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GARY W. OTT
RECORDER, SALT LAKE COUNTY, UTAH
RAY QUINNEY & NEBEKER
PO BOX 45385
SLC UT 84145-0385
BY: KJE, DEPUTY - WI 12 P.

WHEN RECORDED, MAIL TO:

Royal Lane Homeowners Association
2360 Royal Lane
Cottonwood Heights, Utah 84093

**Development Accommodation, De-Annexation
Easement and Improvement Agreement**

12/3

THIS AGREEMENT is entered into as of the 23rd day of March, 2007, by and between ROYAL LANE HOMEOWNERS ASSOCIATION, a Utah non-profit corporation (the "Association"), on the one hand, and BARNEY J. CARLSON, an individual, resident of Salt Lake County, Utah ("Carlson") and ROYAL OAK ESTATES, LLC, a Utah limited liability company ("Royal Oak"). Carlson and Royal Oak are hereinafter referred to, collectively, as the "Developers".

Recitals and Background for Agreement

A. Developers collectively own (by legal and/or equitable title and ownership) all of that certain real property that is proposed for development as a planned unit development residential subdivision for single-family residences known by the designation "Royal Oak Estates P.U.D." (the "PUD") in the subdivision approval applications of the Developers with the City of Cottonwood Heights (the "City") and as more fully and particularly currently described and defined as set forth in Exhibit A that is attached hereto and incorporated herein by this reference. The said real property, as currently defined by metes and bounds descriptions and, if approved for subdivision, by lot number designations is known as the "Development Property."

B. The Association is the homeowners' association in which the owners of subdivided residential lots in Royal Lane Subdivision, Royal Lane Subdivision No. 2, the Matsumori Subdivision and the Thompson Parcel (collectively, the "Royal Lane Subdivisions") are members, said Royal Lane Subdivisions and real property being immediately adjacent to the Development Property and the Association is the owner of the common areas and other common use property within the referenced subdivisions, and owns either fee title to or requisite easement or rights-of-way to substantial portions of that currently existing paved road providing ingress and egress from Creek Road to the said subdivisions and which is known as "Royal Lane" (or 2400 East at 8200 South). Royal Lane is defined as the surveyed rights-of-way (whether or not paved or currently used as roadway) that extend from Creek Road on the South to the bridge crossing Little Cottonwood Creek (the "Creek") on the North and is hereinafter referred to as the "Lane." The Lane is comprised of property held in fee title and certain easement rights

as more fully evidenced by existing fee title records, the Annexation Agreement, and that certain Umbrella Agreement Fixing Common Boundaries and Rights of Access recorded as Entry No. 4909298, in Book 6215, Pages 2753, et seq, of the records of the Salt Lake County Recorder (the "Umbrella Agreement") and other instruments of record. A map of the surveyed rights-of-way comprising the Lane is attached hereto as Exhibit "B." The Association also has certain representative rights with respect to the owners of lots in the Royal Lane Subdivisions, in particular with respect to the subject matter of this Agreement and with respect to all of the property comprising the Royal Lane Subdivisions, as currently of record in the County of Salt Lake's Recorder's office, as evidenced more fully by the Amended and Restated Declaration of Covenants, Conditions and Restrictions for the Royal Lane Subdivisions of record in the Salt Lake County Recorder's office as Entry No. 5665592 in Book 6809, pages 2186 et seq. (the "Royal Lane CCR's").

C. Portions of the Development Property are subject to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for the Royal Lane Subdivisions pursuant to that certain Agreement of Association and Declaration Covenants dated August 17, 1995 and recorded on August 29, 1995 as Entry No. 6153020 in Book 7215, commencing at Page 2890 (the "Annexation Agreement" and the portion of the Development Property subject thereof, known as the "Annexed Property").

D. At present, Developers have received subdivision and plat approval for the Development Property.

E. Developers are also desirous of de-annexing the Annexed Property from the Association and from the application of the Royal Lane CCR's.

F. The Association has certain objectives to be achieved in connection with the Lane and the impact of the development of the Development Property by Developers upon the Lane.

G. The Association and the Developers are willing to enter into certain agreements which will touch and concern the relevant real property.

Agreement

NOW THEREFORE in consideration of the foregoing recitals and background, and in consideration of the mutual covenants, promises and agreements that are hereinafter set forth, the Association and the Developers do hereby covenant, promise and agree as follows:

1. Developers' Agreements, Covenants and Duties. Developers do hereby covenant, promise and agree to the following:

a. Developers agree to install a 6-foot high decorative wrought-iron fence (the "Division Fence"). The Division Fence shall extend from Creek Road on the South to the

Southern limit of the flood control easement South of the Creek and immediately adjacent to the bridge crossing into the main portions of the Royal Lane Subdivisions at the North end of the Lane. The Division Fence shall be constructed in a responsible manner, in compliance with any applicable governmental rules, requirements or regulations and shall be properly and reasonably founded, anchored and stabilized for the safety of pedestrians and others utilizing the adjacent path and the Lane. The Division Fence shall be of first-quality materials and shall be designed and engineered to conform to the first class, high-end, residential subdivisions that are represented by the Royal Lane Subdivisions and the PUD. The engineering, design, aesthetics and quality of the Division Fence shall be subject to the prior written approval of the Association, which approval shall not be unreasonably withheld.

b. Developers also agree to continue the Division Fence, including therein an emergency access gate, extending from the Creek, on the North, to and connecting with the North end of the Division Fence as set forth in 1.a. above. The design, engineering, quality and aesthetics of this extension of the Division Fence, including the gate, shall be consistent with and in compliance with the requirements for the Division Fence overall, as set forth in 1.a. above. The access gate shall be appropriately secured and access through the gate shall be limited to emergency uses consistent with existing obligations, duties and agreements associated with needed access to the Creek for such emergency purposes. No general or public access is intended through such access gate but all parties shall cooperate with local municipal and other governmental authorities to facilitate such emergency access (including provision of any access codes, keys or other access means to appropriate governmental or quasi-governmental or utility agencies). Developers also hereby covenant and agree that the ongoing maintenance of the Division Fence, as extended under this 1.b., shall be the responsibility of the Developers and the successors and assigns of the Developers including the owners of the finished lots in the PUD and/or the association of the owners of the PUD, with the said responsibility and obligation effective upon the said owners or association of owners effective as of the date of the closing of the sale by the Developers of the final lot in the PUD and the relinquishment by the Developers of control of the said PUD owners association to the owners of the lots therein. Maintenance, repair and, as necessary, replacement standards for the foregoing obligation shall be consistent with the first-class, high-end residential subdivision standards referenced hereinabove. This maintenance, repair and replacement obligation shall include the obligation to pay all of the costs of the same.

c. Developers also agree to construct for the entire length of the Lane (co-terminus with both ends of the Division Fence) a 4-inch wide reinforced concrete or cement border, together with a 6-foot gravel path (the "Path") running parallel to the Division Fence. The design, materials and construction of the Path shall be first quality and consistent with the high-end residential subdivision that is represented by the Royal Lane Subdivisions and the PUD. The design of the cement/concrete border to the Path shall be such that (a) its design and engineering includes raising the height of the said border sufficient to clearly divide the Path from the Lane and to also be a sufficient barrier or curb to prevent cars from easily crossing over from the Lane to the Path and (b) includes sufficient depth and reinforcement as to be consistent with the purposes

immediately stated above and to prevent the same from being easily moved or displaced. The design and engineering of the said border and the Path shall be subject to the prior written consent of the Association, which consent shall not be unreasonably withheld. However, the parties agree, in advance that the Association may withhold approval if the design of the Path or the border is not reasonably consistent with the aforesaid purposes or is not consistent with pedestrian safety, ease of maintenance and appropriate drainage. The Association shall require that the design provide for drainage to assure the absence of puddling or other barriers to its use as a pedestrian pathway, including the drainage of all runoff from the Development Property away from the Lane and into the Creek (or the storm water catch basin). The Association shall require that a weed barrier underlie the Path. The Association shall, at its sole expense, install conduit for electrical and irrigation purposes to accommodate the future installation (at the Association's sole expense) of lighting and irrigation of shrubs, etc. Maintenance of the border and the Path (upon acceptance thereof by the Association) shall be at the expense of and shall be the responsibility of the border and the Path shall be at the sole expense of the Association. Maintenance of any irrigation or lighting, if any, shall also be at the sole expense of the Association.

d. Developers also agree to plant and maintain a 2-foot wide hedge (the "Hedge") of a height sufficient to provide a privacy barrier between the Lane and the homes and properties in the PUD and on the East side of the Division Fence. Again, the design, composition and nature of the Hedge shall be consistent with the first class, high-end residential subdivision standards already referenced hereinabove. Maintenance and repair and the cost and expense of the same shall be the responsibility of Developers and their successors and assigns as provided with respect to the Division Fence.

e. With respect to the location of the cement border, the parties agree that the cement border shall be located on the easterly and southerly most right-of-way line of the Lane (identified in Exhibit "B") and not on any portion of the Lane (as surveyed) except as hereafter provided. Accordingly, the Path, the Division Fence and all components of the Division Fence and the Hedge shall be positioned immediately upon the Easterly (and, as applicable, Southerly) side of the said cement border and on the Development Property. Notwithstanding the foregoing, the Association agrees that the cement border and a portion of the Path may encroach upon not more than three feet of the Lane at that point that the Lane intersects Little Cottonwood Creek Road, provided that such three foot encroachment shall diminish to zero at a point where the Lane descends the hill (at approximately 8150 South 2400 East).

f. Developers agree that for purposes of construction work and development of the Development Property, Developers will not use the Lane to access the Development Property and shall proceed to the work of completing the cement border, Path, Division Fence and the Hedge and the other work of improvement agreed to hereunder on a first priority basis.

g. Developers agree to complete construction of the cement border, Division Fence, the Path and the Hedge on or before June 1, 2007.

h. Developers also covenant and agree that as part of the duty and obligation for the construction of the border, the Path, the Division Fence and the Hedge, the Developers will take all necessary actions to assure that the asphalt of the Lane meets smoothly and without any gap or other separation, the westerly and, as applicable, northerly edges of the cement border, properly cutting, re-asphalting or asphalting as necessary to achieve this result. The Developer shall widen the Lane as necessary to compensate for the encroachment of the cement border and the Path (as contemplated in subparagraph 1.e above). In all instances, any asphalt work shall be of a quality and nature consistent with the existing pavement of the Lane and shall be accomplished so as to minimize the potential for cracking, pitting, cratering or other problems associated with additions to or repairs to existing asphalt paving of the Lane. All plans, specifications and design of such paving and asphalt work shall also be subject to the prior written examination and approval of the Association, which approval shall not be unreasonably withheld.

i. Developers also covenant and agree, with respect to the construction, design, composition, location and nature of the cement border, the Path, Division Fence and the Hedge, that the same shall, in all events, be consistent with prudent and reasonable safety standards, including those specified by qualified traffic or safety engineers and/or by the standards or requirements of the applicable governmental authorities. In particular, with respect to line of site for traffic and pedestrian safety, the location of the Division Fence and the Hedge shall be consistent with a 160-foot line of site at any point along the Lane.

j. Developers, their respective successors and assigns (including the purchasers of lots in the PUD and the PUD owners' association) covenant and agree that the Association and each of its members or their respective invitees, guests and licensees, shall have a perpetual easement and right-of-way to use the Path and over and across the cement border for pedestrian and other access along the Lane. In addition, a permanent easement is also granted to the Association and each of its members and their respective invitees, guests and licensees to allow access for maintenance, replacement and repair of the cement border, the Path, the Division Fence and the Hedge, but only as needed to effectuate such maintenance and repair upon the failure of the Developers, their respective heirs, successors and assigns to timely and properly fulfill the maintenance, replacement and repair obligations. In this regard, Developers, their respective heirs, successors and assigns, covenant and agree that in the event that there is a failure to fulfill the maintenance, replacement and repair obligations undertaken hereunder, the Association or any of its members may, after written demand upon and failure to comply within a reasonable time period (not to exceed 30 days) by, as applicable, the Developers, their respective heirs, successors and assigns, with such demand, proceed to effectuate any such maintenance, replacement or repair and shall be entitled to immediate reimbursement for the costs of the same, upon written demand for the same. The amounts so-demanded for reimbursement, shall bear interest at the rate of 12% per annum until paid in full, with any or all accrued interest.

2. Association Agreements and Covenants. In consideration of the recitals and background set forth hereinabove and of the covenants and promises of the Developers contained herein, the Association, subject to the conditions and terms set forth below, covenants, agrees and promises as follows:

Execution of this Agreement by the Association, shall constitute a representation by the Association that it has obtained the necessary approval of its membership to authorize the de-annexation of the Annexed Property and the removal of the same from the operation of the Royal Lane CCRs and will, accordingly, take all necessary action to implement and effectuate such de-annexation upon the full and final satisfaction by Developers of the following conditions precedent to such de-annexation action:

i). Developers shall immediately pay any and all assessments with respect to each recorded lot in the Annexed Property, including all transfer fees (if any) and impact fees (if any). In addition, Developers agree to immediately the sum of \$12,500.00 as the discounted present value of the assessments and fees that would have been realized by the Association from the Annexed Property.

ii). Developers shall have satisfactorily completed all of the work and fully and finally paid all of the costs and expenses that are the obligation of the Developers under paragraph 1 of this Agreement with respect to the design, engineering, construction and completion of the cement border, the Path, the Division Fence and the Hedge, and satisfactory proof that all possible lien claimants have been satisfied and paid shall have been received by the Association.

3. Title Matters – Easement. The Association and Developers acknowledge that there may remain some lack of clarity over title issues related to certain portions of the Lane. Notwithstanding the existence of such issues, both parties concur and agree that such issues do not need to be resolved for purposes of implementation of this Agreement and knowingly and intentionally proceed hereunder leaving such issues for future resolution, if at all. Nothing herein is intended to be an estoppel or other waiver, relinquishment or change of position with respect to such issues. The Association is granted and has been granted hereinabove an easement for the express purposes stated hereinabove, including (but not limited to) an easement to install lighting, irrigation facilities (including automatic sprinkler controls) and a limited access gate including necessary support and security devices at any point along the Lane. In addition, the Association, including its constituent members are hereby granted a permanent restrictive easement that imposes upon the Development Property, the Developers and their respective heirs, successors and assigns (including any owner of a lot in the PUD and the PUD association of owners) an obligation not to construct walls of any kind parallel to and closer than ten (10) feet to the eastern side of the Division Fence and the Hedge. It is the intent of this special permanent easement to avoid any visual impairment or barrier separating the Lane from the PUD.

4. Miscellaneous Provisions. This Agreement is intended to touch and concern the Lane and the Development Property and contains covenants and obligations and agreements that shall run with the said properties and shall be binding upon any heir, successor or assign of any right, title or interest in and to the said respective real properties. This Agreement is entered into under and shall be governed by the laws of the State of Utah. The obligations of the Developers hereunder are joint and several. In the event of a breach of this Agreement or default of obligations hereunder by any party hereto, the other party or parties hereto shall be entitled, in addition to the availability of any other rights, remedies, cures, damages or claims, to recover from the breaching or defaulting party any and all attorneys' fees and other costs incurred in connection with or in any way arising out of such breach or default and the consequent injury, damage, loss, expense or otherwise. This Agreement may be executed in multiple counterparts and when each party hereto has executed an original counterpart, the said counterparts shall constitute a single integrated agreement, contract and instrument. Time is of the essence hereunder. Developers shall pay to the Association the sum of \$250.00 for every day that Developers fail to complete work and the improvements contemplated by this Agreement.

The provisions of this Agreement are divisible and severable. Amendment and modification of this Agreement shall be effective only when such amendment or modification is in writing signed by the party or parties to be charged with the content of the said amendment or modification. Likewise, waivers of the rights, benefits or interests hereunder are not effective unless the same are in writing signed by the party to be charged with such waiver. Each party executing this Agreement warrants and represents that the individual signing for it, has full power and legal authority to execute on behalf of the said party. Developers warrant and represent that the recitals and background information concerning ownership of the Development Property are true and correct. Developers further warrant and represent that they, collectively have all necessary right, title, power and legal and other authority necessary to enter into this Agreement and effectuate and perform all of the covenants, agreements, promises and commitments of the Developers hereunder.

[The remainder of this page is left blank intentionally. Signatures are on the next page.]

[Signature page for Development Accommodation, De-Annexation
Easement and Improvement Agreement]

IN WITNESS WHEREOF, this Agreement is executed as of the date first hereinabove set
forth.

DEVELOPERS:

Barney J. Carlson
Barney J. Carlson, Individually

ROYAL OAK ESTATES, LLC

By: Barney J. Carlson
Managing Member

ASSOCIATION:

ROYAL LANE HOMEOWNERS

By: Brent Robinson
Brent Robinson, President and
Chairman, Board of Trustees

ACKNOWLEDGMENTS

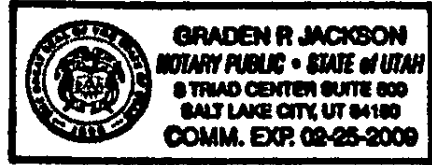
STATE OF UTAH)
: ss.
COUNTY OF SALT LAKE)

On the 23rd day of March 2007, personally appeared before me, Barney Carlson
who acknowledged to me that the above and foregoing instrument was executed by him
on behalf of Royal Oak Estates, LLC.

Gm. P. J.
NOTARY PUBLIC

S E A L

STATE OF UTAH)
: SS.
COUNTY OF SALT LAKE)



On the ___ day of March 2007, personally appeared before me, Brent Robinson, who acknowledged to me that the above and foregoing instrument was executed by him on behalf of Royal Lane Homeowners Association

Kandi Turman
NOTARY PUBLIC



STATE OF UTAH)
: SS.
COUNTY OF SALT LAKE)

On the 23rd day of March 2007, personally appeared before me, Barney J. Carlson, who acknowledged to me that the above and foregoing instrument was executed by him.

Gm. P. J.
NOTARY PUBLIC

S E A L

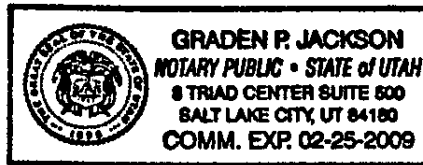


EXHIBIT "A"

Parcel Address: 8103 South Royal Lane, Cottonwood Hts., UT 84093

Legal Description:

BEG S 89°41'22" E 714.7 FT & N 0°32'52" W 623.86 FT FR CEN SEC 34, T 2S, R 1E, SLM; N 0°32'52" W 51.03 FT; N 61°03'E 56 FT; N 25.9 FT; S 89°41'E 105.5FT; S 0°32'52" E 102.68 FT; S 89°42'46" W 155 FT TO BEG. 0.32 AC M OR L. 7201-0500 8973-4565

Parcel Address: 8115 S. Royal Ln, Cottonwood Hts, UT 84093

Legal Description:

BEG S 89°41'22" E 714.7 FT & N 0°32'52" W 487.2 FT FR CEN SEC 34, T 2S, R 1E, SLM; N 0°32'52" W 136.67 FT; N 89°42'46" E 155 FT; S 0°32'52" E 211.92 FT; N 80°52' W 25.4 FT; N 62°30' W 147.5 FT TO BEG. 0.64 AC M OR L. 7201-0500 7688-2417, 2420 8957-0212 8973-5048

Parcel Address: 2354 E. Royal Ln, Cottonwood Hts, UT 84093

Legal Description:

BEG S 89°41'22" E 714.7 FT & N 0°32'55" W 674.9 FT & N 61°03'E 56 FT & N 25.9 FT FR CEN SEC 34, T 2S, R 1E, S L M; S 89°41'E 105.5 FT; N 0°32' 55" W 115 FT M OR L TO CEN LINE OF CREEK; W'LY 38.45 FT M OR L ALG SD CREEK TO ROADWAY; S 23°45' W 114.07 FT M OR L; W 20 FT M OR L; S 10 FT M OR L TO BEG. 0.17 AC M OR L. 5036-0334 6069-2789 9206-3144, 3149

Parcel Address: 8151-8155 S Royal Ln, Cottonwood Hts, UT 84093

Legal Description:

BEG S 89°41'22" E 714.7 FT FR CEN SEC 34 T 2S R 1E SL MER S 89°41'22" E 130
FT N 0°32'52" W 417.6 FT M OR L N 62°23" W 147.46 FT S 0°32'52" E 487.2 FT
TO BEG LESS STREET 1.35 AC 6069-2783 8511-6893 8715-3524

EXHIBIT B

(to be supplied)

McNEIL ENGINEERING AND LAND SURVEYING
 PROFESSIONAL CIVIL ENGINEERING & LAND SURVEYING SERVICES
 1001 NORTH WILSON STREET, SUITE 100
 GREENSBORO, NORTH CAROLINA 27407-1000
 PHONE: 336-733-1111 FAX: 336-733-1112
 WWW.MCNEILSURVEYING.COM

ROYAL LAKE HOMEOWNERS ASSOCIATION
 COTTONWOOD AND 8200 SOUTH
 LOCATED IN THE NORTHEAST QUARTER OF SECTION 34, TOWNSHIP 2 SOUTH, RANGE 1 EAST, SALT LAKE BASIN AND MERIDIAN
 22-34-252-035

DATE: 04/11/2014
 DRAWN BY: J. H. HARRIS
 CHECKED BY: J. H. HARRIS
 SCALE: 1" = 50'

1 OF 1

