

DECLARATION OF ANNEXATION
(Silvercreek Townhomes - Phase III)

This Declaration of Annexation is hereby made pursuant to Article X of the Declaration of Covenants Conditions and Restrictions for Phase I of Silvercreek Townhomes, which was recorded December 12, 1994, in Washington County, State of Utah, as entry No. 00486539, in Book 0871, at Pages 480-499, of the records of the Washington County Recorder.

Declarant desires to annex the property more specifically set forth on Exhibit A, which is attached hereto and incorporated by this reference. Said property will be subject to the recorded Declaration of Covenants Conditions and Restrictions of Silvercreek Townhomes referred to above.

IN WITNESS WHEREOF, the undersigned, being the Declarant referred to herein, has hereunto set his hand and seal this 28 day of July, 1998.

DECLARANT



SILVERCREEK INVESTORS, L.C.
BY: SILVERCLOUD INVESTORS,
L.C. - Member
BY: Hans R. Kuhni - Member

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

The foregoing instrument was acknowledged before me this 28th day of July, 1998, by Hans R. Kuhni, member of Silvercloud Investments, L.C., a member of Silvercreek Investors, L.C.

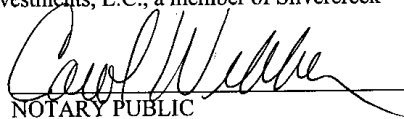

NOTARY PUBLIC



EXHIBIT "A" - LEGAL DESCRIPTION

All that portion of the Northwest Quarter of Section 23, Township 42 South, Range 16 West, Salt Lake Base and Meridian, Washington County, Utah, described as follows:

PROOF READ

Commencing at the West Quarter Corner of said Section 23; thence North 00°56'37" West, 1020.39 feet along the West Section Line; thence East 611.33 feet to the Point of Beginning. Thence North 00°33'10" West 136.41 feet; thence North 41°42'54" East, 168.83 feet; thence North 88°59'25" East, 260.00 feet to a 1164.56 foot radius non-tangent curve concave to the Northwest a radial line which bears North 01°11'32" West; thence Northeasterly 132.85 feet along the arc of said curve through a central angle of 06°32'10"; thence North 82°19'02" East, 94.65 feet; thence South 00°33'10" East, 99.59 feet; thence South 35°45'45" East, 39.17 feet; thence South 00°33'10" East, 1009.17 feet; thence South 89°28'13" West, 192.00 feet; thence North 00°33'10" West, 753.50 feet; thence South 89°26'50" West, 80.00 feet; thence North 00°33'10" West 4.51 feet; thence South 89°26'50" West, 280.85 feet; thence North 00°33'10" West, 78.57 feet; thence North 74°37'03" West, 72.45 feet to the Point of Beginning.

* * *