

When Recorded, return to:
The Cove at Sun Peak L.L.C.
9192 South 300 West, Suite 4
Sandy, Utah 84070

**DECLARATION OF PROTECTIVE COVENANTS,
AGREEMENTS, CONDITIONS AND RESTRICTIONS FOR
THE COVE AT SUN PEAK**

Summit County, Utah

June, 1996

00456155 Bk00971 Pg00091-00111

**ALAN SPRIGGS, SUMMIT COUNTY RECORDER
1996 JUN 12 10:31 AM FEE \$149.00 BY DMG
REQUEST: MERRILL TITLE COMPANY**

Table of Contents

DEFINITIONS..... 4

SUBMISSION TO THE ACT..... 5

 Term of Declaration..... 5

 Designation of Unit..... 5

 Nature of Ownership..... 6

 Consent to Declaration..... 6

 Easements for Encroachment..... 6

 Easements for Repair..... 6

 Mechanics Liens..... 6

ELEMENTS OF THE PROJECT..... 6

 Units..... 6

 Easement for Exterior Maintenance..... 6

 Common Areas..... 7

 Limited Common Areas..... 7

 Ownership of Common Areas..... 8

 Water Service..... 8

OWNERS ASSOCIATION..... 8

 Trustees..... 8

 Powers..... 8

 Budget..... 8

 Common Area Assessments..... 8

 Common Services and Expenses..... 9

 Additional Condominium Owners Responsibilities..... 9

 Owner Maintenance Obligations..... 9

 Increase of Association Obligations..... 10

 Owners' Obligation to Maintain..... 10

 Approval of Assessment and Budget..... 10

 Special Assessment..... 10

 Unfinished Units..... 10

 Manner of Assessment..... 10

 Assessments Constitute a Lien..... 10

 Voting..... 11

 Easements..... 11

 Insurance..... 11

 Additional Services..... 12

RESTRICTIONS ON THE USE OF UNITS..... 12

 Zoning Regulations..... 12

 No Mining Uses..... 12

 No Business or Commercial Uses..... 12

 Restrictions on Signs..... 12

 Completion Required Before Occupancy..... 12

 Underground Utilities..... 12

 Service Yards..... 12

 Maintenance of Property..... 12

 No Noxious or Offensive Activity..... 13

 No Hazardous Activity..... 13

 No Open Burning..... 13

 No Unsightliness..... 13

 No Annoying Sounds..... 13

Vehicles Restricted to Roadways.....	13
No Automobile Repair.....	13
Kennels.....	13
No Transient Lodging Uses.....	13
No Time Interval Ownership.....	13
No Firearms or Weapons.....	13
Fireplaces, Chimneys.....	13
Antennas.....	14
Solar Panels.....	14
Fencing.....	14
Repairs and Replacements.....	14
Additions.....	14
Interior Alterations.....	14
DEVELOPMENT RIGHTS RESERVED.....	14
Contraction of Project.....	14
Easements upon Expansion or Contraction.....	14
Trustees.....	14
DESTRUCTION OR TERMINATION OF CONDOMINIUM.....	15
Damage.....	15
Destruction.....	15
Partial Termination.....	15
Effect of Termination.....	15
Condemnation.....	15
AMENDMENT.....	15
Declarant's Rights.....	16
Mortgagee Consent.....	16
MORTGAGE PROTECTION.....	16
Subordination of Lien.....	16
Statement of Account.....	16
No Release of Prior Owner.....	16
ENFORCEMENT.....	16
Notices.....	16
Severability.....	16
Attorneys Fees.....	16
Arbitration.....	16

00456155 Bk00971 Pg00093

**DECLARATION OF PROTECTIVE COVENANTS,
AGREEMENTS, CONDITIONS AND RESTRICTIONS FOR
THE COVE AT SUN PEAK**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for The Cove at Sun Peak is made by The Cove at Sun Peak, L.L.C, a Utah limited liability company (referred to below as the "Declarant") pursuant to Title 57, Chapter 8 of the Utah Code to establish the condominium project, and set forth the terms and conditions of its governance.

- A. The Declarant is the owner of approximately 98.4 acres of land in Summit County, Utah, on which Declarant proposes to construct a total of up to 80 condominiums and 9 Estate homesites, together with streets, underground utilities, and other improvements necessary for the use and occupancy of the dwellings.
- B. The provisions of this Declaration are intended to be equitable servitudes which run with the land for the mutual benefit of the owners of each of the Units created within the project.
- C. The Cove at Sun Peak Subdivision Plat and the Bear Lodge Condominiums Record of Survey Map for the Cove at Sun Peak has been recorded in the office of the Summit County Recorder on June 12, 1996 as Entries Number 456153, and 456154 and are not altered or amended by this First Amended Declaration.
- D. The Cove at Sun Peak Subdivision is a part of the Master Planned Community of Sun Peak. To that end, The Cove at Sun Peak is subject to all of the terms and conditions of that certain Master Declaration of Conditions and Restrictions for Sun Peak, Summit County, Utah.

Now, therefore, in furtherance of the overall construction of the Project, the Declarant adopts the following declaration of condominium:

ARTICLE I

DEFINITIONS

1. When used in this Declaration, these defined terms shall have following meaning, unless the context clearly requires otherwise:

- 1.1 "Act" shall mean the Utah Condominium Ownership Act, Section 57-8-1 et seq. of the Utah Code.
- 1.2 "Amendment" shall mean any subsequent amendment to this Declaration.
- 1.3 "Association" shall mean The Cove at Sun Peak Homeowners Association, which is the designated management entity for the management of the Project under the Act. The Association may be incorporated, or may function as an unincorporated association.
- 1.4 "By-Laws" shall mean the By-Laws of the Association, as they may be amended from time to time,
- 1.5 "Common Area" shall mean those elements of the Project that are defined as Common Area below, or designated as Common Area on the Record of Subdivision Plat.
- 1.6 "Common Area Assessments" or "Assessments" shall mean the assessments levied by the Association for the purpose of maintaining, improving, and repairing Common Areas of the Project, including routine and special assessments.
- 1.7 "Declarant" shall mean The Cove at Sun Peak, L.L.C., a Utah limited liability company, or its successor in interest.

00456155 Bx00971 Pg00094

1.8 "Declaration" shall mean this Declaration of Condominium, and any subsequent amendments adopted by the Owner, together with any Supplemental Declarations filed by the Declarant pursuant to the Declarant's rights under this Declaration.

1.9 "Fenced Limited Common Areas" shall mean those areas adjacent to each Unit that are enclosed by fences, berms, hedges, or other screening which are set aside from the general Common Area for the exclusive use of the Unit to which they are appurtenant.

1.10 "Limited Common Areas" will mean those areas of the Project that are not part of a Unit, but which are reserved for the exclusive use of a particular Unit. Limited Common Areas are shown on the subdivision plat and the Record of Survey Map, but are also described in the Declaration.

1.11 "Mortgage" shall mean any purchase money financing for the purchase of any Unit, whether it takes the form of a Trust Deed, Mortgage, or contract for deed. "Mortgagee" shall mean the holder of any purchase money security interest in any Unit.

1.12 "Owner" shall mean the owner of any Unit, but shall exclude any Mortgagee who holds title only for security purposes but is not in exclusive possession of the Unit. Owner shall not include persons renting or leasing a Unit from the Owner.

1.13 "Project" shall mean the entire condominium area, including all Units, Common Areas, and Limited Common Areas to the extent they have not been withdrawn from the Project.

1.14 "Property" shall mean the land on which the Project is constructed. The boundaries of the Project include the land described on Exhibit A.

1.15 "Record of Survey Map" or "Map" shall mean the official Record of Survey Map for the Bear Lodge condominiums, together with the subdivision plat for The Cove at Sun Peak Project, which were filed for record in the office of the Summit County Recorder on June 12, 1996 as Entries Number 456153, and 456154 and any subsequent amendments that may be filed under the terms of this Declaration.

1.16 "Unit" shall mean the portion of the Project that has been designated as a Unit in the Record of Survey Map and by the Declaration. The Unit is privately owned, subject to the terms of this Declaration.

1.17 "Unit Number" shall mean the designated number assigned to each Unit on the Record of Survey Map. The Unit Number shall be the legal description of the Unit by which it is conveyed and assessed.

1.18 "Vote" shall mean the percentage of the total voting rights of the Project allocated to each Unit, as shown on Exhibit B.

ARTICLE II

SUBMISSION TO THE ACT 00456155 Bk00971 Pg00095

2. Declarant hereby submits the Project, the Property, and all improvements to the Property to the provisions of the Act. All Property within the Project shall be held, occupied, used, sold, mortgaged, assessed, and otherwise possessed as condominium property subject in all respects to the Act. All of the Project is subject to the covenants, conditions, and restrictions contained in this Declaration, each of which is intended to be for the mutual burden and benefit of the Project, and for each of the Owners within the Project, for the purpose of creating a common pattern of use and development. The covenants, conditions, and restrictions are intended to be covenants running with the land, binding on the successors, assigns, lessees, and Mortgagees of each Owner for so long as the Property is subject to the Act.

2.1 Term of Declaration. This declaration shall remain in full force and effect until the Owners elect to terminate the project, or the Project is destroyed and liquidated as provided below.

2.2 Designation of Unit. The Record of Survey Map has designated a Unit number for each Unit. That Unit number shall be the legal description of the Unit, and each Unit shall constitute a separate parcel of real property which can be conveyed, mortgaged, taxed, and otherwise identified by the description: "Unit Number - of The Cove at Sun

Peak Condominium, as it appears of record in the office of the Summit County Recorder, together with its appurtenant interest in the common areas."

2.3 Nature of Ownership. Each Unit shall convey not only the Unit itself, but an appurtenant undivided interest in the Common Areas. The undivided interest is based on the proportion of the floor area of the Unit relative to the total floor area of all Units in the Project. The percentage undivided interest in the Common Area is shown on Exhibit B.

2.4 Consent to Declaration. Acceptance of a deed to a Unit in the Condominium is deemed to be consent to the terms and conditions of this Declaration, and the restrictions, assessments, and obligations it creates.

2.5 Easements for Encroachment. To the extent that any building is constructed or due to settlement or shifting later inadvertently encroaches on Common Areas, or that Common Areas encroach upon Units as a result of construction or settlement, the Owners and the Association each grant to the other easements for such encroachments.

2.6 Easements for Repairs. To the extent necessary to efficiently complete any repairs to Common Areas, the Owners of each Unit are subject to an easement and right of entry through each Unit for the benefit of the Association and the adjoining Unit Owner, specifically including attics, crawl spaces, party walls, and any common utility facilities. Although unlikely in this building configuration, each Owner also grants the Association the right to enter his or her Unit in cases of emergencies to secure the Unit, or to disconnect utilities as necessary to prevent damage to the adjoining Unit until repairs can be arranged.

2.7 Mechanics Liens. Each Unit is private property of the Owner. Persons providing labor or materials to the Unit at the request of the Owner shall have the right to enforce a mechanics lien against only that Unit, but not against the Common Areas of the condominium.

ARTICLE III

ELEMENTS OF THE PROJECT

3. The Project is divided into Units, Common Areas, and Limited Common Areas. The nature of each of these areas is described below:

3.1 Units. The Units within the project shall consist of several different unit types. They will include the twin home units, the two large condominium building units and the 9 estate homesites. One half of the twin home structures constructed within the Project is considered one Unit. (i.) The Twin Home unit shall include the land underneath the structure, and the structure itself, including structural elements and exterior wall surfaces, roofs, exterior doors and windows, and the interior space enclosed by the structure. All utility and mechanical systems within each dwelling are part of the Unit, except to the extent they service more than one dwelling. Within each twin home structure, the boundary between the Units will be the center of the double-studded party wall. Each Unit will be part of a twin home structure with a concrete foundation, wood frame construction, with wooden siding, and a truss roof system with asphalt shingles. The buildings are two and three stories, containing kitchen, bathing and living areas, and from two to four bedrooms, and a two car garage. (ii.) The large condominium buildings referred to as the "Bear Lodge" Units shall not include the land beneath the structure. They will have a separate condominium plat recorded within this subdivision. The "Bear Lodge" units shall share in the ownership of the common space but be subject to their own recorded Supplemental Declaration of Protective Covenants and Restrictions. (iii.) The Estate Homesites referred to as "The Cove Estates" will consist of nine (9) lots on a private street and shall share in the ownership of the common space but be subject to their own recorded Supplemental Declaration of protective Covenants and Restrictions.

3.2 Easement for Exterior Maintenance. Notwithstanding the inclusion of the exterior surfaces of the buildings as part of the Unit, the Association shall have a perpetual easement over the exterior wall surfaces, siding, roofing, and other exterior surfaces; and the foundations, load bearing walls, joists, trusses, and other load bearing or structural elements of each Unit for the purposes of maintenance. The costs of any maintenance or repairs carried out under this easement shall be assessed as Common Area Expenses. Under the terms of this easement, the Association shall:

- (a) Maintain, repair, periodically re-paint and replace exterior siding and exterior doors and window frames on the buildings within the project; maintain, repair, and periodically replace the shingles and roofing on the buildings within the project;

00456155 Bk00971 Pg00096

(b) Repair and restore any structural damage to the foundations, columns, load bearing walls, joists, rafters, trusses or other structural elements necessary for the support of the structures following damage by fire, storm, or other casualty or failure.

Without the prior written consent of the Association, no Owner will make exterior modifications to siding, roofing, exterior doors or windows, or to structural elements of the Units within the Project.

3.3 Common Areas. Unless included in the Unit, the remainder of the Project is Common Area. Common Areas specifically include:

(a) The land not included within the Units and not dedicated as public streets, and improvements on that land including landscaping and sprinklers, lighting, and other improvements that may be made by the Declarant or later installed by the Association.

(b) Utility lines which serve more than one Unit, including water lines upstream of the individual Units water meter, sewer lines outside of the foundation of the buildings, and storm drainage pipes are all Common Areas. To the extent not owned by the utility company providing service to the Unit, all wires, pipes, conduits or other utility service equipment will be Common Area up to the point at which the utility line enters the Building, the Unit Owner's side of the meter, or the point at which the line splits to serve only one Unit.

3.4 Limited Common Areas. Some Common Areas have been designated as for the exclusive use and possession of the Units to which they are appurtenant. The Association is responsible for structural maintenance of the Limited Common Areas (excluding fixtures or equipment installed by Owner or assigned to Owner under this Declaration), but the Owner of the Unit to which the Limited Common Area is appurtenant shall have exclusive possession of that area. Unless the Association so elects, from time to time, the routine maintenance, landscaping, sprinkling, and other maintenance of Limited Common Areas will be the responsibility of the Owner of the Unit to which the Limited Common Area is appurtenant. The Limited Common Areas are:

(a) Driveways, walks, porches serving only one Unit. Notwithstanding the status as Limited Common Area, the Unit Owner is responsible for snow removal on his or her own driveway, approach walk, and porch unless the Association agrees, from time to time, to include that service within the Common Area Assessments. Driveways and walkways may not be shown on the Map, but whether shown or not, they are considered Limited Common Areas of the Units they serve.

(b) Open Space area designated as Limited Common Area 1 on the Record of Survey Map. This area is intended for use by the owners of The Cove Estates only for recreation, and other related activities.

(c) Limited Common Area designated as the Bear Lodge Condominiums. This area is intended for the use by the owners of the Bear Lodge units for access and parking.

(d) That portion of the Property of up to a maximum of 12 feet at the rear yard of the twin home units is deemed as Limited Common Area. The individual Owners can partition this Limited Common Area into rear yards appurtenant to each Unit. The exact location of these partitions will be determined in the field based on the Assessment of views, the utility of the yard area and the efficient layout of the space and must be approved at the sole discretion of the Association. The Association, with approval of the affected Owners, may approve adjustments in the locations of these areas without a formal amendment of the Map or adjustment of the percentage of Common Area Ownership. When so approved by the Association or by the Declarant, this area shall be designated and function as the private back yard of the Unit. Within this Limited Common Area, it is anticipated that there will be some elements that are the maintenance obligation of the Association, and other elements or improvements that are the sole obligation of the Owner. No Fencing shall be permitted within the limited common or common areas.

(e) The Unit Owner may make improvements within the Limited Common Area described in (d), as provided in this Declaration. The Unit Owner is solely responsible for the initial construction costs, maintenance, insurance, and operation of any improvements installed by the Unit Owner (or by a prior Owner) including hot tubs, spas, swing sets, planters, landscaping, or other improvements permitted by this Declaration.

00456 155 Bk00971 Pg00097

3.5 Ownership of Common Areas. The ownership of the Common Areas (including Limited Common Areas) is an appurtenance to the ownership of the Units, and the Owner of each Unit shall own an undivided interest in the Common Areas equal to the proportion of the total interior floor area that Unit bears to the total interior floor area within the Project as a whole. The percentage of Common Area Ownership for each Unit is shown on Exhibit B.

3.6 Water Service. Water service to the Project is provided by Silver Springs Water Company. If shares are issued in the Company, those shares will be held by the Association for the benefit of the Members. The Water Company is responsible for maintaining water mains within the public right of way and the dedicated utility easements. Maintenance of water laterals between the water mains and the foundation of each building will be the responsibility of the Association as a common area expense. From the individual service meter serving each unit, or the point at which the lines enter the foundation of each unit or building, the maintenance responsibility is that of the unit owner.

ARTICLE IV OWNERS ASSOCIATION

4. Management of the Project will be carried out by the Association, which shall have those duties and powers set out for the management of the condominium in the Act, and the additional enforcement powers created under this Declaration.

4.1 Trustees. The Association will be governed by the Board of Trustees. There will initially be five trustees, but when the Project is completed to its proposed 80 Condominium Units plus 9 estate lots, the Board will expand to seven Trustees. The trustees will be elected by majority vote of the Owners as called for in the Declaration and By-Laws. Each Trustee will serve a 2 year term, provided that Trustees will continue to serve until their successors have been elected or replacements appointed. Terms will be staggered, and the initial board will divide itself into terms of 1 and 2 years by drawing lots. During the development stage of the Project, the Trustees will be named by the Declarant, as provided below in Section 6.3.

4.2 Powers. The trustees will have all of the powers granted to them under the Act. In addition, they shall have the power to enforce this Declaration, and to take all actions authorized by the Declaration. Unless specifically required by the Act or by this Declaration, the Trustees may manage the Project without express authorization from the Owners. The Trustees shall have the power to bring, defend, or compromise litigation or other claims on behalf of the Association, to arbitrate disputes arising under this Declaration, to hire property managers, to enter into contracts with third persons for services to the Project, to purchase insurance and make and compromise claims under the policies, to represent the interests of the Association before County agencies and in The Cove at Sun Peak Master Owners Association, and in all other respects act on behalf of the Association. Nothing in this provision is intended to preclude or limit the rights of individual Owners to appear before County agencies or the Master Association and express personal views.

4.3 Budget. At least 30 days prior to the annual meeting of the Owners, the Trustees will prepare a proposed operating budget for the ensuing year, and a statement showing actual expenditures for the current year (with projections for the final month). The budget will detail the income and expenses of the Association showing expenses for building maintenance, operations, reserves, repairs, insurance, utilities, snow removal, landscaping, management fees, professional fees, and where applicable, capital improvements to the Project. The budget will also show income derived from all sources, and the amounts of any receivables. The proposed budget will be mailed to each Owner at his or her last known address (as shown by the most recent County property tax assessment rolls, if no other address is available) at least 30 days prior to the annual Owners meeting. The budget will also indicate the resulting Common Area Assessment to be levied on each Unit. The budget will also include the notice of the annual meeting.

4.4 Common Area Assessments. The Trustees have the power to levy Common Area Assessments for the operation of the Project. The assessments shall be for building maintenance, operations, reserves, repairs, insurance, utilities, snow removal, maintenance and repairs on walkways and the private roads shown on the Map, landscaping, management fees, professional fees, and where applicable, capital improvements to the Project, and other items which may be authorized by the Act, this Declaration, or by the Owners. The assessment will be levied on an annual basis, in advance. Unless the Trustees vote to require monthly payment, assessments will be paid in equal quarterly installments. The initial budget has been prepared in an effort to keep the common area assessments as low as reasonably possible and still provide a high level of maintenance to the Project. This results in the Owners bearing a greater individual maintenance responsibility. The initial overall maintenance obligation and cost allocation is as follows:

00456155 Bk00971 Pg00098

(a) **Common Services and Expenses.** The following items of maintenance and operating expense will be paid through the Association as Common Area expenses by all owners within the Project:

Snow removal, maintenance and repairs on the private roads shown on the map the pathway connecting Cove Canyon Drive along the front of the property, any other Association improvements installed in or adjacent to the public rights of way and the internal trail serving more than one unit;

Liability insurance on Common Areas, Common playground equipment (if any), and any insurance on officers and directors, insurance in relation to construction of Common Area Improvements or repairs;

Maintenance, repair, and re-construction of Common Area improvements, including mowing, sprinkling, landscaping, playground or picnic area equipment, etc., including periodic maintenance and re-staining of fencing and other common area improvements;

Utility charges for lighting, irrigating, or other utilities used in conjunction with Common Area maintenance or use;

Project administrative costs, including mailing, office expenses, bookkeeping, accounting, legal and other professional services required, bank charges, and other administrative expenses for the efficient management of the project;

Other items of common area expense as required by law.

The Association will be responsible for the maintenance and repair of exterior building surfaces, fences, berms, walks, decks, patios, and other improvements constructed by the Declarant as part of the initial construction of the Project, or later installed by the Association.

(b) **Additional Condominium Owners Responsibilities:** The following items of maintenance and operating expense are applicable to the condominium units exclusively and are not an Expense of "The Cove Estates" homeowners and are to be paid through the Association as Common Area Expenses exclusively by the condominium owners; (See Exhibit B, Column F)

Cash reserves for periodic replacement or maintenance of large items of expense, such as roof replacement, exterior painting, etc.;

Structural maintenance of buildings;

Re-staining or painting of exterior surfaces including exterior doors, garage doors, fencing and siding;

Re-roofing and roof repair, including leak repair, on all buildings; provided, however that Owners are responsible for installation and maintenance of roof heat tape in those areas, if any, that routinely develop ice dams due to drift patterns or sun exposure, and are responsible for roof leak repairs if they fail to maintain heat tape in such areas;

(c) **Owner Maintenance Obligations.** The following items are the responsibility of the Owner for his or her Unit, and will not be paid for as Common Area Expenses:

Snow removal on driveways, entry walks, and sidewalks serving the Unit;

Installation and maintenance of any gate added to the Fenced Limited Common Area fencing. Gates of the same material, finish, and height as the abutting fencing may be installed at any time by the Owner without prior approval. Gates of a different design or material require approval of the Association. Any gates must be located in a manner that maintains access to utility meters;

Maintenance and replacement of decks and patios within the Fenced Limited Common Area and concrete flatwork driveways, and entry walks;

00456 155 Bk00971 P600997

Casualty insurance on Owner's contents within the Unit, and betterments, improvements, or upgrades to interior finishes, cabinetry, or other fixtures, and liability insurance on the Owner's Unit and limited common areas used in conjunction with that Unit;

Utility costs for the Unit, including electrical, gas, telephone, cable television, sewer service, garbage collection fees, and other utility services or similar charges related to the use and occupation of the Unit;

Interior maintenance and repairs, including paint, floor coverings, fireplaces and flues, furnaces, water heaters and other mechanical equipment and appliances, non-load bearing walls, all drywall, ceilings, interior doors, glass replacement on exterior windows, garage floor flatwork, garage door operations, automatic garage door openers and damage to garage doors, and any other equipment, devices, or appliances installed by Owner.

Maintenance and repair of sewer lateral lines serving the Unit.

(d) Increase of Association Obligations. The Association may, by majority vote among the Owners, decide to have some of the enumerated obligations of the Owners, or other services, taken over as Common Area expenses from time to time in order to achieve cost savings, convenience of the Owners, and maintain a consistent level of maintenance.

4.5 Owners' Obligation to Maintain. Each Owner covenants with the Association and each other Owner that he or she will maintain his or her Unit and the appurtenant Limited Common Areas for which the Unit Owner is responsible. In the event an Owner fails to maintain these areas, and as a result of the failure to maintain, there are conditions which are dangerous, unsightly, unhealthy, unsanitary, or which constitute a nuisance, the Association shall have the right, but not the obligation, to make necessary repairs or carry out necessary maintenance, and file a lien against the Unit for the reasonable costs of such repairs or maintenance. Prior to exercising this right to maintain, the Association will give the Owner written notice of the items needing maintenance or repair, and the owner will have 15 days from the date of notice to commence repairs. If the Owner has not commenced repairs or maintenance, or fails to pursue repairs or maintenance with reasonable diligence, the Association may enter and complete the repairs, perform the maintenance, or abate the nuisance at the Owner's expense.

4.6 Approval of Assessment and Budget. At the annual Owners meeting, the Owners may approve the budget as proposed, or vote to increase or decrease it. If no action is taken by the Owners, or if the annual meeting fails to achieve a quorum, the budget is deemed approved in the form submitted by the Trustees, and that Common Area Assessments are levied in accordance with the budget.

4.7 Special Assessment. The Trustees have the authority to levy Special Assessments as necessary to cover shortfalls in the budget or unanticipated expenses. So long as the Special Assessment (or the sum of all Special Assessments in the current operating year) is no greater than 10% of the currently approved budget, the Trustees may adopt a Special Assessment without a meeting of the Owners. If the Special Assessment (or sum of all prior Special Assessments in the current operating year) exceeds 10% of the current budget, a special meeting of the Owners will be called, and the purposes and amounts of the Special Assessments submitted to the Owners for approval.

4.8 Unfinished Units. The Record of Survey Map will create a total of 89 Units. At the time the Record of Survey Map is recorded, those Units will not have been physically constructed. Notwithstanding the creation of those Units by filing the Declaration and Record of Survey Map, no Common Area Assessments or Special Assessments will be levied against Units under construction. Units will first be liable for Common Area Assessments upon completion of construction. Declarant agrees to provide scheduling information to the Association on construction starts and construction progress, and the estimated completion dates so the Association can reasonably forecast its budget and the number of Units subject to Assessment each quarter.

4.9 Manner of Assessment. Each Unit will pay that portion of the Common Area Assessment and any Special Assessment equal to the appurtenant undivided interest in the Common Areas held by that Unit, as shown on Exhibit B.

4.10 Assessments Constitute a Lien. As provided in the Act, the Common Area Assessments and Special Assessments of the Association shall constitute a first lien on the Units until fully paid. The lien of the Association shall

be prior to all other liens except for property taxes and other statutory priorities, provided, however, that the Association lien will be subordinate to purchase money financing as provided below.

4.11 Voting. Each Unit will have the number of votes equal to its appurtenant percentage interest in the Common Area, as shown on Exhibit B. Only one person may vote for each Unit regardless of multiple Owners, and all votes appurtenant to each Unit must be cast the same way. If the Owners are not able to agree on how to cast their votes, no vote will be accepted from that Unit (though the Owners will be counted for purposes of establishing a quorum). When one of the multiple Owners is present at the meeting, that person shall be deemed to be acting with authority of all of the Owners of that Unit unless written objection from the other Owners has been received. Unless otherwise provided in this Declaration, the Association may act by a simple majority of the eligible votes.

4.12 Easements. The Trustees shall have the power to grant easements for utilities, trails, and similar public or quasi public purposes over the Common Areas of the Project.

4.13 Insurance. The Association will maintain such policy or policies of insurance as the Trustees deem necessary for the purposes and protection of the Association and the Owners, in such amounts as are customary and commercially reasonable for projects of this type in this area. At the minimum, the Association insurance will comply with the following:

(a) **Hazard Insurance.** The Association will maintain multi-peril type insurance covering the entire Condominium, including Units, Common Areas and Limited Common Areas. This policy shall be equal to the full replacement cost of the Condominium, as determined by the Trustees and insurance carriers, with provisions for automatic increases in coverage to cover any increases in the costs of replacement. Such policy will cover losses by fire and such other hazards covered by the standard extended coverage endorsement, and debris removal, demolition, damage by vandalism, malicious mischief, windstorm, hail, water damage (excluding flood insurance), and such other risks as are customarily covered in condominium projects in this location, of this construction, and use.

(1) The named insured will be The Cove at Sun Peak Homeowners Association, or its authorized representative, for the use and benefit of the individual Owners as their interests might appear.

(2) Each such policy will include a standard mortgagee clause, without contribution, which shall be either endorsed to provide that any proceeds are payable to the Association for the use and benefit of the Mortgagees, as their interest may appear, or shall be otherwise endorsed to fully protect the interests of the Mortgagees. Further, the policy shall require 30 days written notice to Mortgagees in the event of a cancellation, reduction, or non-renewal of coverage.

(3) Each policy shall contain a provision that, notwithstanding anything in the policy that gives the carrier the right to restore the Project rather than make a cash settlement, such right will not be exercised without the prior written approval of the Association.

(b) **Liability Insurance.** The Association will maintain a comprehensive public liability policy covering all Common Areas and Facilities. Such insurance will maintain "severability of Interest Endorsement" or its equivalent which shall preclude the insurer from denying a claim of one Owner because of the negligence of other Owners, the Association, or Trustees. The coverage will include coverage for non-owned automobiles, damage to property of third parties, and such other liability exposures as are reasonable and customary for projects of this type, nature, and use. The limits of liability coverage will not be less than \$1 million for all claims arising from a single occurrence.

(c.) The Association will maintain Workers Compensation Insurance on any employees, and if available at a reasonable cost, officers and directors insurance, and may require or purchase fidelity bonds on persons handling Association funds or property.

(d) The Owners are solely responsible for property casualty and liability insurance on the contents of their Units, and Limited Common Areas adjacent to their Units, and any improvements or betterments to their Units. Each Owner is also solely responsible for liability insurance against claims of personal injury or property damage occurring within his or her Unit or the Limited Common Area adjacent to that Unit. Specifically, the Owner is solely responsible for any liability claims arising from the installation and use of play ground equipment, trampolines, hot tubs, spas, or similar items within the Limited Common Areas, and covenants to hold the Association and other Owners harmless from any such claims.

4.14 Additional Services. With the approval of a majority of the Owners, the Association may undertake additional services not specifically mandated by this Declaration or the Act for the benefit of the Owners, including such things as snow removal services on Limited Common Areas, landscaping in Limited Common Areas, bulk purchases of cable television or other utility type services, or such other services that might be advantageous to the Owners. Such additional services may be added or discontinued from time to time as the Association sees fit.

ARTICLE V

RESTRICTIONS ON THE USE OF UNITS

5. The use and occupancy of the Units is expressly subject to these covenants, conditions, and restrictions:

5.1 Zoning Regulations. The lawfully enacted zoning regulations of Summit County, and duly adopted building, fire, and health codes, and the master covenants of the Sun Peak Development, and the Consent Agreement between Summit Ranch Joint Venture and Summit County governing the development of the Property are in full force and effect in the Project, and no Unit may be occupied in a manner that is in violation of any such statute, law, ordinance, covenant, or conditional use permit.

5.2 No Mining Uses. The Property within the Project shall be used for residential purposes only, and no surface occupation for mining, drilling, or quarrying activity will be permitted at any time.

5.3 No Business or Commercial Uses. No portion of any Unit may be used for any commercial business use, provided however that nothing in this provision is intended to prevent (a) the Declarant from using one or more Units for purposes of a construction office or sales office during the actual period of construction and sale of the Project, (b) the use of Common Area for storage of construction materials, equipment or a plant nursery in conjunction with the construction of the Project, or (c.) the use by any Owner of his Unit for a home occupation as defined by applicable ordinance. No home occupation will be permitted, however, which requires or encourages the Owner's clients, customers, patients or others to come to the Unit to conduct business, or which requires any employees outside of the Owner's immediate family or household. No retail sales of any kind may be made in the Project. No materials, machinery, equipment, or inventory associated with any home occupation may be stored outside of any Unit or on any Common Area or Limited Common Area, including the Fenced Limited Common Area. No signs associated with any home occupation are permitted.

5.4 Restrictions on Signs. No signs will be permitted on any Unit or within the Project, except for traffic control signs, and temporary signs warning of some immediate danger. Signs indicating the Unit is for sale may be placed in accordance with County sign regulations, and no such sign may exceed six square feet. The Declarant may erect a sign of not more than thirty-two square feet at the entrance to the Project for a period of no more than one year announcing the availability of Units and giving sales information. The Owner's name and address may be posted adjacent to the front door of a Unit on a sign or plaque not exceeding 2 square feet in area. A project sign will be installed off of Highway 224 as approved by Summit County and The Sun Peak Homeowners association.

5.5 Completion Required Before Occupancy. No Unit may be occupied prior to its completion and the issuance of a Temporary or Permanent Certificate of Occupancy by Summit County.

5.6 Underground Utilities. All gas, electrical, telephone, television, and any other utility lines in the Project are to be underground, including lines within any Fenced Limited Common Area. No propane tanks or oil tanks may be installed within the Project except for temporary heat during construction. Heating is to be natural gas supplied by utility pipeline.

5.7 Service Yards. All clothes lines, service yards, hot tubs, spas, play ground equipment, and exterior mechanical equipment must be within the Fenced Limited Common Area. Earth tone painted wood play ground equipment no greater than 10 feet in height is permitted. Any plastic or metal play ground equipment must be less than 6 feet in height. Equipment exceeding these heights is prohibited.

5.8 Maintenance of Property. All Units shall be maintained in a clean, sanitary, attractive and marketable condition at all times by the Owner. No Owner shall permit his Unit to fall into disrepair.

00456155 Bx00971 Pg00102

5.9 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried out in any Unit or on any portion of the Project, including the creation of loud or offensive noises or odors that detract from the reasonable enjoyment of nearby or adjoining Units.

5.10 No Hazardous Activity. No activity may be conducted within any Unit, or within the Project that is, or would be considered by a reasonable person to be unreasonably dangerous or hazardous, or which would cause the cancellation of conventional property casualty insurance. This includes, without limitation, the storage of caustic, toxic, flammable, explosive or hazardous materials in excess of those reasonable and customary for household uses, the discharge of firearms or fireworks, and setting open fires (other than properly supervised and contained barbecues). No Owner will occupy a Unit in a manner that is in violation of any State or Federal environmental protection law or regulation concerning the storage, disposal, or use of toxic or hazardous materials.

5.11 No Open Burning. The open burning of yard trimmings, construction waste, or other materials on the Unit or within the Project is prohibited.

5.12 No Unsightliness. No unsightliness is permitted on any Unit or its Limited Common Areas. This shall include, without limitation, the open storage of any building materials (except during the construction or repair of any Unit); open storage or parking of farm or construction equipment, inoperable motor vehicles, boats, campers, trailers, trucks larger than pick-up trucks (except during periods of actual loading and unloading); accumulations of lawn or tree clippings or trimmings; accumulations of construction debris or waste; household refuse or garbage except as stored in tight containers in a garage; and lawn or garden furniture except during the season of use.

5.13 No Annoying Sounds. No speakers, or other noise making devices may be used or maintained on any Unit or Limited Common Area which create noise that might reasonably be expected to be annoyingly loud from adjoining Units, except for properly operating and maintained security or fire alarms.

5.14 Vehicles Restricted to Roadways. No motor vehicle will be operated on the Property except on improved roads and driveways (except during periods of construction). No snowmobiles or motorcycles will be operated on the Property except for ingress and egress by duly licensed, "street legal" vehicles or while loading the equipment for lawful transport on public streets.

5.15 No Automobile Repair. No automobile repairs or restoration work may be made within the Property. No inoperative automobiles may be stored on the Property or within any Unit.

5.16 Kennels. No kennel or dog run may be placed anywhere on the Project or Property other than in the Fenced Limited Common Area appurtenant to the Owner's Unit. The Owner will maintain any dog run or kennel in a clean and sanitary manner to that there are no annoying odors affecting other Units. The Association may require an Owner to remove nuisance pets due to noise, running at large, sanitary violations, or other violations of applicable ordinances.

5.17 No Transient Lodging Uses. The Units are to be used for residential housing purposes only, and shall not be rented in whole or in part for transient lodging purposes, boarding house, "bed and breakfast," or other uses for providing accommodations to travelers. No lease of any Unit or Dwelling shall be for a period of less than one month. No Unit shall be subjected to time interval ownership.

5.18 No Time Interval Ownership. No Unit may be owned, leased, or otherwise held in a manner that divides either the legal title or the right of use into formal or informal time intervals or timeshare ownership, or any other contract, trust, partnership, or other arrangement that permits, allows, or as a practical matter, creates or establishes time interval ownership or rotating use of the Unit that is indistinguishable from time interval ownership.

5.19 No Firearms or Weapons. No firearms or weapons of any kind, including bb guns, pellet guns, or similar air-powered firearms may be discharged within the Project. No archery ranges or other weapons target areas or use is permitted.

5.20 Fireplaces, Chimneys. Only one wood-burning stove, fireplace, or other such appliance is permitted in each Unit. The primary heat source must be natural gas or solar rather than wood. No coal fired appliances may be use, and no coal shall be burned in fireplaces. Chimneys must be enclosed in an approved siding material with a spark arrester. No exposed metal flues are permitted, other than sections less than 2 feet at the top of the chimney.

5.21 Antennas. All antennas must be enclosed within a building, and not roof mounted. Any satellite dishes in excess of 24 inches in diameter must be located and screened in a manner approved in advance by the Architectural Committee so that they are not visible from either adjoining Units, Lots or from outside the Subdivision.

5.22 Solar Panels. Solar panels will be permitted only with the consent of the Architectural Committee, and if permitted at all, must lie flat against the roof and may not differ in pitch from the roof surface on which they are mounted. No free standing solar panels will be permitted.

5.23 Fencing. No Fencing shall be permitted in the Limited Common Areas or the Common Areas without specific approvals from Summit County

5.24 Repairs and Replacements. Repairs and replacements to any Unit or to the Common Areas constituting the exterior of the buildings will be made in a manner that is consistent in architectural design, materials, colors, and of equal or better quality than the remainder of the Project, and with the original construction.

5.25 Additions. No Unit Owner may construct additions to his Unit without the consent of the Association, which may require a formal amendment of the Map to reflect the expansion of the Unit on to land that was previously Common Area, and appropriate consideration paid to the Association. All costs associated with the amendment of the Map and Declaration will be borne by the Unit Owner requesting the amendment.

5.26 Interior Alterations. Unit Owners may make interior alterations within their Units as they see fit, provided that no structural or bearing wall may be altered, moved, or penetrated with new openings without the approval of the Association. Any alterations must be carried out pursuant to a properly issued building permit, and in full compliance with all applicable codes. No interior alterations that involve the relocation of any interior partition will be made without advance notice to the Association, complete with copies of plans indicating the alterations to be made

ARTICLE VI

DEVELOPMENT RIGHTS RESERVED

6. The Declarant expressly reserves certain rights and privileges as provided in the Act for the construction of the Project. These rights will expire on the sooner of (i) the completion of the Project, (ii) the withdrawal of the land prior to the completion of Units; or (iii) the expiration of seven years from the date of the recording of the Record of Survey Map with the Summit County Recorder.

6.1 Contraction of Project. Declarant also reserves the right to contract the project, and to remove land from the Project, including land that had been previously shown on the Record of Survey Map and which includes Units that are mapped but not physically constructed, and which have not been sold by Declarant to any third party. The Project may be contracted, and land withdrawn by the Declarant filing a supplemental Declaration for record with the Summit County Recorder, which shall state (i) the metes and bounds description of the land to be withdrawn; (ii) the Unit numbers of any unconstructed Units included within the land to be withdrawn and a statement that no third party has acquired legal or equitable title to those Units; and (iii) a revised schedule showing the percentage of undivided Common Area interest and votes appurtenant to the remaining Units within the Project. Declarant may exercise the right to contract the Project only once.

6.2 Easements upon Contraction. In the event of contraction of the Project, Declarant and the Association covenant with each other to provide such easements as reasonably necessary for each other to provide for access to utilities across the land owned or controlled by the other party, storm drainage easements, connections to existing public streets (without reservation of protection strips), and similar rights to cross the property of the other so that the resulting independent parcels are fully functional independently. Land that has been withdrawn from the Condominium shall not be encumbered by or subject to this Declaration, and the development on that land may be different in nature from that described in this Declaration.

6.3 Trustees. For a period of 3 years from the date of this Declaration, the Declarant shall have the right to appoint all 5 of the Trustees. After 3 years, and continuing until the 5th anniversary of the filing of this Declaration, the Association shall elect 2 of the 5 trustees, and the Declarant shall have the right to appoint 3 trustees. If all 89 Units are constructed within the first 5 years, the Declarant's right to appoint trustees will terminate upon the completion of the last Unit, and the Association will elect all of the trustees. If the Declarant withdraws land from the Condominium, such that

no additional Units are to be constructed by the Declarant, the right of the Declarant to appoint trustees will terminate upon the withdrawal of land, and the Association will name all trustees from that date forward.

ARTICLE VII

DESTRUCTION OR TERMINATION OF CONDOMINIUM

7. In the event of damage or destruction of the Condominium, or if the Owners elect to terminate the Condominium, the following provisions shall apply:

7.1 Damage. In the event of damage to the Common Areas of the Condominium, the Association will make proof of loss with the insurance carrier, and supervise the application of insurance proceeds to the repair of the damage.

7.2 Destruction. If the damage to the Project is such that the costs of repair exceed more than 75% of its market value, or the damage has caused material and substantial damage to more than 50% of the Units, the Association shall convene a special meeting of the Owners as soon as possible for the purpose of determining the future of the Project. At the special meeting, the trustees will present the Owners with the best estimates available of the extent of the damage, the cost of reconstruction, and the market values. Such information may be preliminary in nature. After consultation with the Association, a vote will then be taken to determine whether the Trustees shall (i) proceed with the settlement of insurance claims and repair and reconstruction of the Project, or (ii) to terminate the project. Unless either alternative is approved by a vote of 75% of the undivided Common Area Ownership (excluding any unconstructed Units owned by the Declarant), the trustees will postpone the decision for a time not to exceed 90 days to provide additional information on the relative costs and values. At that time, an additional vote will be taken, and unless the vote is at least 75% in favor of termination, the Project will be repaired.

7.3 Partial Termination. If the destruction is such that it has been confined to specific areas of the Property, such that some Units and Common Areas are substantially unaffected, while other areas are substantially destroyed, the Trustees may recommend that Owners vote on an Amendment to the Declaration and Record of Survey Map that calls for termination of the Condominium as to those Units and Common Areas that were destroyed, and leaves the portion of the Condominium that was undamaged, or not substantially damaged, within the Condominium.

7.4 Effect of Termination. Upon a vote of the Owners to terminate the Condominium, or portions of the Condominium, the trustees will prepare and execute such Amendments to the Declaration and Record of Survey Map as necessary to carry out the will of the Owners. The Owners of Units in the terminated condominium or portion of the condominium that is terminated, will then be tenants in common in the ownership of the land, each in proportion to his or her proportionate undivided interest. No Owner will be entitled to a distribution of land, but rather the trustees will hold the land for the benefit of all of the Owners until it is liquidated. Insurance proceeds will be applied first to clearing the site and removing hazardous conditions, then to paying the costs of liquidation, and finally, distributed to the Owners in proportion to their interests. If less than all of the Project is terminated, Owners in the remaining portion of the Project will have no right to any of the insurance proceeds or process from the liquidation of the land.

7.5 Condemnation. In the event of condemnation of Common Areas which does not result in the taking of any Unit, the trustees shall have the power to represent the Association in the action, and to litigate or compromise the action on behalf of the Association. The proceeds of any condemnation award will be the property of the Association, and used to fund Common Area expenses, or, in the judgment of the Trustees, distributed to the Owners in proportion to their undivided ownership interest. In the event of condemnation that involves a taking of both Common Area and all or part of any Unit, the Owner of the affected Unit may appear on his or her own behalf, and any award applicable to the taking of the Unit is the sole property of the Unit Owners. If such a taking results in the reduction in size of any Unit, or if Units are completely eliminated, the trustees will present the Owners with an amended declaration that revises the number of Units and the undivided interest appurtenant to each.

ARTICLE VIII

AMENDMENT

00456 155 Bk00971 Pg00105

8. This Declaration may be amended from time to time by the affirmative vote of the Owners representing more than 50% of the undivided ownership interest. The right to amend this Declaration is subject to the following limitations:

8.1 Declarant's Rights. Without the written consent of Declarant, no amendment shall have the effect of eliminating or changing the Declarant's rights to contract the Project by filing a Supplemental Declaration and Record of Survey Map, without the consent of the Owners, or the Declarant's rights to appoint trustees.

8.2 Mortgagee Consent. No amendment which materially changes the nature of ownership of any Unit, changes the nature of the use or occupancy of the Project or Units, or eliminates the provisions of the Mortgagee Protection section of this Declaration will be effective on any Mortgagee unless the Mortgagee has consented to the amendment in writing.

ARTICLE IX

MORTGAGEE PROTECTION

9. To facilitate financing for the Units in the Project, the following provisions for the protection of Mortgagees shall apply:

9.1 Subordination of Lien. The Association hereby subordinates its lien for Common Area Assessments to the first lien purchase money mortgage on each Unit. In the event that a mortgagee take title to any Unit through trustee sale, foreclosure or a deed in lieu of foreclosure or sale, the Association will waive the right to a lien for accrued but unpaid Common Area Assessments. The mortgagee will take title free of the lien for unpaid Common Area Assessments accrued prior to the date of possession. The Mortgagee in possession will, however, be subject to the Common Area Assessments accruing from the date it takes possession.

9.2 Statement of Account. The association will give any Owner, prospective purchaser, or Mortgagee or prospective Mortgagee a written statement of account for the Unit in question, showing the balance owing, if any, for Common Area Assessments. The Association may charge a fee of \$25 for each such statement to cover its costs of preparation. Prospective purchasers and Mortgagees will be entitled to rely on the accuracy of that statement of account, and amounts not shown will be deemed waived as to the new Owner or Mortgagee.

9.3 No Release of Prior Owner. The obligation to pay Common Area Assessments is personal, and despite subordination or waiver for the benefit of a Mortgagee or new Owner, the Association may reserve its rights to proceed against the prior Owner to collect any amounts due.

ARTICLE X

ENFORCEMENT

10. This Declaration is enforceable by bringing an action in the District Court for Summit County, Utah, or such other court as may have jurisdiction. The provisions are enforceable by seeking money judgments, the right to foreclose on liens, or in the case of covenants concerning the use of the property, by injunction.

10.1 Notices. Notice of past due assessments will be sent to the Owner at the last known address, and delivered in person to the Unit. If payment has not been made within 10 days of written notice, the Association may record a notice of lien against the Unit, and proceed to collection or foreclosure. Notices of non-monetary violations of the Declaration will be given in the same manner, and if the violation is not cured, or the acts constituting the violation are repeated within 10 days, the Association may seek an injunction compelling performance.

10.2 Severability. If any provision of this Declaration is adjudicated to be unenforceable, the remainder of the Declaration shall remain in full force and effect.

10.3 Attorneys Fees. If the Association is required to consult with an attorney for purposes of collection of past due assessments, or enforcement of other covenants, conditions, or restrictions in this Declaration, the Owner in default or violation agrees to reimburse the Association for its reasonable attorneys fees, whether suit is filed or not. If suit is filed, all costs of enforcement will be recovered in addition to whatever other relief a court may award.

10.4 Arbitration. In any dispute between the Association and any Owner arising under the terms of this Declaration or the By-laws of the Association, the parties will submit the issue to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. Judgment may be issued on award or determination of the Arbitrators in any court having jurisdiction over the property or the parties to the dispute. All fees for

00456155 Bk00971 P600106

the American Arbitration Association will be equally divided and paid in advance by the parties, or at such time as required by the Arbitration Rules. While it is the intent of the Declarant that disputes be resolved by arbitration where ever possible, the Association shall not be deemed to have waived its rights to foreclose liens for Common Area Expenses or other charges through judicial foreclosure, nor to have waived the right of the Association to seek injunctive relief in those situations where arbitration does not provide an adequate or complete remedy. The Association will attempt to include arbitration clauses in contracts with third parties providing goods or services to the Association.

Effective this _____ day of June, 1996.

DECLARANT:

The Cove at Sun Peak, L.L.C. a Utah Limited Liability Company

By: Merald H Rice
Rice Development, L.L.C.
Gerald H. Rice, its Authorized Member

By: Michael J Kermizis
MJK, Utah, L.L.C.
Michael J. Kermizis, its Authorized Member

By: Michael Wright
Bunker Family Partnership
Michael Wright, its Authorized Member

By: Daniel K Naylor
Daniel K. Naylor, Individual

State of Utah)
) :ss
County of Summit)

On the _____ Day of June, 1996, the foregoing Declaration of Condominium for The Cove at Sun Peak was acknowledged before me by _____ who personally appeared before me, and being by me duly sworn declared that they are the members and organizers of The Cove at Sun Peak, L.L.C., and that they signed the foregoing Declaration.

In witness whereof, I have set my hand and seal this _____ Day of June, 1996.

Notary Public
Residing at: _____

My Commission Expires:

sa:...lwpdocs\covecndo.ccr

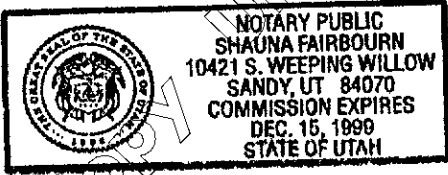
Please see attached page for notarization.

00456155 Bk00971 Pg00107

State of Utah)
)
) :ss
County of Salt Lake)

On the 7th Day of June, 1996, the foregoing Declaration of Condominium for The Cove at Sun Peak was acknowledged before me by Gerald H. Rice, Michael J. Kermizis, Michael Wright, and Daniel K. Naylor who personally appeared before me, and being by me duly sworn declared that they are the members and organizers of The Cove at Sun Peak, L.L.C., and that they signed the foregoing Declaration.

In witness whereof, I have set my hand and seal this 7th Day of June, 1996.



Shauna Fairbourn

Notary Public
Residing at: Sandy, Utah

My Commission Expires:

December 15, 1999

00456 155 Bx00971 Pg00108

EXHIBIT "A"
THE COVE AT SUN PEAK
PROPERTY DESCRIPTION

A PARCEL OF LAND WITHIN THE EAST HALF OF SECTION 25, TOWNSHIP 1 SOUTH, RANGE 3 EAST AND THE WEST HALF OF SECTION 30, TOWNSHIP 1 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN, COUNTY OF SUMMIT, STATE OF UTAH MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF SECTION 31, TOWNSHIP 1 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN; SAID CORNER BEING A BRASS CAP SET BY THE COUNTY SURVEYOR IN 1958; THENCE NORTH $00^{\circ}03'43''$ WEST 53.76 FEET ALONG THE EAST LINE OF SECTION 36, TOWNSHIP 1 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN, TO THE NORTHEAST CORNER OF SAID SECTION 36, THENCE NORTH $00^{\circ}03'43''$ WEST 2065.68 FEET ALONG THE EAST LINE OF SECTION 25, TOWNSHIP 1 SOUTH, RANGE 3 EAST SALT LAKE BASE AND MERIDIAN; TO THE NORTHERLY BOUNDARY OF THE MAHOGANY HILLS II SUBDIVISION; THENCE WEST 0.39 FEET ALONG SAID BOUNDARY TO THE POINT OF BEGINNING (BASIS OF BEARING IS NORTH $00^{\circ}00'06''$ WEST BETWEEN THE WEST QUARTER CORNER AND THE NORTHWEST CORNER OF SECTION 31, TOWNSHIP 1 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN); THENCE ALONG SAID BOUNDARY THE FOLLOWING TWO CALLS: 1) SOUTH $71^{\circ}29'19''$ WEST 599.49 FEET; 2) SOUTH $31^{\circ}11'25''$ WEST 1130.08 FEET TO THE NORTHERLY BOUNDARY OF THE CEDAR DRAW ESTATES SUBDIVISION; THENCE CONTINUING ALONG SAID NORTHERLY BOUNDARY NORTH $58^{\circ}48'34''$ WEST 381.55 FEET TO THE EASTERLY BOUNDARY OF THE CEDAR DRAW ESTATES II SUBDIVISION AND FOLLOWING SAID EASTERLY LINE THE FOLLOWING TWO CALLS: 1) NORTH $02^{\circ}58'33''$ WEST 1278.71 FEET; 2) NORTH $20^{\circ}08'22''$ WEST 312.76 FEET; THENCE NORTH 100.00 FEET; THENCE EAST 1653.15 FEET TO THE EAST LINE OF SAID SECTION 25, TOWNSHIP 1 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN; THENCE NORTH $00^{\circ}03'43''$ WEST ALONG SAID SECTION LINE 601.36 FEET; THENCE LEAVING SAID SECTION LINE EAST 869.69 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF STATE HIGHWAY U-224 AND FOLLOWING SAID RIGHT-OF-WAY LINE THE FOLLOWING SIX CALLS: 1) SOUTH $28^{\circ}16'12''$ WEST 97.43 FEET TO A U.D.O.T BRASS MONUMENT; 2) SOUTH $14^{\circ}59'14''$ WEST 156.83 FEET TO A U.D.O.T. BRASS MONUMENT AND THE BEGINNING OF A NON-TANGENT CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 2949.79 FEET AND A CENTRAL ANGLE OF $12^{\circ}50'32''$; 3) THENCE CONTINUING ALONG SAID CURVE TO THE LEFT FROM WHICH THE RADIAL LINE BEARS SOUTH $73^{\circ}18'25''$ EAST 2949.79 FEET, A DISTANCE OF 661.17 FEET TO A U.D.O.T. BRASS MONUMENT; 4) THENCE SOUTH $04^{\circ}44'32''$ WEST 206.19 FEET TO A U.D.O.T. BRASS MONUMENT AND THE BEGINNING OF A NON-TANGENT CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 2959.79 FEET AND A CENTRAL ANGLE OF $12^{\circ}00'55''$; 5) THENCE CONTINUING ALONG SAID CURVE TO THE LEFT FROM WHICH THE RADIAL LINE BEARS NORTH $89^{\circ}49'17''$ EAST 2959.79 FEET, A DISTANCE OF 620.68 FEET TO A U.D.O.T. BRASS MONUMENT; 6) THENCE SOUTH $09^{\circ}57'05''$ EAST 207.70 FEET TO A U.D.O.T BRASS MONUMENT AND THE NORTHERLY BOUNDARY OF THE MAHOGANY HILLS II SUBDIVISION; THENCE ALONG SAID NORTHERLY BOUNDARY WEST 749.27 FEET TO THE POINT OF BEGINNING.

00456155 Bk00971 Pg00109

The Cove at Sun Peak Condominiums - Ownership Interests

A	B	C	D	E	F	G	H	I
	Bldg. No.	Unit No.	Unit Type	Unit Square Feet*	Project Common Area Ownership %	Condominium Common Area Ownership %	Sun Peak Homeowners Assn. Votes	The Cove at Sun Peak Homeowners Association Votes
1	1A	A	White Wolf	1535	0.92	1.10	1	0.82
2	1A	B	White Wolf	1535	0.92	1.10	1	0.82
3	2A	A	White Wolf	1535	0.92	1.10	1	0.82
4	2A	B	White Wolf	1535	0.92	1.10	1	0.82
5	3A	A	White Wolf	1535	0.92	1.10	1	0.82
6	3A	B	White Wolf	1535	0.92	1.10	1	0.82
7	4A	A	White Wolf	1535	0.92	1.10	1	0.82
8	4A	B	White Wolf	1535	0.92	1.10	1	0.82
9	5A	A	White Wolf	1535	0.92	1.10	1	0.82
10	5A	B	White Wolf	1535	0.92	1.10	1	0.82
11	6A	A	White Wolf	1535	0.92	1.10	1	0.82
12	6A	B	White Wolf	1535	0.92	1.10	1	0.82
13	7A	A	White Wolf	1535	0.92	1.10	1	0.82
14	7A	B	White Wolf	1535	0.92	1.10	1	0.82
15	1B	A	Big Horn	2048	1.23	1.47	1	1.10
16	1B	B	Big Horn	2048	1.23	1.47	1	1.10
17	2B	A	Big Horn	2048	1.23	1.47	1	1.10
18	2B	B	Big Horn	2048	1.23	1.47	1	1.10
19	3B	A	Big Horn	2048	1.23	1.47	1	1.10
20	3B	B	Big Horn	2048	1.23	1.47	1	1.10
21	4B	A	Big Horn	2048	1.23	1.47	1	1.10
22	4B	B	Big Horn	2048	1.23	1.47	1	1.10
23	5B	A	Big Horn	2048	1.23	1.47	1	1.10
24	5B	B	Big Horn	2048	1.23	1.47	1	1.10
25	6B	A	Big Horn	2048	1.23	1.47	1	1.10
26	6B	B	Big Horn	2048	1.23	1.47	1	1.10
27	7B	A	Big Horn	2048	1.23	1.47	1	1.10
28	7B	B	Big Horn	2048	1.23	1.47	1	1.10
29	8B	A	Big Horn	2048	1.23	1.47	1	1.10
30	8B	B	Big Horn	2048	1.23	1.47	1	1.10
31	9B	A	Big Horn	2048	1.23	1.47	1	1.10
32	9B	B	Big Horn	2048	1.23	1.47	1	1.10
33	8A	A	White Wolf	1535	0.92	1.10	1	0.82
34	8A	B	White Wolf	1535	0.92	1.10	1	0.82
35	9A	A	White Wolf	1535	0.92	1.10	1	0.82
36	9A	B	White Wolf	1535	0.92	1.10	1	0.82
37	10A	A	White Wolf	1535	0.92	1.10	1	0.82
38	10A	B	White Wolf	1535	0.92	1.10	1	0.82
39	11A	A	White Wolf	1535	0.92	1.10	1	0.82
40	11A	B	White Wolf	1535	0.92	1.10	1	0.82
41	12A	A	White Wolf	1535	0.92	1.10	1	0.82
42	12A	B	White Wolf	1535	0.92	1.10	1	0.82
43	13A	A	White Wolf	1535	0.92	1.10	1	0.82
44	13A	B	White Wolf	1535	0.92	1.10	1	0.82
45	1C	A	Elk Point	2012	1.21	1.45	1	1.08
46	1C	B	Elk Point	2012	1.21	1.45	1	1.08
47	2C	A	Elk Point	2012	1.21	1.45	1	1.08
48	2C	B	Elk Point	2012	1.21	1.45	1	1.08
49	3C	A	Elk Point	2012	1.21	1.45	1	1.08
50	3C	B	Elk Point	2012	1.21	1.45	1	1.08

The Cove at Sun Peak Condominiums - Ownership Interests

A	B	C	D	E	F	G	H	I
Bldg. No.	Unit No.	Unit Type	Unit Square Feet*	Project Common Area Ownership %	Condominium Common Area Ownership %	Sun Peak Homeowners Assn. Votes	The Cove at Sun Peak Homeowners Association Votes	
51	4C	A	Elk Point	2012	1.21	1.45	1	1.08
52	4C	B	Elk Point	2012	1.21	1.45	1	1.08
53	5C	A	Elk Point	2012	1.21	1.45	1	1.08
54	5C	B	Elk Point	2012	1.21	1.45	1	1.08
55	6C	A	Elk Point	2012	1.21	1.45	1	1.08
56	6C	B	Elk Point	2012	1.21	1.45	1	1.08
57	7C	A	Elk Point	2012	1.21	1.45	1	1.08
58	7C	B	Elk Point	2012	1.21	1.45	1	1.08
59	8C	A	Elk Point	2012	1.21	1.45	1	1.08
60	8C	B	Elk Point	2012	1.21	1.45	1	1.08
61	9C	A	Elk Point	2012	1.21	1.45	1	1.08
62	9C	B	Elk Point	2012	1.21	1.45	1	1.08
63		100	Bear Lodge	1419	0.85	1.02	1	0.76
64		200	Bear Lodge	1268	0.76	0.91	1	0.68
65		300	Bear Lodge	1501	0.90	1.08	1	0.80
66		101	Bear Lodge	1604	0.97	1.15	1	0.86
67		201	Bear Lodge	1455	0.88	1.04	1	0.78
68		301	Bear Lodge	1577	0.95	1.14	1	0.85
69		302	Bear Lodge	1501	0.90	1.08	1	0.80
70		202	Bear Lodge	1268	0.76	0.91	1	0.68
71		102	Bear Lodge	1419	0.85	1.02	1	0.76
72		103	Bear Lodge	1419	0.85	1.02	1	0.76
73		203	Bear Lodge	1268	0.76	0.91	1	0.68
74		303	Bear Lodge	1501	0.90	1.08	1	0.80
75		104	Bear Lodge	1604	0.97	1.15	1	0.86
76		204	Bear Lodge	1455	0.88	1.05	1	0.78
77		304	Bear Lodge	1577	0.95	1.14	1	0.85
78		305	Bear Lodge	1501	0.90	1.08	1	0.80
79		205	Bear Lodge	1268	0.76	0.91	1	0.68
80		105	Bear Lodge	1419	0.85	1.02	1	0.76
Total Square Footage of C				139014		100.00%		

Estate Homesites:

81	Lot 1	3000	1.81	2	1.61
82	Lot 2	3000	1.81	2	1.61
83	Lot 3	3000	1.81	2	1.61
84	Lot 4	3000	1.81	2	1.61
85	Lot 5	3000	1.81	2	1.61
86	Lot 6	3000	1.81	2	1.61
87	Lot 7	3000	1.81	2	1.61
88	Lot 8	3000	1.81	2	1.61
89	Lot 9	3000	1.81	2	1.61
		166014	100.00%	98	89

*Square footages exclude garage, patios and deck spaces.

**3000 Square feet is pro-rata share of ownership interest in The Cove at Sun Peak Common Area. Actual Home size will not affect this number.

***Sun Peak Votes refers to the number of votes in the Sun Peak Homeowners Association. It is based upon the Master Declaration of Covenants, Conditions and Restrictions for the Sun Peak Community. (Section 6.04, Parcels 19 and 20)

****The Cove at Sun Peak Homeowners Assn. Votes refers to the owners votes in this homeowners association. It is based on % of ownership in project.

Average Unit Size 1865.33

xx:..Notes123\coveownr.txt