominium Project (whether to Units or to the Common Areas) for purposes other than the repair, replacement, or reconstruction of such improvements, except as provided by statute in the event of substantial loss to the Units and/or Common Areas and Facilities.
- (e) to change the pro rata interests or obligations of any Unit which apply for (1) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or for (2) determining the pro rata share of ownership of each Unit in the Common Areas and Facilities; provided, however, that nothing herein shall impair, restrict or prevent the exercise of Declarants' right to convert Convertible Space in accordance with Article XXXVII hereof, even though such conversion or creation would result in a pro rata reallocation of undivided ownership of the Common

Areas and Facilities.

(f) to alter the provisions of Article XVIII hereof in such a way as to diminish the insurance protection required to be afforded to the parties designed to be protected thereby, or to fail to maintain the insurance coverage described therein.

20.4 Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Management Committee, or the Association, or of the Condominium Project. From and after the time a Mortgagee makes written request to the Management Committee or the Association therefor, the Committee or the Association shall furnish to such Mortgagee copies of such annual operating reports and other reports or writings summarizing or reflecting the financial position or history of the Condominium Project as may be prepared for distribution to or use by the Committee, the Association, or the Unit Owners.

20.5 The Management Committee and the Association shall establish an adequate reserve fund to cover the cost of reasonably predictable and necessary major repairs and replacements of the Common Areas and Facilities and shall cause such reserve to be funded by regular monthly or other periodic assessments against the Units rather than by special assessments.

20.6 From and after the time a Mortgagee makes a written request to the Management Committee or the Association of Unit Owners therefor, the Committee or the Association shall notify such Mortgagee in writing in the event that there occurs any damage or loss to, or any taking or anticipated condemnation of: (a) the Common Areas involving an amount in excess of, or reasonably estimated to be in excess of, Ten Thousand Dollars (\$10,000.00); or (b) any Unit involving an amount in excess of, or reasonably estimated to be in excess of, One Thousand Dollars (\$1,000.00). Said notice shall be given within ten (10) days after the Management Committee or said Association learns of such damage, loss, taking or anticipated condemnation.

20.7 Nothing contained in this Declaration shall give a Unit Owner, or any other party, priority over any rights of a First Mortgagee pursuant to its Mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of condominium Units and/or Common Areas and Facilities.

20.8 In the event another provision or clause of this Declaration deals with the same subject matter as is dealt with any provision or clause of this Article XX, the provision or clause which results in the greatest protection and security

for a Mortgagee shall control the rights, obligations, or limits of authority as the case may be, applicable to the Management Committee and Association of Unit Owners with respect to the subject concerned.

- 20.9 Except with respect to combination or division of Units pursuant to Article VI, except with respect to Declarants' right to convert Convertible Space pursuant to Article XXXVII, which may be accomplished without consent of any Mortgagee, no amendment to this Article XX which has the effect of diminishing the rights, protection or security afforded to Mortgagees shall be accomplished or effective unless all of the Mortgagees of the individual Units have given their prior written approval to such amendment. Any amendment to this Article XX shall be accomplished by an instrument executed by the Management Committee and filed for record in the office of the County Recorder of the county where the Project is located. In any such instrument an officer of the Management Committee shall certify that any prior written approval of Mortgagees required by this Article XX as a condition to amendment has been obtained.

ARTICLE XXI

Eminent Domain

In the event that eminent domain proceedings are commenced against the Project or any portion thereof, the provisions of Section 57-8-32.5, Utah Code Annotated (1953 as amended) shall apply. The Management Committee shall give written notice of such proceedings to all Mortgagees of record. No first lien priority of any Mortgagee shall be diminished or otherwise disturbed by virtue of such proceedings.

ARTICLE XXII

Maintenance

- 22.1 Each Owner of a Unit at his own expense shall keep the interior of such Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating and painting which may at any time be necessary to maintain the good appearance of such Unit. Except to the extent that the Management Committee on behalf of the Unit Owners is protected by insurance against such injury, the Unit Owner shall repair all injury or damages to the Unit, building or buildings caused by the act, negligence or carelessness of the Unit Owner or that of any tenant or subtenant or any member of the Unit Owner's family or of the family of any tenant or subtenant or any agent, employee or guest of the Owner or his subtenant and all such repairs, redecorating and painting

shall be of a quality and kind equal to the original work. In addition to decorating and keeping the interior of the Unit in good repair, the Unit Owner shall be responsible for the maintenance or replacement of any heating equipment, hot water equipment or plumbing fixtures that may be used exclusively by the Unit. Without written permission of the Management Committee first had and obtained, a Unit Owner shall not make or permit to be made any structural alteration, in or to the Unit or in or to the exterior of the building, and shall not paint or decorate any portion of the exterior of the Unit or of the building in which the Unit is located.

22.2 Except as hereinafter provided, the Management Committee shall provide for such maintenance and operation of the Common Areas and Facilities as may be reasonably necessary to keep them clean, functional, attractive and generally in good condition and repair. The Management Committee shall have no obligation regarding maintenance or care of Units.

ARTICLE XXIII

Right of Entry

The Management Committee and its duly authorized agents shall have the right to enter any and all of the Units in case of an emergency originating in or threatening such Unit or any other part of the Project, whether or not the Unit Owner or occupant thereof is present at the time. The Committee and its duly authorized agents shall also have the right to enter into any and all of said Units at all reasonable times as required for the purpose of making necessary repairs upon the Common Areas and Facilities of the Project or for the purpose of performing emergency installations, alterations or repairs to the mechanical or electrical devices or installations located therein or thereon; provided, however, such emergency installations, alterations or repairs are necessary to prevent damage or threatening damage to other Units in the Project; and provided further, that the Unit Owner affected by such entry shall first be notified thereof if available and if time permits.

ARTICLE XXIV

Administrative Rules and Regulations

The Management Committee shall have the power to adopt and establish, by resolution, such rules and regulations as it may deem necessary for the maintenance, operation, management and control of the Project including, but not limited to, rules and regulations levying special assessments against and/or imposing other appropriate sanctions upon Unit Owners

who fail to comply with any provisions of the Act, this Declaration, the Bylaws and/or such rules and regulations. The Committee may from time to time, by resolution, alter, amend and repeal such rules and regulations. When a copy of any amendment or alteration or provision for repeal of any rules or regulations has been furnished to the Unit Owners, such amendment, alteration or provision shall be taken to be a part of such rules and regulations and see that they are faithfully observed by their respective tenants and by all other persons over whom they have or may exercise control and supervision, it being understood that such rules and regulations shall apply and be binding upon all Unit Owners, tenants, subtenants and other occupants of the Units. Each and every special assessment levied against a Unit Owner under such rules and regulations shall constitute a special assessment of Common Expenses against such Unit Owner and shall be payable and collectible in the same manner as other Common Expenses in accordance with Article XIX hereof.

ARTICLE XXV

Obligation to Comply Herewith

Each Unit Owner, tenant, subtenant or other occupant of a Unit shall comply with the provisions of the Act, this Declaration, the Bylaws, and the rule and regulations promulgated by the Management Committee, and with all agreements and determinations lawfully made and/or entered into by the Management Committee or the Unit Owners, when acting in accordance with their authority, and any failure to comply with any of the provisions thereof shall be grounds for all remedial actions granted thereby and/or for an action by the Management Committee or other aggrieved party for injunctive relief or to recover any loss or damage resulting therefrom, including costs and reasonable attorney's fees.

ARTICLE XXVI

Indemnification of Board Members and of Management Committee

Each member of the Board of Trustees of the Association of Unit Owners and each member of the Management Committee shall be indemnified and held harmless by the Association of Unit Owners and the Unit Owners against all costs, expenses and liabilities whatsoever, including, without limitation, attorney's fees reasonably incurred by him in connection with any proceeding in which he may become involved by reason of his being or having been a member of said Committee; provided, however, the foregoing indemnification shall not apply if the loss, expense or liability involved resulted from the willful misconduct or gross negligence of the member.

ARTICLE XXVII

Amendment

In addition to the amendment provisions contained in Article VI hereof, the right to convert Convertible Space contained in Article XXXVII, and the requirements and provisions of various Articles of this Declaration requiring the unanimous consent of all Unit Owners, and subject to the terms of Article XX, this Declaration and/or the Map may be otherwise amended only upon the affirmative vote or approval and consent of Unit Owners having ownership of not less than seventy-five percent (75%) of the undivided interest in the Common Areas and Facilities. Any amendment so authorized shall be accomplished by recordation of an instrument executed by the Management Committee. In said instrument the Committee shall certify that the vote or consent required by this Article XXVII has occurred. Notwithstanding any other provision contained in this Declaration, until occurrence of either of the events referred to in Article XXIX hereof, no amendment to the Map or to any provision of this Declaration which has or may have the effect of diminishing or impairing any right, power, authority, privilege, protection or control given to Declarant herein shall be accomplished or effective unless the instrument through which such amendment is purported to be accomplished is consented to in writing by Declarant.

ARTICLE XXVIII

Consent in Lieu of Vote

In any case in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for authorization or approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Unit Owners who collectively hold at least the stated percentage of undivided ownership interest. The following additional provisions shall govern any application of this section:

- (a) all necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Owner;
- (b) any change in ownership of a Unit which occurs after consent has been obtained from the Owner having an interest therein shall not be considered or taken into account for any purpose; and

- (c) where there are multiple owners of one Unit, the required consent of one them shall be effective.

ARTICLE XXIX

Declarant's Sales Program

Notwithstanding any other provision of this Declaration, until Declarant ceases to be a Unit Owner or the expiration of three (3) years after the date on which this Declaration is filed for record in the office of the County Recorder of Summit County, whichever first occurs (hereinafter referred to as the "Occurrence"), Declarant shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish or facilitate the sale of all Units owned by Declarant.

- (a) Declarant shall have the right to maintain a sales office and/or model Units. Such office and/or model Units may be Units (at any location) owned by Declarant.
- (b) Declarant shall have the right to maintain a reasonable number of promotional, advertising, and/or directional signs, banners or similar devices at any place or places on the Property, but any such device shall be of a size in a location as is reasonable and customary.
- (c) Declarant shall have the right to use the Common Areas and Facilities of the Project to entertain prospective purchasers or to otherwise facilitate Unit sales, provided said use is reasonable as to both time and manner.

Declarant shall have the right, from time to time, to locate or relocate its sales office, model units, and/or signs, banners or similar devices, but in connection with each such location or relocation shall observe the limitations imposed by the preceding portion of this Article. Within a reasonable period of time after the happening of the Occurrence, Declarant shall have the right to dismantle and/or remove from the Project any sales office or model unit which is not designated as a Unit by this Declaration or the Map and also to remove from the Project any signs, banners or similar devices.

ARTICLE XXX

Limitation on Improvements by Association

Until the Occurrence described in Article XXIX, neither the Association nor the Management Committee shall, without the

written consent of Declarant, make any improvement to or alteration in any of the Common Areas and Facilities, other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Areas as they existed at the time the Declaration was recorded.

ARTICLE XXXI

Severability

The invalidity of any one or more phrases, sentences, subparagraphs, paragraphs, sections or articles hereto shall not affect the remaining portions of this instrument nor any part thereof, and in the event that any portion or portions of this instrument should be invalid or should operate to render this instrument invalid, this instrument shall be construed as if such invalid phrases, sentence or sentences, subparagraph or subparagraphs, paragraph or paragraphs, section or sections, or article or articles has not been inserted.

ARTICLE XXXII

Declarant's Rights Assignable

All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment. Any mortgage covering all Condominium Units in the Project, title to which is vested in the Declarant, shall, at any given point in time and whether or not such mortgage does so by its terms, automatically cover, encumber, and include all of the then-unexercised or then unused rights, powers, authority, privileges, protections and controls which are accorded to Declarant.

ARTICLE XXXIII

Gender

The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

ARTICLE XXXIV

Waivers

No provision contained in this Declaration shall be deemed to have been waived by reason of any failure to enforce it, irrespective of the number of violations which may occur.

ARTICLE XXXIV

Topical Headings

The topical headings contained in this Declaration are for convenience only and do not define, limit or construe the contents of the Declaration.

ARTICLE XXXVI

Effective Date

This Declaration shall take effect upon recording.

ARTICLE XXXVII

Convertible Space

The building which has been constructed contains several Commercial Units. Said Commercial Units consist of all or part of the lower level of the building, as shown upon the Map. All of said commercial space, shall constitute Convertible Space; that is to say, space as designated on the Map, which may be converted into one or more Residential or Commercial Units, Common Areas and Facilities, and/or Limited Common Area (the "Convertible Space").

37.1 Declarant's Right to Convert all or Portions of the Convertible Space. The Declarant may, in its sole discretion and without any limitation, convert from time to time and at different times all or any portion of portions of the Convertible Space into one or more Residential or Commercial Units, Common Areas and Facilities and/or Limited Common Area, so long as such conversion is made pursuant to the provisions of this Article XXXVII and Section 57-8-13.4 of the Act.

37.2 Description of Convertible Space. The Convertible Space which may be converted into one or more Residential or Commercial Units, Common Areas and Facilities, and/or Limited Common Area includes all those portions of the building that have been designated on the Map as Convertible Space.

37.3 Consent of Owners Not Required. The 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 or subsequent to converting all or portions of the Convertible Space.

37.4 Recording of Supplemental Map and Amendment. In order to convert all or any portion of the Convertible Space, the Declarant shall:

(a) record, with regard to the Convertible Space or any portion thereof that is being converted, a supplemental record of survey map (the "Supplemental Map") showing the location and dimensions of the vertical and horizontal boundaries of each Unit, if any, formed out of the Convertible Space or portion thereof. Each such Supplemental Map shall be certified as to its accuracy and compliance with the requirements of Section 57-8-13(3) of the Act by the land surveyor who prepared or supervised the preparation of it; and

(b) record simultaneously with each Supplemental Map an amendment to this Declaration (the "Amendment") describing the conversion. Each such Amendment shall assign an identifying number to each Unit, if any, formed out of the Convertible Space or portion thereof and shall allocate to each such Unit a pro rata portion of the undivided interest in the Common Areas and Facilities appertaining to such Unit; or if Units are eliminated or size thereof is decreased, such Amendment shall reallocate a pro rata portion of undivided interest in the Common Areas and Facilities to the remaining Units in the Project. Each such Amendment shall describe or delineate the Limited Common Area, if any, formed out of the Convertible Space or portion thereof, showing or designating the Unit or Units to which each is assigned.

37.5 Convertible Space Not Converted. So long as the Convertible Space, or any portion thereof, is not converted pursuant to this Article XXXVII, it shall be treated for all purposes as a Unit described in Exhibit "C", until or unless it is so converted; and the Act, this Declaration, the Articles and the Bylaws shall be deemed applicable to the Convertible Space, or any portion thereof, as though the same were a Unit.

37.6 Amendment. No provision of this Article XXXVII shall be amended without the prior written consent of all Convertible Space Owners in the Project.

ARTICLE XXXVIII

General Provisions

38.1 **Intent and Purpose.** The provisions of this Declaration, and any Supplemental or Amended Declaration, shall be liberally construed to effectuate the purpose of creating a uniform plan for development and operation of a Condominium Project. Failure to enforce any provision, restriction, covenant or condition in this Declaration, or in any Supplemental or Amended Declaration, shall not operate as a waiver of any such provision, restrictions, covenant, or condition or of any other provisions, restrictions, covenants or conditions.

38.2 **Construction.** The provisions of this Declaration shall be in addition and supplemental to the Condominium Act and to all other provisions of law. Wherever used herein, unless the context shall otherwise require, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both other genders. The Article and Section headings set forth herein are for convenience and reference only and are not intended to describe, interpret, define or otherwise affect the content, meaning or intent of this Declaration or any Article, Section or provision hereof. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof.

38.3 **Notices and Registration of Mailing Address.** Each Owner shall register from time to time with the Association his current mailing address. All notices, demands and other communications to any Owner as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally served or if sent by first class U.S. mail, postage prepaid, addressed to Owner at his registered mailing address or, if no address has been registered, to the Unit of such Owner. All notices, demands and other communications to the Association as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally served or if sent by first class U.S. mail, postage prepaid, addressed to the Association at its offices at the Project, or to such other address as the Association may hereafter specify to the Owners in writing. Any notice, demand or communication referred to in this Declaration shall be deemed given when personally served or when deposited in the U.S. mail, postage prepaid, and in the form provided for in this Section, as the case may be.

38.4 Audit. Any Owner may at any reasonable time, upon appointment and at his expense, cause an audit or inspection to be made of the books and records maintained by the Association.

38.5 Owner's Obligations. All obligations of an Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may be leasing, renting or selling under contract his Condominium. The Owner of a Condominium within the Project shall have no obligation for expenses or other obligations accruing after he conveys such Condominium.

38.6 Limitation on Association's Liability. The Association and the Management Committee shall not be liable for any failure of water service or other utility service to be obtained and paid for by the Association hereunder, or for injury to or damage of any person or property caused by the elements or by another Owner or person in the Project, or resulting from electricity, water, rain, snow or ice which may leak or flow from outside or from any parts of the Building or its drains, pipes, conduits, appliances or equipment, or from any other place, unless caused by the gross negligent or willful misconduct of the Association. No diminution or abatement of any Assessments under this Declaration shall be claimed or allowed for inconvenience or discomfort arising from the making of any repairs or improvements in or maintaining the Project or any part thereof, or from any action taken to comply with the laws, ordinances, regulations, rules or others of any governmental authority.

IN WITNESS WHEREOF, the undersigned has caused this Declaration to be executed on the day and year first above written.

DECLARANT:

Gail and Lori Potter Trust

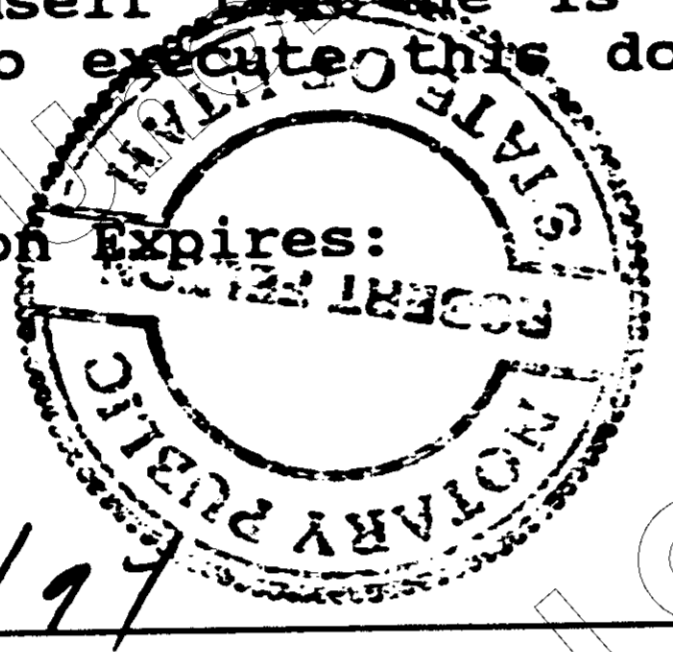
By: Lori Potter
Trustee

00429305 Bk00881 Pg00715

STATE OF VT)
COUNTY OF S. L) ss.

On this 9 day of DEC., 1993, personally appeared before me LORI POTTER, who, being by me duly sworn, did say for himself that he is a Trustee of the Declarant, has the authority to execute this document and does so on behalf of the Declarant.

My Commission Expires:



[Signature]
NOTARY PUBLIC

Residing at: SCC

00429305 Bk00881 Pg00716

EXHIBIT "A"

Lots 5, 6, 7, and 8, in Block 25, of the Park City Survey, according to the amended plat thereof filed in the office of the Recorder of Summit County, State of Utah, and being situated in the Northwest quarter and the Northeast quarter of the Southeast quarter of Section 16, Township 2 South, Range 4 East, Salt Lake Base and Meridian.

00429305 Bk00881 Pg00717

EXHIBIT "B"

ARTICLES OF INCORPORATION

OF

SILVER QUEEN HOTEL HOME OWNERS' ASSOCIATION, INC.

A Utah Non-Profit Corporation

The undersigned natural person over the age of twenty-one (21) years of age, acting as the incorporator of a non-profit corporation under the Utah Nonprofit Corporation and Co-operative Association Act, hereby adopts the following Articles of Incorporation for said corporation.

ARTICLE I

NAME

The name of the corporation is the Silver Queen Hotel Home Owners' Association, Inc., hereinafter referred to as the "Association".

ARTICLE II

DURATION

The corporation shall continue in existence perpetually unless dissolved according to law.

ARTICLE III

PURPOSES

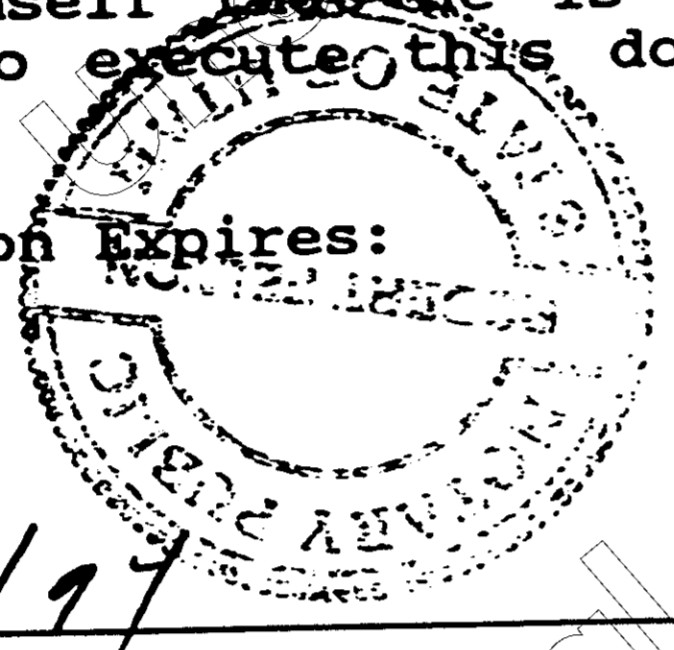
The Association is organized as a nonprofit corporation and shall be operated exclusively for the purpose of maintaining, operating and governing the Silver Queen Hotel, a Utah Condominium Project, hereinafter referred to as the "Project", which will be located at 632 Main Street, Park City, Utah 84060.

00429305 Bk00881 Pg00718

STATE OF VT)
COUNTY OF S. L) ss.

On this 9 day of DEC., 1993, personally appeared before me LORI POTTER, who, being by me duly sworn, did say for himself that he is a Trustee of the Declarant, has the authority to execute this document and does so on behalf of the Declarant.

My Commission Expires:



[Signature]
NOTARY PUBLIC

Residing at: SLC

EXHIBIT "A"

Lots 5, 6, 7, and 8, in Block 25, of the Park City Survey, according to the amended plat thereof filed in the office of the Recorder of Summit County, State of Utah, and being situated in the Northwest quarter and the Northeast quarter of the Southeast quarter of Section 16, Township 2 South, Range 4 East, Salt Lake Base and Meridian.

00429305 Bk00881 Pg00720

EXHIBIT "B"

ARTICLES OF INCORPORATION

OF

SILVER QUEEN HOTEL HOME OWNERS' ASSOCIATION, INC.

A Utah Non-Profit Corporation

The undersigned natural person over the age of twenty-one (21) years of age, acting as the incorporator of a non-profit corporation under the Utah Nonprofit Corporation and Co-operative Association Act, hereby adopts the following Articles of Incorporation for said corporation.

ARTICLE I

NAME

The name of the corporation is the Silver Queen Hotel Home Owners' Association, Inc., hereinafter referred to as the "Association".

ARTICLE II

DURATION

The corporation shall continue in existence perpetually unless dissolved according to law.

ARTICLE III

PURPOSES

The Association is organized as a nonprofit corporation and shall be operated exclusively for the purpose of maintaining, operating and governing the Silver Queen Hotel, a Utah Condominium Project, hereinafter referred to as the "Project", which will be located at 632 Main Street, Park City, Utah 84060.

00429305 Bk00881 Pg00721

The Association is organized and shall be operated to perform the functions and provide the services contemplated in the Condominium Declaration for Silver Queen Hotel, a Utah Condominium Project, hereinafter referred to as the "Declaration", which document is to be recorded in the office of the County Recorder of Summit County, State of Utah. No dividend shall be paid and no part of the net income of the Association, if any, shall be distributed to the Members, Trustees, or Officers of the Association, except as otherwise provided herein, in the Declaration, or under Utah law. Except as otherwise provided herein or as may be required by the context, all terms defined in the Declaration shall have such defined meanings when used herein.

ARTICLE IV

POWERS OF THE ASSOCIATION

Subject to the purpose declared in Article III above and any limitations herein expressed, the Association shall have and may exercise each and all of the following powers and privileges:

A. Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration applicable to the property and recorded or to be recorded in the office of the county recorder of Summit County, State of Utah and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length (except as otherwise required by context, all terms defined in the

Declaration shall have such defined meanings when used herein);

B. Fix, levy, collect and enforce payment by any lawful means, all charges and assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

C. Acquire, own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association; and

D. Have and to exercise any and all powers, rights and privileges which a corporation organized under the nonprofit corporation law of the State of Utah by law may now or hereafter have or exercise.

ARTICLE V

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Condominium which is subject by covenants of record to assessment by the Association shall be a member of the Association. (The foregoing is not intended to include persons or entities who hold an interest solely as security for the performance of an obligation.) If record ownership of a Condominium is jointly held, the Membership appertaining to such Condominium shall also be jointly held.

Membership in the Association shall be mandatory and not optional and shall be appurtenant to and may not be separated from ownership of any Condominium which is subject to assessment by the Association. There shall be one membership in the corporation appurtenant to each of said Condominiums. No person or entity other than an owner of a Condominium may be a member of the Association.

ARTICLE VI

MEMBERSHIP CERTIFICATES

The Association may issue certificates of Membership, but such certificates shall not be necessary to evidence Membership in the Association. Membership in the Association shall begin immediately and automatically upon becoming a record owner of the Condominium to which such Membership appertains and shall cease immediately and automatically upon ceasing to be a record owner of such Condominium.

ARTICLE VII

VOTING RIGHTS

The vote attributable to and exercisable in connection with a Condominium shall be the percentage of undivided ownership interest in the Common Areas and Facilities which is appurtenant to such Condominium. In the event there is more than one Owner of a particular Condominium, the vote relating to such Condominium shall be exercised as such Owners may determine among themselves. A vote cast at any meeting by any such Owners shall be conclusively presumed to be the vote attributable to the

Condominium concerned unless an objection is immediately made by another Owner of the same Condominium. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

ARTICLE VIII

ASSESSMENTS

Members of the Association shall be subject to assessments by the Association from time to time in accordance with the provisions of the Declaration and shall be liable to the Association for payment of such assessments. Members shall not be individually or personally liable for the debts and obligations of the Association.

ARTICLE IX

PRINCIPAL OFFICE AND REGISTERED AGENT

The address of the initial principal office of the Association is:

632 Main Street
Park City, Utah 84060

and the name and address of the initial registered agent of the Association is:

Jana Potter
P.O. Box 2391
Park City, Utah 84060

ARTICLE X

BOARD OF TRUSTEES

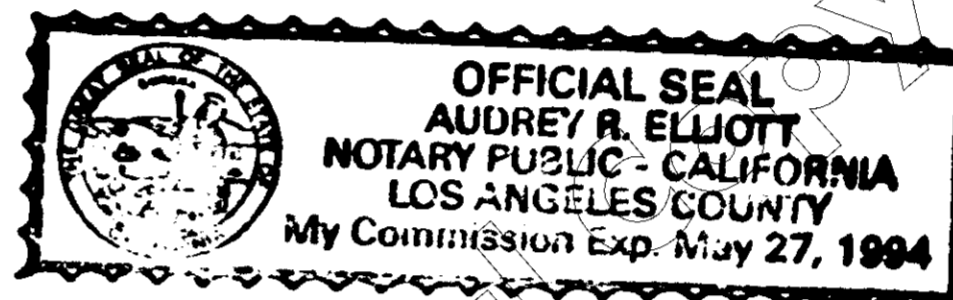
The affairs of the Association shall be managed by a Board of Trustees, consisting of not less than three (3) nor more than

foregoing Articles of Incorporation as incorporator, and that the statements therein are true.

My Commission Expires:

5-27-94

Audrey R. Elliott
NOTARY PUBLIC
Residing at: 17057 Ventura Blvd
State of: California



00429305 BK00881 Pg00727

EXHIBIT "C"

<u>Unit Number</u>	<u>Percentage Ownership and Voting Rights</u>
1	7.25%
2	4.25%
3	5.25%
4	8.25%
5	7.25%
6	4.25%
7	5.25%
8	8.25%
9	7.25%
10	4.25%
11	5.25%
12	8.25%
Commercial Unit	25%

BYLAWS

OF

SILVER QUEEN HOTEL HOME OWNERS' ASSOCIATION, INC.

A Utah Non-Profit Corporation

Pursuant to the provisions of the Utah Nonprofit Corporation and Co-operative Association Act, the Board of Trustees of Silver Queen Hotel Home Owners' Association, Inc., a Utah nonprofit corporation, hereby adopts the following Bylaws for such nonprofit corporation.

ARTICLE I

NAME AND PRINCIPAL OFFICE

1.01. Name. The name of the nonprofit corporation is Silver Queen Hotel Home Owners' Association, Inc., hereinafter referred to as the "Association".

1.02. Offices. The principal office of the Association shall be at 632 Main Street, Park City, County of Summit, State of Utah.

ARTICLE II

DEFINITIONS

2.01. Definitions. Except as otherwise provided herein or as may be required by the context, all terms defined in Article II of the Condominium Declaration for Silver Queen Hotel, a Utah Condominium Project, hereinafter referred as to the "Declaration", shall have such defined meanings when used in these Bylaws.

00429305 Bk00881 Pg00729

ARTICLE III

MEMBERS

3.01. Annual Meeting. The annual meeting of Members shall be held on the first Friday in February of each year at the hour of 7:00 p.m., beginning with the year 1994, for the purpose of electing Trustees and transacting such other business as may come before the meeting. If the election of Trustees shall not be held on the day designated herein for the annual meeting of the Members, or at any adjournment thereof, the Board of Trustees shall cause the election to be held at a special meeting of the Members to be convened as soon thereafter as may be convenient. The Board of Trustees may, from time to time, by resolution, change the date and time for the annual meeting of the Members.

3.02. Special Meetings. Special meetings of the Members may be called by the Board of Trustees, the President, the Declarant, or upon the written request of Members who own in the aggregate at least one-third of the undivided interest in the Common Areas and Facilities, such written request to state the purpose or purposes of the meeting and to be delivered to the Board of Trustees or the President.

3.03. Place of Meetings. The Board of Trustees may designate any place in Summit County, State of Utah, as the place of meeting for any annual meeting or for any special meeting called by the Board. A waiver of notice signed by all of the Members may designate any place, either within or without the State of Utah, as the place for holding such meeting. If no

designation is made, or if a special meeting is otherwise called, the place of the meeting shall be at the principal office of the Association.

3.04. Notice of Meetings. The Board of Trustees shall cause written or printed notice of the time, place and purpose of all meetings of the Members (whether annual or special) to be delivered, not more than fifty (50) nor less than ten (10) days prior to the meeting, to each Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail addressed to the Member at his registered address, with first-class postage thereon prepaid. Each Member shall register with the Association such Member's current mailing address for purposes of notice hereunder. Such registered address may be changed from time to time by notice in writing to the Association. If no address is registered with the Association, a Member's Condominium address shall be deemed to be his registered address for purpose of notice hereunder.

3.05. Members of Record. Upon purchasing a Condominium in the Project, each Owner shall promptly furnish to the Association a certified copy of the recorded instrument by which ownership of such Condominium has been vested in such Owner, which copy shall be maintained in the records of the Association. For the purpose of determining Members entitled to notice of or to vote at any meeting of the Members, or any adjournment thereof, the Board of Trustees may designate a record date, which

shall not be more than fifty (50) nor less than ten (10) days prior to the meeting, for determining Members entitled to notice of or to vote at any meeting of the Members. If no record date is designated, the date on which notice of the meeting is mailed shall be deemed to be the record date for determining Members entitled to notice or to vote at the meeting. The persons appearing in the records of the Association on such record date as the Owners of record of a Condominium in the Project shall be deemed to be the Members of record entitled to notice or to vote at the meeting of the Members.

3.06. Quorum. At any meeting of the Members, the presence of Members in person or by proxy owning more than fifty percent (50%) of the undivided interest in the Common Areas and Facilities shall constitute a quorum for the transaction of business. In the event a quorum is not present at a meeting, the Members present (whether represented in person or by proxy), though less than a quorum, may adjourn the meeting to a later date. Notice thereof shall be delivered to the Members as provided above. At the reconvened meeting, the Members and proxy holders present shall constitute a quorum for the transaction of business.

3.07. Proxies. As each meeting of the Members, each Member entitled to vote shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Member himself or by his attorney

thereunto duly authorizing in writing. If a Membership is jointly held, the instrument authorizing a proxy to act must have been executed by all holders of such Membership or their attorneys thereunto duly authorized in writing. Such instrument authorizing a proxy to act shall be delivered at the beginning of the meeting to the Secretary of the Association or to such other officer or person who may be acting as secretary of the meeting. The secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting.

3.08. Votes. With respect to each matter submitted to a vote of the Members, each member entitled to vote at the meeting shall have the right to cast, in person or by proxy, the number of votes appertaining to the Condominium of such Member, as shown in the Declaration. The affirmative vote of a majority of the votes entitled to be cast by the Members present or represented by proxy at a meeting at which a quorum was initially present shall be necessary for the adoption of any matter voted on by the Members, unless a greater proportion is required by the Articles of Incorporation, these Bylaws, the Declaration, or Utah law. The election of Trustees shall be by secret ballot. At each election for Trustees, the Owner(s) of each Condominium shall be entitled to a vote equal to that number of votes as set forth in the Declaration (Exhibit "C" attached to said Declaration) for each seat to be filled. Said votes may be voted in favor of as many candidates for Board Membership as the Owner(s) desire, or may be cumulated and votes for a lesser number of candidates;

provided, however, that until all provisions and requirements of Section 12.4 of Article XXII of the Declaration shall have been complied with in full, Declarant alone shall be entitled to select all of the Board Members. If a membership is jointly held, all or any holders must act unanimously to cast the votes relating to their joint Membership.

3.09. Waiver of Irregularities. All inaccuracies and irregularities in calls or notices of meetings and in the manner of voting, form of proxies, and method of ascertaining Members present shall be deemed waived if no objection thereto is made at the meeting.

3.10 Information Action by Members. Any action that is required or permitted to be taken at a meeting of the Members may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by 75% of the Members entitled to vote with respect to the subject matter thereof.

ARTICLE IV

BOARD OF TRUSTEES

4.01. General Powers. The property, affairs and business of the Association shall be managed by its Board of Trustees. The Board of Trustees may exercise all of the powers of the Association, whether derived from law or the Articles of Incorporation, except such powers as are by law, by the Articles of Incorporation, by these Bylaws, or by the Declaration vested solely in the Members. The Board of Trustees may by written contract delegate, in whole or in part, to a professional

management organization or person such of its duties, responsibilities, functions, and powers as are properly delegable.

4.02. Number, Tenure and Qualifications. The number of Trustees of the Association shall be three (3). The initial Board of Trustees specified in the Articles of Incorporation shall serve until the first annual meeting of the Members held for the purpose of electing Trustees. Each Trustee shall hold office until the next annual meeting of Members and until his successor shall have been elected and qualified. Trustees need not be Members of the Association.

4.03. Regular Meetings. The regular annual meeting of the Board of Trustees shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of the Members. The Board of Trustees may provide by resolution the time and place, within Summit County, State of Utah, for the holding of additional regular meetings without other notice than such resolution.

4.04. Special Meeting. Special meetings of the Board of Trustees may be called by or at the request of any Trustee. The person or persons authorized to call special meetings of the Board of Trustees may fix any place, within Summit County, State of Utah, as the place for holding any special meeting of the Board of Trustees called by such person or persons. Notice of any special meeting shall be given at least five (5) days prior thereto by written notice delivered personally, or mailed to each

Trustee at his registered address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mail so addressed, with first-class postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to have been delivered when the telegram is delivered to the telegraph company. Any Trustee may waive notice of a meeting.

4.05. Quorum and Manner of Acting. A majority of the then authorized number of Trustees shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees. The act of a majority of the Trustees present at any meeting at which a quorum is present shall be the act of the Board of Trustees. The Trustees shall act only as a Board, and the individual Trustee shall have no powers as such.

4.06. Compensation. No Trustee shall receive compensation for any services that he may render to the Association as a Trustee; provided, however, that a Trustee may be reimbursed for expenses incurred in performance of his duties as a Trustee to the extent such expenses are approved by the Board of Trustees and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in his capacity as a Trustee.

4.07. Resignation and Removal. A Trustee may resign at any time by delivering a written resignation to either the President or the Board of Trustees. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Trustee may be removed at any time, for or without cause, by the

affirmative vote of the Members who own in the aggregate at least seventy-five percent (75%) of the undivided interest in the Common Areas and Facilities at a special meeting of the Members duly called for such purpose.

4.08. Vacancies and Newly Created Trusteeships. If vacancies shall occur in the Board of Trustees by reason of the death, resignation, or disqualification of a Trustee, or if the authorized number of Trustees shall be increased, the Trustees then in office shall continue to act, and such vacancies or newly created Trusteeships shall be filled by a vote of the Trustees then in office, though less than a quorum, in any way approved by such Trustees at the meeting. Any vacancy in the Board of Trustees occurring by reason of removal of a Trustee by the Members may be filled by election at the meeting at which such Trustee is removed. Any Trustee elected or appointed hereunder to fill a vacancy shall serve for the unexpired term of his predecessor or for the term of the newly created Trusteeship, as the case may be.

4.09. Information Action by Trustees. Any action that is required or permitted to be taken at a meeting of the Board of Trustees, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Trustees.

ARTICLE V

OFFICERS

5.01. **Officers.** The officers of the Association shall be a President, a Vice President, a Secretary-Treasurer, and such other officers as may from time to time be appointed by the Board of Trustees.

5.02. **Election, Tenure and Qualifications.** The officers of the Association shall be chosen by the Board of Trustees annually at the regular annual meeting of the Board of Trustees. In the event of failure to choose officers at such regular annual meeting of the Board of Trustees, officers may be chosen at any regular or special meeting of the Board of Trustees. Each such officer (whether chosen at a regular annual meeting of the Board of Trustees or otherwise) shall hold his office until the next ensuing regular annual meeting of the Board of Trustees and until his successor shall have been chosen and qualified, or until his death, or until his resignation, disqualification, or removal in the manner provided in these Bylaws, whichever first occurs. Any one may hold any two or more of such offices, except that the President may not also be the Secretary. No person holding two or more offices shall act in or execute any instrument in the capacity of more than one office. The President, Vice President and Secretary-Treasurer shall be and remain Members of the Association during the entire term of their respective offices. No other officer need be a Member.

5.03. Subordinate Officers. The Board of Trustees may from time to time appoint such other officers or agents as it may deem advisable, each of them shall have such title, hold office for such period, have such authority, and perform such duties as the Board of Trustees may from time to time determine. The Board of Trustees may from time to time delegate to any officer or agent the power to appoint any such subordinate officers or agents and to prescribe their respective titles, terms of office, authorities, and duties. Subordinate officers need not be Members of the Association.

5.04. Resignation and Removal. Any officer may resign at any time by delivering a written resignation to the President or the Board of Trustees. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed by the Board of Trustees at any time, with or without cause.

5.05. Vacancies and Newly Created Officers. If any vacancy shall occur in any office by reason of death, resignation, removal, disqualification, or any other cause, or if a new office shall be created, such vacancies or newly created offices may be filled by the Board of Trustees at any regular or special meeting.

5.06. President. The President shall be the chief executive officer of the Association and shall exercise general supervision over its property and affairs. He shall sign on behalf of the Association all membership certificates,

conveyances, mortgages and contracts and shall do and perform all acts and things which the Board of Trustees may require of him. The President shall be invited to attend meetings of each committee.

5.07. The Vice President. The Vice President shall act in the place and stead of the President in the event of the President's absence or inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Trustees.

5.08. The Secretary. The Secretary shall keep the minutes of the Association and shall maintain such books and records as these Bylaws, the Declaration, or any resolution of the Board of Trustees may require him to keep. He shall perform such other duties as the Board of Trustees may require of him.

5.09. The Treasurer. The Treasurer shall have the custody and control of the funds of the Association, subject to the action of the Board of Trustees, and shall, when requested by the President, report the state of the finances of the Association at each annual meeting of the Members and at any meeting of the Board of Trustees. He shall perform such other duties as the Board of Trustees may require of him.

5.10. Compensation. An officer may receive compensation for any services that he may render to the Association if approved by of the Trustees. An officer may be reimbursed for expenses incurred in performance of his duties as an officer to the extent such expenses are approved by the Board of Trustees.

ARTICLE VI

COMMITTEES

6.01. Designation of Committees. The Board of Trustees may from time to time by resolution designate such committees as it may deem appropriate in carrying out its duties, responsibilities, functions and powers. The membership of each such committee designated hereunder shall include two (2) or more of the members of the Association. No committee member shall receive compensation for services that he may render to the Association as a committee member; provided, however, that a committee member may be reimbursed for expenses incurred in performance of his duties as a committee member to the extent that such expenses are approved by the Board of Trustees and (except as otherwise provided by these Bylaws) may be compensated for services rendered to the Association other than in his capacity as a committee member.

6.02. Proceedings of Committees. Each committee designated hereunder by the Board of Trustees may appoint its own presiding and recording officers and may meet at such places and times and upon such notice as such committee may from time to time determine. Each such committee shall keep a record of its proceedings and shall regularly report such proceedings to the Board of Trustees.

6.03. Quorum and Manner of Acting. At each meeting of any committee designated hereunder by the Board of Trustees, the presence of members constituting at least a majority of the

authorized membership of such committee shall constitute a quorum for the transaction of business, and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such committee. The members of any committee designated by the Board of Trustees hereunder shall act only as a committee, and the individual members thereof shall have no powers as such.

6.04. Resignation and Removal. Any member of any committee designated hereunder by the Board of Trustees may resign at any time by delivering a written resignation to the President, the Board of Trustees, or the presiding officer of the committee of which he is a member. Unless otherwise specified therein, such resignation shall take effect upon delivery. The Board of Trustees may at any time, with or without cause, remove any member of any committee designated by it hereunder.

6.05. Vacancies. If any vacancy shall occur in any committee designated by the Board of Trustees hereunder, due to disqualification, death, resignation, removal or otherwise, the remaining members shall, until the filling of such vacancy, constitute the then total authorized membership of the committee and, provided that two or more members are remaining, may continue to act. Such vacancy may be filled at any meeting of the Board of Trustees.

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ARTICLE VII
INDEMNIFICATION

7.01. Indemnification. Each Trustee and officer of the corporation now or hereafter serving as such, shall be indemnified by the Association against any and all claims and liabilities to which he has or shall become subject by reason of serving or having served as such Trustee, or officer, or by reason of any action alleged to have been taken, omitted, or neglected by him as such Trustee or officer; and the Association shall reimburse each such person for all legal expenses reasonably incurred by him in connection with any such claim or liability; provided however, that no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his own wilful misconduct or gross negligence.

7.02. Vote of Committee. The amount paid to any officer or Trustee by way of indemnification shall not exceed his actual, reasonable, and necessary expenses incurred in connection with the matter involved, and such additional amount as may be fixed by a committee of not less than three (3) nor more than five (5) persons selected by the Board of Trustees who shall be members of the Association but not officers or directors or related to officers or directors, and any indemnification so made shall be binding on the indemnified officer or Trustee.

7.03. State Law. The right of indemnification hereinabove provided for shall not be exclusive of any rights to which any

Trustee of the Association may otherwise be entitled by law.

ARTICLE VIII

FISCAL YEAR AND SEAL

8.01. Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January of each year and shall end on the 31st of December, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE IX

RULES AND REGULATIONS

9.01. Rules and Regulations. The Board of Trustees may from time to time adopt, amend, repeal, and enforce reasonable rules and regulations governing the use and enjoyment of the Project, to the extent that such rules and regulations are not inconsistent with the rights and duties set forth in the Articles of Incorporation, the Declaration, or these Bylaws. The Members shall be provided with copies of all rules and regulations adopted by the Board of Trustees, and with copies of all amendments and revisions thereof.

ARTICLE X

AMENDMENTS

10.1. Amendments. Except as otherwise provided by law, by the Articles of Incorporation, by the Declaration, or by these Bylaws, these Bylaws may be amended, altered, or repealed and new bylaws may be made and adopted by the Members upon the affirmative vote of Members who own in aggregate at least seventy-five percent (75%) of the undivided interest in the

Common Areas and Facilities, expressly subject, however, to any and all provisions of the Declaration which may require a greater percentage vote, or a unanimous vote of said undivided interest. Any such action shall not be effective unless and until a written instrument setting forth (i) the amended, altered, repealed, or new bylaw, and (ii) the percentage of votes cast in favor of such action shall have been executed and verified by the current President of the Association and recorded in the official records of Summit County, Utah.

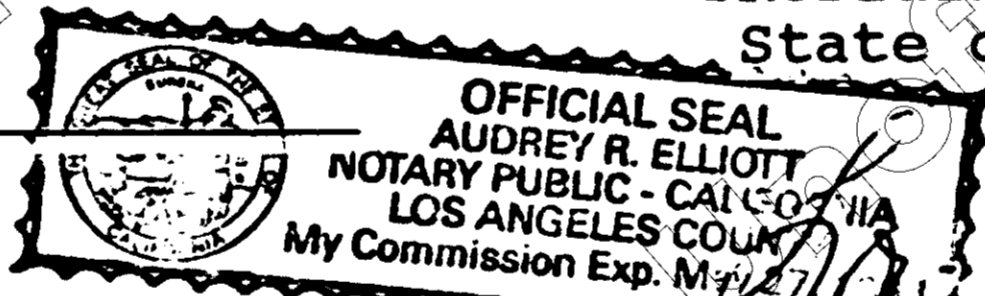
IN WITNESS WHEREOF, the undersigned, constituting all of the Trustees of Silver Queen Hotel Home Owners' Association, Inc., executed these Bylaws on the 10th day of December, 1993.

Gail C. Potter
GAIL C. POTTER

SUBSCRIBED AND SWORN to before me this 15 day of December 1992.

My Commission Expires:

5-27-94



Audrey R. Elliott
NOTARY PUBLIC
Residing at: 17050 Van
State of Utah California Blvd.
Lucind, 91316

Lori Potter
LORI POTTER

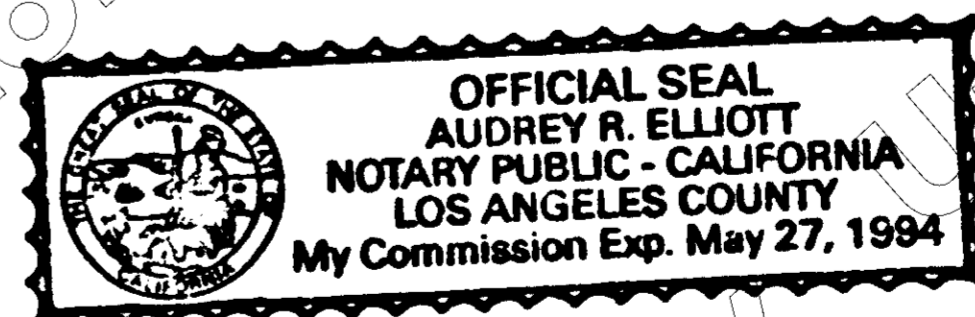
SUBSCRIBED AND SWORN to before me this 15 day of December 1992.

My Commission Expires:

5-27-94

Audrey R. Elliott
NOTARY PUBLIC
Residing at: California
State of Utah
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17



ARTICLES OF INCORPORATION

OF

SILVER QUEEN HOTEL OWNERS' ASSOCIATION, INC.

A Utah Non-Profit Corporation

The undersigned natural person over the age of twenty-one (21) years of age, acting as the incorporator of a non-profit corporation under the Utah Nonprofit Corporation and Co-operative Association Act, hereby adopts the following Articles of Incorporation for said corporation.

ARTICLE I

NAME

The name of the corporation is the Silver Queen Hotel Home Owners' Association, Inc., hereinafter referred to as the "Association".

ARTICLE II

DURATION

The corporation shall continue in existence perpetually unless dissolved according to law.

ARTICLE III

PURPOSES

The Association is organized as a nonprofit corporation and shall be operated exclusively for the purpose of maintaining, operating and governing the Silver Queen Hotel, a Utah Condominium Project, hereinafter referred to as the "Project", which will be located at 632 Main Street, Park City, Utah 84060.

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The Association is organized and shall be operated to perform the functions and provide the services contemplated in the Condominium Declaration for Silver Queen Hotel, a Utah Condominium Project, hereinafter referred to as the "Declaration", which document is to be recorded in the office of the County Recorder of Summit County, State of Utah. No dividend shall be paid and no part of the net income of the Association, if any, shall be distributed to the Members, Trustees, or Officers of the Association, except as otherwise provided herein, in the Declaration, or under Utah law. Except as otherwise provided herein or as may be required by the context, all terms defined in the Declaration shall have such defined meanings when used herein.

ARTICLE IV

POWERS OF THE ASSOCIATION

Subject to the purpose declared in Article III above and any limitations herein expressed, the Association shall have and may exercise each and all of the following powers and privileges:

A. Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration applicable to the property and recorded or to be recorded in the office of the county recorder of Summit County, State of Utah and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length (except as otherwise required by context, all terms defined in the

Declaration shall have such defined meanings when used herein);

B. Fix, levy, collect and enforce payment by any lawful means, all charges and assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

C. Acquire, own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association; and

D. Have and to exercise any and all powers, rights and privileges which a corporation organized under the nonprofit corporation law of the State of Utah by law may now or hereafter have or exercise.

ARTICLE V

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Condominium which is subject by covenants of record to assessment by the Association shall be a member of the Association. (The foregoing is not intended to include persons or entities who hold an interest solely as security for the performance of an obligation.) If record ownership of a Condominium is jointly held, the Membership appertaining to such Condominium shall also be jointly held.

Membership in the Association shall be mandatory and not optional and shall be appurtenant to and may not be separated from ownership of any Condominium which is subject to assessment by the Association. There shall be one membership in the corporation appurtenant to each of said Condominiums. No person or entity other than an owner of a Condominium may be a member of the Association.

ARTICLE VI

MEMBERSHIP CERTIFICATES

The Association may issue certificates of Membership, but such certificates shall not be necessary to evidence Membership in the Association. Membership in the Association shall begin immediately and automatically upon becoming a record owner of the Condominium to which such Membership appertains and shall cease immediately and automatically upon ceasing to be a record owner of such Condominium.

ARTICLE VII

VOTING RIGHTS

The vote attributable to and exercisable in connection with a Condominium shall be the percentage of undivided ownership interest in the Common Areas and Facilities which is appurtenant to such Condominium. In the event there is more than one Owner of a particular Condominium, the vote relating to such Condominium shall be exercised as such Owners may determine among themselves. A vote cast at any meeting by any such Owners shall be conclusively presumed to be the vote attributable to the

Condominium concerned unless an objection is immediately made by another Owner of the same Condominium. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

ARTICLE VIII

ASSESSMENTS

Members of the Association shall be subject to assessments by the Association from time to time in accordance with the provisions of the Declaration and shall be liable to the Association for payment of such assessments. Members shall not be individually or personally liable for the debts and obligations of the Association.

ARTICLE IX

PRINCIPAL OFFICE AND REGISTERED AGENT

The address of the initial principal office of the Association is:

632 Main Street
Park City, Utah 84060

and the name and address of the initial registered agent of the Association is:

Jana Potter
P.O. Box 2391
Park City, Utah 84060

ARTICLE X

BOARD OF TRUSTEES

The affairs of the Association shall be managed by a Board of Trustees, consisting of not less than three (3) nor more than

foregoing Articles of Incorporation as incorporator, and that the statements therein are true.

My Commission Expires:

5-27-94

Audrey R. Elliott
NOTARY PUBLIC
Residing at: *17050 Ventura Blvd.
Beverly Hills 91316*
State of: *California*

OFFICIAL SEAL
AUDREY R. ELLIOTT
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My Commission Exp. May 27, 1994

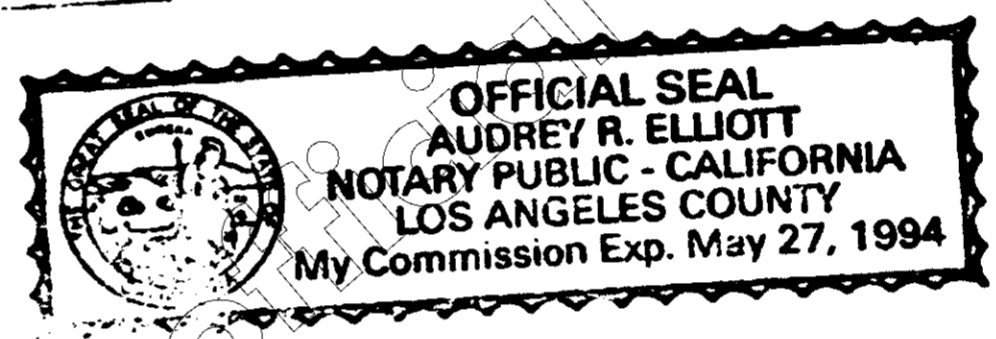
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Jana Potter
JANA POTTER

SUBSCRIBED AND SWORN to before me this 14 day of December
1993.

My Commission Expires:
May 27, 1994

Audrey R. Elliott
NOTARY PUBLIC
Residing at: 17050 Ventura Blvd.
State of ~~Utah~~ California



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