

DECLARATION OF RESTRICTIONS, COVENANTS, AND CONDITIONS
FOR
QUAILHOLLOW
A PLANNED UNIT DEVELOPMENT SUBDIVISION

4736396

Recorded Book _____ Page _____ as Entry No. _____
Records of Salt Lake County, Utah

This Declaration is made this 30th day of August, 1988

John R. Anderson

ARTICLE I

PURPOSE OF RESTRICTIONS, COVENANTS, AND CONDITIONS

A. Application of Declaration.

It is the intention of John R. Anderson (hereinafter referred to as the "Grantor"), expressed by its execution of this declaration, is to establish and maintain standards which protect the value, integrity, and desirability of QUAILHOLLOW PLANNED UNIT DEVELOPMENT SUBDIVISION (hereinafter referred to as the "Development") and any or all portions thereof. This declaration also grants to individual building lot owners in the Development a non-exclusive right to use common areas of the Development, as more specifically provided for hereinafter.

The provisions described in this declaration shall apply to all real property included in the legal description of the Development, as well as any or all improvements within the Development.

The legal description of the Development, made a part hereof, is:

Beginning at a point which is South 89 56'00" East along the section line 632.36 feet and North 0 04'00" East 40.00 feet from the Southwest Corner of Section 15, Township 2 South, Range 1 East, S. L. B. & M, and running thence

South 89 56'00" East 309.525 feet; thence
North 2 50'00" East 609.384 feet; thence
North 89 59'15" West 285.354 feet; thence
South 5 05'00" West 610.759 feet, to the point of beginning containing 4.155 acres

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B. Jurisdiction of Declaration.

Grantor hereby declares that the Development and every part thereof is held and shall be held, conveyed, devised, leased, rented, encumbered, used, occupied, and improved and otherwise affected in any manner subject to the provisions of this Declaration, each and all of which provisions are hereby declared to be in furtherance of the general plan and scheme of ownership referred to herein and are further declared to be for the benefit of the Development and every part thereof and for the benefit of each owner thereof. All provisions hereof shall be deemed to run with the land as covenants running with the land or as equitable servitudes or easements as the case may be, and shall constitute benefits and burdens to Grantor, its successors and assigns, and to all parties hereafter owning any lot or interest in any lot in the Development.

ARTICLE II

DEFINITIONS

A. List of Definitions.

The following definitions are intended to clarify and assist in understanding this declaration. It is not intended that this article be all-inclusive of terms used in the declaration.

1. Common Areas. The term "Common Areas" shall be Lot 1 and any real property within the subdivision that is not shown as a lot. These areas are, for the most part, the streets, common landscaping, tennis court, storage buildings, and common patio areas.
2. Covenants. The term "Covenants" shall mean, with respect to all property within the Development, the limitations, restrictions, covenants, and conditions set forth in this Declaration.
3. Development. The term "Development" shall mean all real property lying within the boundaries of the Quailhollow Planned Unit Development Subdivisions.
4. Development Committee. The term "Development Committee: shall mean the committee pursuant to Article IV.
5. Homeowner's Association. The term "Homeowner's Association" or "Association" shall mean a non-profit corporation which Grantor will cause to be incorporated under the laws of the State of Utah to manage the common

areas and enforce the restrictions contained herein as they pertain to the Development.

6. Improvements. The term "Improvements" shall include buildings, outbuildings, roads, driveways, parking areas, fences, retained walls, stairs, decks, hedges, windbreaks, poles, signs, and generally any structures of any type or kind.
7. Lot. The term "Lot" shall mean any lot designated on the subdivision map for residential use.
8. Mortgage; Mortgagee. The term "Mortgage" shall mean a deed of trust as well as a mortgage, and the term "Mortgagee" shall mean a beneficiary under or a holder of a deed of trust as well as a mortgage.
9. Notice. The term "Notice" shall mean a written notice, signed, dated, and delivered to owner at his last known address or to Grantor through it's registered agent.
10. Owner. The term "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title and the equitable owner, whether one or more persons or entities by virtue of a purchase contract of any lot. Notwithstanding any applicable theory of mortgages, "Owner" shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title by foreclosure or deed in lieu thereof.

ARTICLE III

RESIDENTIAL IMPROVEMENT COVENANTS

A. Planned Use and Building Type.

No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than single family dwellings including an attached garage for not more than 3 vehicles.

No residence shall be accompanied by attached or detached apartment(s) nor shall be used for business enterprises, either profit or non-profit in organization.

B. Architectural Control.

No improvements shall be erected, placed or altered on any lot until the construction plans and specifications

and a plan showing the locations of the improvement upon the lot have been approved by the Development Committee as to quality of workmanship and materials, harmony of external design with existing instructions, and as to location in respect with topography and finish grade elevation. No fence or wall shall be erected, placed or altered on any lot line unless similarly approved. Approval shall be as set forth in Article V.

C. Selection Procedures for Professional Services.

1. Architect.

All improvements to any lot, common area, or any other property included in the Development shall be performed under the direction of a professional Architect licensed in the State of Utah. The Architect must be familiar with the residence under consideration, the Development guidelines and all sections of the declaration. Any Architect under consideration must submit Architect's Qualification Statement, A.I.A. Document B-431 to the committee 14 working days prior to the scheduled committee meeting, if specifically required by the Development Committee. Any Architect under consideration must be approved in writing by the committee.

2. General Contractor.

The actual construction of buildings and/or other improvements, except landscaping, to any property included in the Development shall be performed by a general contractor who is licensed and bondable in the State of Utah. Any general contractor under consideration must submit a Contractor's Qualification Statement, A.I.A. Document A-305 to the committee 14 working days prior to the committee meeting, if specifically required by the committee. Any general contractor under consideration must be approved in writing by the Development Committee. Other specialized labor may be performed by subcontractors and must also be licensed in the State of Utah.

Owners may act as their own general contractor only if approved in writing by the Development Committee.

D. Application of Applicable Governmental or Quasi-Governmental Regulations.

1. Building Codes and Zoning Regulations.

All improvements to any property included in the legal description of the Development shall conform to all municipal, state, federal codes, ordinances, and/or guidelines, including but not limited to:

- a. Uniform Building Code, 1985 Edition, International Conference of Building Officials.
- b. Salt Lake County Zoning Ordinance.
- c. Planning Commission and Neighborhood Council Guidelines and/or Restrictions

2. Permits.

All applicable permits will be obtained at appropriate phases of construction according to local and state regulations.

3. Inspectors.

All inspections will be performed by qualified inspectors at appropriate phases of construction according to local and state regulations.

4. Utility Companies.

Utility companies include Mountain Bell, Utah Power and Light, Mountain Fuel, T.C.I. Cable Television and applicable Water and Sewer Departments. Each of the above mentioned companies will be providing service to each lot in the Development. Each will have, in most cases, an underground line or conduit in a network throughout the Development. Each company will require certain easements to be observed for maintenance purposes. Cooperation must be given by each property owner and contractor to these companies to observe these easements and to contact these companies before any excavation begins.

E. Building Regulations and Covenants.

1. General.

All improvements on any lot in the Development

shall harmonize with existing surroundings and structures and meet the restrictions and requirements described in the Declaration.

2. Building Height and Number of Stories.

The following building heights indicated below are established as the maximum height allowed. Building height shall be measured from average grade to uppermost roof ridge. Fireplace chimneys are the only architectural feature or element exempt from the height limitations.

<u>Lot Number</u>	<u>Maximum Building Height</u>
1	Exempt
2 thru 14	30 Feet

The following stories indicated below also represent the maximum number of stories allowed. A "Building Story" shall be as defined in building codes and zoning regulations.

<u>Lot Number</u>	<u>Maximum Number Stories</u>
1	Exempt
2 thru 14	2 Stories

3. Set Back Requirements.

- a. Side yard 8 feet to 10 feet, such that at least 18 feet exists between structures on adjacent lots.
- b. Front yard 30 feet from inside of curb.
- c. Back yard 15 feet from property line.

4. Minimum Structure Size. (does not include basement or attached garage)

- a. One story homes 2400 square feet
- b. Two story homes 2000 square feet on the main floor
1200 square feet on the second floor

5. Building Materials and Specifications.

- a. Homes will be faced with stone, brick, stucco or any combination thereof. No aluminum, wood or fiberglass siding, cement, concrete block, plastic panels or other surfacing materials will be allowed as the primary exterior finish. Wood or aluminum may be used for trim and soffit finish materials.
- b. All major roof surfaces including wings or extensions shall have a roof pitch of at least 5 feet (horizontal) in 12 feet (vertical).

The above requirements shall also apply to skylights and greenhouse pitches.

Exempt from this requirement are incidental architectural elements such as dormers, turrets, or other elements within the design.

All roofs shall consist of fire-retardant wood shakes, tile or architectural grade shingles.

- c. Driveways, walks and patios will be of concrete, brick or tile.
- d. Windows will be clear or solar grey in color. Reflective or colored glass is prohibitive.
- e. Color of home exteriors shall consist primarily of earth tones and shades of grey.
- f. Walls or fences along property lines shall be no more than 6 feet high where they are behind the front of the house. The only approved material for such walls is concrete, matching the subdivision exterior wall in design, texture and color.

Walls or fences along property lines are not allowed in front yards with the exception of any necessary retaining walls which shall be no more than one (1) foot above grade on the high side and which shall also match the subdivision exterior walls.

Walls that are part of the home such as courtyard or patio walls shall not be

over six feet high in rear yards and four feet high in front yards and may be constructed of materials matching or complimenting the home finish.

6. Landscaping.

a. Minimum Requirements.

Landscaping includes all planted materials including trees, grass and subsurface irrigation systems with time clocks. All building lots shall have a minimum of landscaped area as determined by the Development Committee and thereafter the Homeowner's Association and one (1) tree for every 350 square feet of landscaped area, unless otherwise approved by the Development Committee or Homeowner's Association. All site landscaping plans shall be submitted to the Development Committee or Homeowner's Association for written approval prior to installation. All site landscaping shall be completed within 60 days of completion of the building construction, or as soon thereafter as weather permits.

b. Sprinkler Systems.

Watering of landscaped areas shall be by a permanent in ground sprinkling system using Toro or Thompson heads. All sprinklers will be controlled by electronic timers. Rainbird type sprinklers are not allowed. Watering with hoses shall not be allowed except for temporary or supplemental watering.

c. Maintenance.

It shall be the responsibility of lot owners to maintain all landscaping and other improvements on their lot. If lot owners fail to maintain their lots in a manner similar to the common area or to the other lots in the Development, then the Development Committee or Homeowner's Association may contract for any required maintenance and the cost thereof with interest shall become a lien on the subject lot.

F. Construction Standards.

1. Construction of improvements on any vacant lot

must commence within twelve (12) months of purchase of said property. Extensions shall be granted by the Development deemed appropriate and/or beneficial to the Development and its owners. When extensions are granted, it shall be the responsibility of the property owner to abide by all maintenance and/or improvements required by the Development Committee or Homeowner's Association because of said extension.

2. If construction of improvements, and specifically a single family residential structure, does not commence within three (3) months of purchase of said lot; then the owner shall, at his own expense, improve the entire lot as follows:
 - a. Provide grass or ground cover, acceptable to the committee over the entire lot area.
 - b. Provide an underground irrigation system with timers for regular operation.
 - c. Provide regular maintenance to lot improvements as necessary and/or required by the Development Committee.

The above requirements may be waived, in full or in part, only by the Development Committee or Homeowner's Association given extenuating or hardship circumstances. Such waiver must be in writing.

3. All construction activities or materials staging shall be limited to the property boundaries of the lot under construction except for specific utility connections, unless approved otherwise by the committee and all property owners affected by the construction activity.
4. All construction activities must be completed in a regular and timely fashion and all construction activities must be performed during regular business hours.
5. During construction, the property owner and/or general contractor is required to remove all debris from the premises, and take all precautions necessary as to maintain the property, adjacent properties, and all common areas in a neat and orderly fashion.

6. No burying or burning of construction debris shall be permitted within or adjacent to the Development.

ARTICLE IV

GENERAL REGULATIONS AND COVENANTS

A. Easements.

For installation of and maintenance of utilities and drainage facilities, and to provide areas for excess water or flood runoff, areas are reserved as easements as shown on the recorded plat. Within these easements, no structure, materials or trees shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible, and except for those areas of landscape easements and roads which shall be maintained by the Homeowner's Association.

Grantor hereby creates and reserves from each Lot perpetual easements to connect to utility systems in the Development, at such location or locations as selected by Grantor which do not interfere with the siting of homes and garages on the lots. Such easements shall permit Grantor, its successors and assigns, to lay, maintain, operate, repair, inspect, protect, remove and replace, including the right of ingress and egress, utility lines to properties not included in the Development, together with necessary valves, meters, appliances and fittings relating to said utility lines.

B. Nuisances.

No noxious or offensive activity resulting in such occurrences as offensive odors, unreasonable noise or the creation of hazardous or unsafe conditions shall be carried on upon any lot or common area nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

C. Antennas.

There shall be no antenna of any sort either installed or maintained which is visible from the road, common

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areas or other lots in the Development.

D. Unsightliness.

No unsightliness shall be permitted within the Development. Without limiting the generality of the foregoing, (a) any unsightly facilities, equipment, tools, boats, vehicles other than automobiles, objects and conditions shall be appropriately screened from view, except during the time such items are in actual use; (b) all clothes lines, yard equipment, and other materials remaining outside of the building on any lot shall be kept screened by planting or fencing so as to conceal them from the view of neighboring lots, streets, access roads and areas surrounding the subdivision; (c) no vehicle, boat or equipment shall be constructed, reconstructed, repaired or abandoned within the Development, except for work done entirely within one of the constructed residences, and all motor vehicles stored on portions of lots visible from the streets shall be in running condition and properly licensed; and (d) refuse, garbage and trash shall be placed and kept at all times in covered containers and such containers shall be kept within an enclosed structure or appropriately screened from view, and each lot shall be kept free of trash and weeds.

E. Temporary Structures.

No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other building shall be used on any lot at any time as a residence either temporarily or permanently.

F. Signs.

No sign of any kind shall be presented to the public view on any lot except one identification sign of not more than one square foot stating owner's name and/or address, one sign of not more than five square feet advertising the property during construction and sales periods.

G. Animals and Pets.

Dogs, cats, or other household pets, may be kept as permitted by zoning regulations provided that they are not kept, bred or maintained for any commercial purpose and are restricted to the owners premises and under handlers control. If in the opinion of the Development Committee or Homeowner's Association, any of the aforementioned animals or pets become an annoyance,

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nuisance, or obnoxious to other owners throughout the subdivision, the Development Committee or Homeowner's Association may prohibit or require a reduction in the number of such pets.

H. Parking on Streets Prohibited.

Parking overnight on any of the roads or streets in the Development by owners or their guests or invitees is prohibited.

I. Sight Obstructions at Driveway and Road Intersections.

No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two and six feet above any public or private street, shall be placed or permitted to remain on any lot within 10 feet from the intersection of a street property line with the edge of a driveway. Trees shall be permitted to remain within such distances of such intersections if the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

J. Subdivision of Lots.

No lot may be re-subdivided into a lot or lots with an area smaller than that originally established.

K. Common Areas.

The following shall be permitted in a common area:

1. Private streets serving each of the lots.
2. Utility and water reservoir systems as needed or required by Salt Lake County.
3. Landscaping approved by the Development Committee.
4. Buried water sprinkling systems, including maintenance thereof.
5. Tennis court, patio areas, and incidental common area structures as approved by the Development Committee.

All owners of lots in the subdivision and members of their family residing with them and their guests, shall have a perpetual non-exclusive right to use such common areas, subject to such rules as may be adopted by the Development Committee for the protection of the people using the area to restrict noise, and to protect the

vegetation in the common area and to generally maintain the common area (except for streets) in its natural state. Such area shall be maintained at the expense of the lot owners.

L. Notice of Limited Urban Services by Salt Lake County.

Notice is hereby given to lot owners that this subdivision was approved as a planned unit development subdivision utilizing private streets. Therefore, normally provided urban services are limited to: water and sewer system service and maintenance; emergency services such as police, fire, and paramedic assistance. Street maintenance, garbage collection, and snow removal as necessary to insure access by emergency vehicles must be privately contracted for by the Homeowner's Association.

M. Waste Removal.

Each lot shall be responsible for providing a screened enclosure, away from the street, for concealing trash. Contracting for waste removal shall be the responsibility of the Development Committee or Homeowner's Association.

ARTICLE V

DEVELOPMENT COMMITTEE

A. Membership.

1. The Grantor shall appoint an Architectural and Developmental Control Committee of no fewer than three (3) members (hereinafter and previously referred to as the "Development Committee"). The function of which shall be to insure that all improvements within the Development conforms to these Restrictions, Covenants and Conditions. Neither the members of the Development Committee nor their designated representative shall be entitled to any compensation for services performed pursuant to this covenant except as herein provided. Until the assumption of duties by the Homeowner's Association, the Grantor shall retain the power to appoint and remove members of the Development Committee.

a. Officers and Responsibilities.

Officers of the Development Committee shall consist of: one (1) chairman and one (1)

secretary/treasurer. It will be the responsibility of the committee chairman to organize all committee meetings and to notify committee members of the meetings. It will be the duty of the secretary/treasurer to document the proceedings of each meeting by keeping "minutes". The "minutes" of each preceding meeting will be read by the secretary/treasurer at the beginning of each meeting. It shall be the duty of the secretary/treasurer to account for common expenses and to collect dues from lot owners to cover these expenses.

b. Meetings of the Development Committee.

Meetings of the Development Committee shall be held on a regular basis at least once every three months. The purpose of these meetings will be to discuss proposed improvements by reviewing architect's drawings. These improvements shall either be approved or disapproved by popular vote. Meetings may be held more than once every three months if deemed appropriate by the Development Committee Chairman.

2. Assumption of Duties by Homeowner's Association.

No later than the time when at least 50% of the lots are sold; or three years from the date hereof, whichever shall occur first, it shall be the duty of the Development Committee to organize an association of property owners in the form of a Utah Non-profit Corporation. The purpose of this association will be to make and enforce all rules and regulations covering the operation and maintenance of the property and to maintain, repair, improve, and replace the common areas and facilities.

a. Officers and Board Responsibilities.

The Homeowner's Association shall hold elections for officers and Board Members on an annual basis. Officer's shall consist of one (1) President and one (1) Secretary/Treasury. The Board of Directors will consist of the officers and three (3) Board Members. The officers and Board Members of the

Homeowner's Association shall assume the duties and responsibilities of the Development Committee.

b. Meetings of Homeowner's Association Board of Directors.

Meetings of the Board of Directors shall be held on a regular basis, at least once every three months or more often if deemed appropriate by the President. The Board of Directors shall be empowered to enforce the regulations and covenants contained herein, to review proposed improvements, to hear grievances from lot owners and to assess fees and dues. All votes shall be by a majority of Board members present at meetings. At least three (3) Board Members must be present to form a quorum.

c. Meetings of Lot Owners.

Lot owners shall meet on a regular basis, at least annually or more often as directed by the Board of Directors. The purpose of these meetings shall be to elect officers and Directors, which shall be by popular votes, and to consider and vote on items referred to the lot owners by the Board of Directors.

3. Voting Shares.

One share of voting stock of the association shall be assessed to the owner of each lot which share shall be pertinent to such lot, and shall automatically be transferred in connection with, and only in connection with the sale or other transfer of such lot. Promptly following the creation of the Association.

4. Common Expenses, Assessments and Accounting Procedures.

It shall be the duty of the Secretary/Treasurer to account for expenses incurred by the Development Committee in carrying out it's duties. Funds to cover the costs of the expenses will be raised by

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imposing monthly dues on lot owners. These dues will be collected once a month at the beginning of each meeting after the minutes are read. The Secretary/Treasurer shall also provide a written description to each of the committee members of those costs incurred and how their dues will cover those costs.

B. Procedure for Review of Improvements.

The following shall govern the review, approval, or disapproval of improvements proposed by individual lot owners to private development or common areas:

1. Fees and Submittals.

The Development Committee and thereafter the Homeowner's Association shall assess a review fee for each lot not to exceed \$100 for each residential dwelling unit. This fee shall be paid by the entity requesting permission to build or construct any project. The fee shall be paid at the time of submission of plans to the Development Committee or Homeowner's Association.

The following shall be submitted with any construction request:

- a. Site plan to scale showing all existing features and proposed development.
- b. Building floor plans to scale prepared by an architect.
- c. Elevation of any and all structures.
- d. Landscape planting plan to scale prepared by an architect or qualified designer holding a degree in landscape architecture.
- e. Description of all exterior materials and colors with samples.

2. Procedure.

The approval or disapproval of the Development Committee or Homeowner's Association as required in these covenants shall be in writing. In the event the Development Committee or Homeowner's Association fails to approve or disapprove within 30 days after receipt of plans and specifications which have been submitted to it, or if plans are not required and no suit to enjoin the construc-

tion has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

ARTICLE VI

ENFORCEMENT

A. Legal Proceedings.

The obligations, provisions, and covenants contained in this Declaration or any supplemental or Amended Declaration with respect to the lots or with respect to a person or entity or property of a person or entity shall be enforceable by the Development Committee or the Homeowner's Association or by any owner of a lot subject to this Declaration by a proceeding for a prohibitive or mandatory injunction, and/or for recovery of damages or amounts due and unpaid. If court proceedings are instituted in connection with the rights of enforcement and remedies provided in this Declaration, the prevailing party shall be entitled to recover its costs and expenses in connection therewith, including reasonable attorney's fees.

B. Mortgage Financing.

No violation or breach of any provision, restriction, covenant or condition contained in this Declaration or any Supplemental or Amended Declaration and no action to enforce the same shall defeat, render invalid or impair the lien of any mortgage or deed of trust taken in good faith or for value and perfected by recording prior to the time of recording of any instrument giving notice of such violation or breach, or the title or interest of the holder thereof or the title acquired by any purchaser upon foreclosure of any such mortgage or deed of trust. Any such purchaser shall, however, take subject to this Declaration or any Supplemental or Amended Declaration except only that violations or breaches which occur prior to such foreclosures shall not be deemed breaches or violations hereof with respect to such assigns.

C. Limited Liability.

Neither Grantor, the Development Committee or the Homeowner's Association nor any member, agent or employee of any of the same shall be liable to any party for any action or for any failure to act with respect to any matter if the

action taken or failure to act was in good faith and without malice.

ARTICLE VII

CCVENANTS FOR MAINTENANCE ASSESSMENTS

A. Creation of the Lien and Personal Obligation of Assessments.

The owner of each lot hereby covenants, and each successive owner of any lot by acceptance of a deed or purchase contract therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (a) regular assessments (monthly dues); (b) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The regular and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person or persons who were the owners of such property at the time when the assessment fell due. The association may elect from time to time any remedy with regards to the defaults by owners without regard to any rule of law concerning the election of remedies.

B. Purpose of Assessments.

The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, aesthetics and welfare of the residents of the subdivision and for properties, services and facilities generally relating to the use, enjoyment and protection of the common areas. Assessments may be made for restoration, replacements, additions, operations and maintenance and for the cost of labor, equipment, materials, management, and supervision relating thereto, including, but not limited to, garbage pickup, snow removal, erosion control measures, street improvements, including paving and lighting, street identification and traffic signs, utility services, property taxes and special assessments, pedestrian paths, beautification of developable common areas, sprinkling systems and security personnel and equipment.

C. Initial Deposit.

An initial one time assessment of Five Hundred dollars (\$500.00) shall be assessed and shall be payable at the time of transfer of possession from Grantor to Owner.

D. Regular Assessments.

The regular monthly assessments shall be 100% of the actual or estimated monthly cost of maintenance and operations of common areas and other facilities and may include a management fee together with amounts necessary to pay any carry over shortage from previous periods. The Development Committee and thereafter the Homeowner's Association may, in its discretion, exempt the owners of lots which have not been built upon from paying regular assessments for garbage collection.

The Board of Directors of the Association may, after consideration of the current maintenance costs and future needs of the Association, provide for accumulation of reserves to meet projected needs.

E. Special Assessments for Capital Improvements.

In addition to the regular assessments authorized by Paragraph D hereof, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of described capital improvements, including the necessary fixtures and personal property related thereto, provided that any such special assessment exceeding \$2,000.00 of improvement costs shall have the assent of two-thirds (2/3) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members at least ten (10) days in advance and shall set forth the purpose of the meeting.

F. Quorum for Any Action Authorized Under Paragraph E.

The quorum required for any action authorized by paragraph E shall be as follows:

At the first meeting called, as provided in paragraph E hereof, the presence at meeting of members, or of proxies, entitled to cast fifty (50) percent of all votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, the meeting may be continued subject to the notice requirement set forth in paragraph 5, and the required quorum at any such continued meeting shall be one-half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than fourteen (14) days following the preceding meeting.

G. Assessment Period.

The assessment period for regular assessments shall be one month. All regular assessments shall be fixed at a monthly rate and may be adjusted by the Board of Directors in accordance with paragraph I to reflect current estimated costs of maintenance and operations. All assessments must be fixed at the same amount for all lots.

H. Date of Commencement of Regular Assessments.

The regular assessments shall become due and payable on the first day of each month beginning on the month of the commencement date of the Association or such other date as fixed by the Board of Directors. The due date of any specific assessment under paragraph E hereof shall be fixed in the resolution authorizing such assessment.

I. Duties of the Board of Directors.

The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each lot for each assessment period, and shall at that time, prepare a roster of the properties and assessments applicable thereto and keep books of account showing receipts and disbursements which shall be kept by the Secretary/Treasurer of the Association and shall be open to inspection by any owner at reasonable times.

J. Effect of Non-Payment of Assessment: The Personal Obligation of the Owner; The Lien; Remedies of Association.

If the assessments are not paid on the date when due (being the dates specified in Section H thereof), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then owner, his heirs, personal representatives and assigns.

If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgement is obtained, such judgement shall include interest on the assessment as above provided and reasonable attor-

ney's fee to be fixed by the court together with the costs of the action.

K. Subordination of the Lien to Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any mortgages now or hereafter placed upon the properties subject to assessment.

L. Exempt Property.

The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein; (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use; (b) all common areas.

ARTICLE VIII

GENERAL PROVISIONS

A. Effective Date.

These Guidelines shall take effect when recorded.

B. Duration.

These covenants are to run with the land and shall remain in full force and effect for a period of 20 years from the date these covenants are recorded, after which time said covenants shall be automatically extended for a successive period of 10 years unless an instrument signed by two-thirds of the then owners of the Lots has been recorded agreeing to change said covenants in whole or part.

C. Severability.

Invalidity or unenforceability of any provision of this Declaration or of any Supplemental or Amended Declaration in whole or in part shall not affect the validity or enforceability of any other provision or valid and enforceable part of a provision of this Declaration.

D. Multiple Owners.

All references to the Owner of a Lot shall, in the event that there is more than one Owner of a Lot, mean all owners of the Lot, and all pronouns shall be deemed to refer to the masculine, feminine, singular, or plural, as the identity of the persons may require.

E. Interpretation.

The captions which precede the Articles and Sections of these Guidelines are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so require, the singular shall include the plural, the plural shall include the singular, the who shall include any part thereof, and any gender shall include both genders. The invalidity or unenforceability of any portion of these Guidelines shall not affect the validity or enforceability of the remainder thereof. These guidelines shall be liberally construed to affect all of the purposes to which they were composed.

F. Amendments.

These restrictions, or any part thereof, as from time to time in effect with respect to all or any part of the Development, and any limitation, restriction, covenant or condition thereof, may at any time be amended or repealed upon the happening of the following events:

1. The vote or written consent of Owners owning not less than four-fifths (4/5) of the Lots within the Development, approving the proposed amendment or amendments to Restrictions: and
2. The recordation of a certificate setting forth in full the amendments to the Restrictions so approved, including any portion or portions thereof repealed, and certifying that said amendment or amendments have been approved by Owners owning not less than four-fifths (4/5) of the lots within the Development.

All of the limitations, restrictions, covenants and conditions of the Restrictions shall continue and remain in full force and effect at all times with respect to all property and each part thereof, included within the Development, subject, however, to the right to amend and terminate as provided for in the above paragraph.

G. No Waiver.

Failure to enforce any provision, restriction, covenant, or condition in this Declaration, or in any Supplemental or Amended Declaration shall not act as a waiver of any such provision, restriction, covenant, or condition, or of any other provision, restriction, covenant, or condition.

H. Enforcement.

Each property owner shall strictly comply with the provisions of the Master Declaration, the Development guidelines, the rules and regulations and decisions issued pursuant thereto by the Development Committee. Failure to so comply shall be grounds for an action to recover sums due for damages or injunctive relief or both.

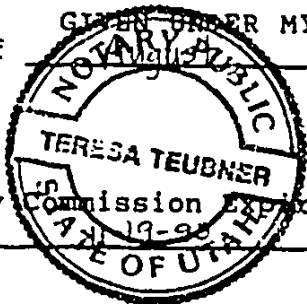
IN WITNESS WHEREOF, John R. Anderson has caused this instrument to be executed this 30th day of August, 1988.

STATE OF UTAH)
) SS
COUNTY OF SALT LAKE)

John R. Anderson
John R. Anderson

BEFORE ME, the undersigned authority, on this day personally appeared JOHN R. ANDERSON known to me to be the person whose name is subscribed to the foregoing instrument as owner of the Quailhollow Planned Unit Development Subdivision and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 30th day of _____, A.D., 1988.



My Commission Expires: _____

Teresa Teubner
Notary Public

Salt Lake City, UT
Residence

3500

4736396
14 FEBRUARY 89 01:20 PM
KATIE L. DIXON
RECORDER, SALT LAKE COUNTY, UTAH
GOLDTHORPE DEVELOPMENT
2750 E 4215 S SLC, UT 84124
REC BY: D DANGERFIELD , DEPUTY