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**AMENDED AND RESTATED
DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS
FOR
CHATEAUX ON THE GREEN**

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**AMENDED AND RESTATED
DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS
FOR
CHATEAUX ON THE GREEN**

This Amended and Restated Declaration of Covenants, Conditions, Restrictions, and Easements for Chateaux on the Green (“**Declaration**”) is made as of June 24, 2014, by **The Chateaux on the Green Townhomes Homeowners’ Association, Inc.**, a Utah nonprofit corporation (“**Association**”).

BACKGROUND

A. The Association is the owners association for the owners of lots in The Place Townhomes, a planned unit development subdivision also known as Chateaux on the Green (“**Development**”), located at 2726 Wasatch Drive in Salt Lake City, Utah. A legal description of the real property comprising the Development is attached as Exhibit A.

B. The Development is subject to the instrument entitled “Declaration of Covenants, Conditions and Restrictions of The Place, L.L.C., Townhomes Residential Planned Unit Development, with the Marketing Name and hereinafter referred to as ‘Chateaux on the Green,’ executed by The Place, L.L.C., an expired Utah limited liability company, and recorded on August 21, 1996, as Entry Number 6435591 in Book 7470 at Pages 2720-2739 of the official records of Salt Lake County, Utah (“**Original Declaration**”).

C. Article X(B) of the Original Declaration provides that the Original Declaration may be amended by vote of at least two-thirds of the Owners. More than two-thirds of the Owners have voted to approve this Declaration as an amendment, restatement, and replacement of the Original Declaration.

D. The Development is depicted on the plat entitled “The Place Townhomes,” recorded on August 21, 1996, as Entry Number 6435590 in Book 96-8P at Page 280 of the official records of Salt Lake County, Utah, which plat was modified by (1) the plat entitled “The Place Townhomes Amended,” recorded on September 24, 1999, as Entry Number 7473984 in Book 99-9P at Page 272 of the official records of Salt Lake County, Utah, and (2) the plat entitled “The Place Townhomes 2nd Amended,” recorded on July 12, 2002, as Entry Number 8290318 in Book 2002P at Page 180 of the official records of Salt Lake County, Utah (collectively, the “**Original Plat**”).

E. The City has approved a new plat for the Development, captioned “Chateaux on the Green,” which replaces and supersedes the Original Plat and which is being recorded concurrently with this Declaration.

DECLARATION

The Association hereby declares that this Declaration is adopted as an amendment, restatement, and replacement of the Original Declaration and that the Development and the lots therein will be held, sold, and conveyed subject to the following covenants, conditions, restrictions, and easements, which will run with the land and will be binding upon all parties having or acquiring any right, title, or interest in or to the Development or any part thereof, and will inure to the benefit of each Owner thereof. The Background paragraphs set forth above are hereby specifically incorporated into this Declaration.

Section 1 DEFINITIONS

Capitalized terms used but not otherwise defined in this Declaration will have the respective meanings set forth in this Section 1.

1.1 Approval.

Whether capitalized or not, unless otherwise specified in this Declaration: (a) with regard to the Association, the Board, or a Mortgagee: advance written approval; (b) with regard to the Owners: approval by the requisite percentage of votes entitled to be cast by the Owners participating in a duly called meeting in person, by proxy, or by written ballot.

1.2 Articles.

The articles of incorporation of the Association, as may be amended from time to time.

1.3 Assessments.

All assessments and other charges, fines, and fees imposed by the Association on an Owner in accordance with the Governing Documents.

1.4 Association.

The Chateaux on the Green Townhomes Homeowners' Association, Inc., a Utah nonprofit corporation.

1.5 Board.

The board of trustees of the Association.

1.6 Bylaws.

The bylaws of the Association, as may be amended from time to time. A copy of the Association's current Bylaws is attached to this Declaration as Exhibit B.

1.7 City.

Salt Lake City, a political subdivision of the State.

1.8 Common Areas.

Those areas (and any improvements on such areas) within the Development intended for the common use and enjoyment of the Owners and their Tenants and Guests, as designated on the Plat or established by this Declaration. Common Areas and improvements, include, but are not limited to, the following: stone walls, fences, gates, hand-rails, street lights, mailboxes, common address signage, flag pole, gate openers and key pads, exterior site lighting, driveways, entrance driveways and aprons, planters, urns, irrigations systems, water fountains (non-attached), utility lines in common areas, and landscaping.

1.9 Common Expenses.

The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Governing Documents, including, without limitation, the cost of carrying out the powers and obligations of the Association set forth in Section 4.

1.10 County.

Salt Lake County, Utah.

1.11 Development.

Defined in Background paragraph A.

1.12 Eligible Mortgagee.

Any First Mortgagee and any other Mortgagee of a Lot (or any insurer or guarantor of a Mortgage on a Lot) who has provided a written request to the Association (such request to state the name and address of such Eligible Mortgagee, a copy of the Mortgage instrument, and the street address of the Lot to which such Mortgage pertains), to be notified of any of the events listed in Section 14.2.

1.13 First Mortgage.

A first-priority Mortgage lien on any Lot in the Development. The term "**First Mortgage**" will mean a holder of a First Mortgage.

1.14 Governing Documents.

This Declaration, the Articles, the Bylaws, and the Rules and Regulations.

1.15 Guest.

Any person who is a visitor or invitee and who (a) is accompanied by an Owner or a Tenant, or (b) has been granted permission by an Owner to occupy its Lot for a period of time.

1.16 Lot.

Each of Lots 1, 2, 3, 5, 6, 7, 8, 17, 18, 19, 20, 22, 23, and 24, as shown on the Plat.

1.17 Member.

Any Person holding a membership in the Association pursuant to Section 2.2.

1.18 Mortgage.

A mortgage or a trust deed; "**Mortgagee**" means a mortgagee or a beneficiary of a trust deed.

1.19 Owner.

Any Person having a fee ownership interest in a Lot. "Owner" does not include a Tenant or a Person holding less than a fee interest in a Lot. The rights, obligations, and other status of being an Owner commence upon acquisition of the ownership of a Lot and terminate upon disposition of such ownership, but termination of ownership will not discharge an Owner from obligations incurred before termination.

1.20 Party Wall.

The wall separating two Units, which wall is located on the dividing line between the two Lots on which the Units are situated. The Party Wall will consist of the studs, blocking, insulation, cement and airspace located between the wallboard of one Unit and the wallboard of the adjoining Unit. It will not consist of the wallboard, paneling, sheetrock, tiles, wallpaper and paint located on the interior sides of the Party Wall, all of which will be considered part of the Unit and the maintenance of which will be the responsibility of the Unit Owner.

1.21 Person.

A natural person, a corporation, a partnership, a limited liability company, a trust, or any other legal entity.

1.22 Plat.

The map entitled "Chateaux on the Green, Amending The Place Townhomes Units 1-24," recorded concurrently with this Declaration in the official records of the County, and any duly executed and recorded amendment or supplement thereto.

1.23 Reserve Fund.

A fund established for the repair, replacement and restoration of Common Area improvements, as described in Section 7.99.

1.24 Rules and Regulations.

Those rules and regulations adopted by the Board governing the conduct of persons within, and the operation and use of, the Development.

1.25 State.

The State of Utah.

1.26 Tenant.

A Person who is leasing or renting a Lot from an Owner.

1.27 Trustee.

Any duly elected member of the Board.

1.28 Unit.

Each of Units 1, 2, 3, 5, 6, 7, 8, 17, 18, 19, 20, 22, 23, and 24, as shown on the Plat. Each Unit is a townhome designated for single-family residential occupancy, and is located on a Lot bearing the same number.

Section 2
MEMBERSHIP IN THE ASSOCIATION

2.1 Organization.

The Association will be a Utah nonprofit corporation and will have the property, powers, and obligations set forth in this Declaration for the benefit of the Development and all Owners. The Articles will provide for the Association's perpetual existence, but if the Association is at any time dissolved, whether inadvertently or deliberately, it will automatically be succeeded by an unincorporated association of the same name. In that event all of the property, powers, and obligations of the incorporated association existing immediately before its dissolution will automatically vest in the successor unincorporated association, and such vesting will thereafter be confirmed as evidenced by appropriate conveyances and assignments by the incorporated association. To the greatest extent possible, any successor unincorporated association will be governed by the Articles and Bylaws as if they had been made to constitute the governing documents of the unincorporated association.

2.2 Membership.

Each Owner will be a Member of the Association. Such membership will begin automatically when a Person becomes an Owner and will continue until the Person is no longer an Owner, at which point the membership will expire automatically.

2.3 Voting Rights.

Each Member will be entitled to one vote for each Lot owned, except that no more than one vote may be cast with respect to any one Lot. When a Lot is owned by multiple Owners, all such Persons will be Members and the vote for such Lot will be exercised as the Owners among themselves determine. However, if the Owners of a Lot cannot agree on how to exercise their vote with respect to a pending matter, any such Owner may deliver notice of such disagreement to the Association before the vote is finalized, and the vote will then be disregarded with respect to such matter (except for purposes of establishing a quorum).

Section 3 MANAGEMENT OF THE ASSOCIATION

3.1 Board.

The affairs of the Association will be conducted by the Board and by such officers as the Board may elect or appoint in accordance with the Articles and Bylaws. The Board will be composed of three Trustees, who will be elected by the Owners and whose terms and qualifications will be set in accordance with the Bylaws.

3.2 Liability.

A Trustee or officer of the Association will not be liable to the Association or any Owner for any damage, loss, or prejudice suffered or claimed on account of any action or failure to act in the performance of his duties, except for acts of gross negligence or intentional acts. If any Trustee or officer of the Association is made a party to any proceeding because the individual is or was a Trustee or officer of the Association, the Association will indemnify such individual against liability and expenses incurred to the maximum extent permitted by law.

Section 4 POWERS AND OBLIGATIONS OF THE ASSOCIATION

4.1 General Powers and Obligations.

The Association will have, exercise, and perform all of the following powers, duties, and obligations:

(a) the powers, duties, and obligations granted to the Association by this Declaration.

(b) the powers and obligations of a nonprofit corporation pursuant to the general nonprofit corporation laws of the State.

(c) any additional or different powers, duties, and obligations necessary or desirable for the purpose of carrying out the functions of the Association pursuant to this Declaration or otherwise promoting the general benefit of the Owners.

4.2 **Specific Powers and Duties.**

The powers and duties of the Association will include, without limitation, the following:

(a) **Assessments.** The Association will adopt budgets and impose and collect Assessments as provided in Section 7.

(b) **Maintenance.** The Association will maintain the Common Areas in accordance with Section 8.

(c) **Insurance.** The Association will obtain and maintain insurance in accordance with Section Section 9.

(d) **Enforcement.** The Association will enforce the provisions of the Governing Documents pursuant to Section 13.

(e) **Rulemaking.** The Association may make, establish, amend, and repeal Rules and Regulations governing the conduct of persons on, and the operation and use of, the Common Areas and the Lots as it deems necessary or appropriate to ensure the peaceful and orderly use and enjoyment of the Development in accordance with the Governing Documents. A copy of the Rules and Regulations, as amended from time to time, will be promptly delivered to each Owner by the Board and will be binding upon the Owners as of the date of delivery.

(f) **Services.** The Association may provide or contract for such services as the Board may reasonably deem to be of benefit to the Development, including garbage removal and security services. The Association may also create various classes of service and make appropriate Individual Assessments or charges therefor to the users of such services, including reasonable fees for the use of any recreational facilities located on the Common Areas now or in the future, without being required to render such services to Owners who do not agree to pay such charges.

(g) **Employment of Agents, Advisers, and Contractors.** The Association may contract for the services of any Person as necessary or convenient for the management, maintenance, and operation of the Development, and for the management and operation of the affairs of the Association.

4.3 **Implied Rights and Obligations.**

The Association may exercise any other power reasonably implied by, or necessary to carry out, an express power given to the Association under this Declaration.

Section 5
PROPERTY RIGHTS IN LOTS

5.1 Use and Occupancy.

Each Lot Owner will be entitled to the exclusive use and benefit of its Lot, but the Lot will be bound by, and the Owner will comply with, the Governing Documents.

5.2 Easements Reserved.

In addition to any easements shown on the Plat, the Association will have an easement and right of way allowing it to enter any Lot at any reasonable time and upon reasonable notice to the Lot Owner for the purpose of: (a) performing cleaning, repair, inspection or maintenance on the Lots or the Common Areas as authorized by the Governing Documents, (b) installing, replacing, repairing, and maintaining all utility and service lines and systems, including, without limitation, water, sewer, gas, telephone, electricity, and cable communication that service the Development or any portion thereof, (c) determining whether the use of the Lots complies with the Governing Documents, or (d) enforcing the Governing Documents in accordance with Section 13. No such entry will be deemed to constitute a trespass or otherwise create any right of action in the Lot Owner.

5.3 Owner's Right to Ingress, Egress, and Support.

Each Owner will have the right to ingress and egress over, upon, and across the Common Area necessary for access to its Lot and will have the right to lateral support for its Lot, and such rights will be appurtenant to and pass with the title to each Lot.

5.4 Form for Conveyancing.

Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering title to a Lot will describe the interest or estate involved substantially as follows:

Lots 1-24, Chateaux on the Green, a Planned Unit Development, identified on the Plat for such subdivision and in the Amended and Restated Declaration of Covenants, Conditions, Restrictions, and Easements for Chateaux on the Green, recorded June 24, 2014, as Entry No. 11870597 in Book 2014P at Page 157, of the official records of Salt Lake County, Utah.

Section 6
PROPERTY RIGHTS IN COMMON AREAS

6.1 Title to Common Areas.

Title to the Common Areas is and will continue to be held by the Association.

6.2 Use of Common Areas.

Subject to Section 6.3, each Owner will have a nonexclusive right to use the Common Areas for the purposes for which they are intended. However, no Owner, Tenant or Guest may use the Common Areas in a manner that unreasonably interferes with the rights of other Owners, Tenants and Guests to use the Common Areas. Subject to the Rules and Regulations, an Owner may delegate the foregoing right to its Tenants or Guests.

6.3 Limitations on Use of Common Areas.

The right to use the Common Areas will be subject to the easements shown on the Plat, and to the following rights, easements, and limitations:

- (a) the right of the Association to suspend the right of an Owner to use the Common Areas in accordance with Section 13;
- (b) an easement in favor of the Association for ingress and egress over the Common Areas for the installation, maintenance, and repair of wires, lines, and conduits connected with the transmission of electricity, gas, water, communications, and other utilities;
- (c) an easement in favor of the Association for ingress and egress over the Common Areas and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incidental to the construction and maintenance of new and existing improvements on the Common Areas;
- (d) an easement over the Common Areas in favor of police, fire, and other public officials in the performance of their official duties;
- (e) the right of the Association to establish easements, reservations, exceptions, and exclusions consistent with the ownership of the Development and the best interests of the Owners and the Association, including, without limitation, the right to grant easements over the Common Areas to any public agency, authority, or utility;
- (f) a prohibition on physical partition of the Common Areas or any part thereof;
- (g) a prohibition on use of fireworks of any kind in the Common Areas;
- (h) a prohibition against receptions or other social events; and
- (i) a prohibition against fires in the Common Areas.

Section 7
ASSESSMENTS

7.1 Purpose of Assessments.

The Assessments levied by the Association will be used exclusively to promote the recreation, health, safety, and welfare of the Owners and occupants of the Development, for the management and operation of the affairs of the Association, for the improvement, operation, and maintenance of the Common Areas, and for the enforcement of the Governing Documents.

7.2 Types of Assessments.

The Association may levy General Assessments, Special Assessments, Insurance Assessments, and Individual Assessments, all as more particularly described below.

7.3 Apportionment of General and Special Assessments.

Each Lot will be assessed its pro rata share of the General Assessments and Special Assessments, which pro rata share will be calculated by dividing the total dollar amount of each such Assessment by the total number of Lots. Notwithstanding the foregoing, the Association may charge a higher pro rata share to any Lot that for a period of twelve (12) consecutive months or longer is not occupied by the Owner as a single-family, primary residence, and the Owner of such Lot does not have such Lot managed by a property manager identified to the Association and responsible for maintaining the same. Such higher pro rata share will be the same for each such "absentee"-Owner Lot and will be no more than 50% higher than the pro rata share of each non-"absentee"-Owner Lot. The manner of billing and collecting Assessments will be as set forth in the Bylaws.

7.4 Annual Budget.

The Board will prepare an annual budget for the Association each fiscal year, taking into account the Common Expenses, contributions to be made to the Reserve Fund, any surplus from previous fiscal years, and any income expected from sources other than Assessments. The annual budget prepared by the Board will not require approval by the Owners unless the Common Expenses under the proposed budget exceed the Common Expenses under the previous fiscal year's budget by more than 5%. If the proposed annual budget is rejected by the Owners, the previous fiscal year's budget will be deemed renewed for the next fiscal year and will remain in effect until (a) the Board adopts a budget that does not require Owner approval or (b) the Owners approve a subsequent annual budget proposed by the Board.

7.5 General Assessments.

Based on the annual budget, the Board will determine the amount of the General Assessment (which shall not include the cost of casualty insurance maintained by the Association), which will be apportioned among the Lots as provided in Section 7.3. General Assessments may be payable in lump sum or in installments, as provided in the Bylaws.

7.6 Special Assessments.

In addition to the General Assessments authorized in Section 7.5, the Board may levy during any fiscal year a Special Assessment applicable to that year only, for the purpose of deferring all or any part of the cost of unbudgeted expenses, expenses in excess of those budgeted, or other unanticipated, extraordinary, or emergency expenses. Special Assessments which in the aggregate in any fiscal year exceed an amount equal to 15% of the budgeted gross expenses of the Association for the fiscal year may be levied only if approved by at least 67% of the Owners present at a duly scheduled meeting of the Association at which a quorum is present. Special Assessments will be apportioned as provided in Section 7.3 and may be payable in lump sum or in installments, as provided in the Bylaws.

7.7 Insurance Assessments.

The Board shall levy during each fiscal year an Insurance Assessment applicable to that year only, for the purpose of covering the cost of all casualty insurance maintained by the Association pursuant to the requirements of this Declaration. Each Lot will be assessed its pro rata share of the Insurance Assessments. The pro rata share for purposes of determining the Insurance Assessments will be calculated in one of the following two (2) ways, as reasonably determined by the Board from time to time: (a) by dividing the total finished square footage of each Unit by the total finished square footage of all Units, which "finished square footage" shall be as set forth on the tax records of Salt Lake County or by such other reasonable method of determination as selected by the Association; or (b) by dividing the replacement value of the Unit by the total replacement value of all Units, which replacement value shall be determined in accordance with third-party professionally prepared appraisals obtained within the prior five (5) years. The costs of other insurance maintained by the Association (e.g. commercial liability insurance, etc.) shall be passed through to the Owners as part of the General Assessments or Special Assessments.

7.8 Individual Assessments.

The cost of any service benefiting less than all of the Lots may, in the discretion of the Board, be assessed exclusively against the Lots benefited as an Individual Assessment. Individual Assessments will also include fines imposed for violation of the Governing Documents and charges against a Lot to reimburse the Association for costs incurred in bringing the Lot or its Owner into compliance with the Governing Documents. Individual Assessments may be payable in lump sum or in installments, as provided in the Bylaws.

7.9 Reserve Fund.

The Association may establish a Reserve Fund for repair, replacement and restoration of Common Area improvements having a useful life of more than three (3) years. The Board shall cause an analysis of the reserve fund to be conducted no less frequently than every five (5) years. When budgeting for the Reserve Fund, the Board will take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repairs or replacement cost. The Board may borrow funds from the Reserve Fund to meet high seasonal demands on the regular operating funds or to meet other temporary or emergency expenses which will later be

paid from General Assessments or Special Assessments. Notwithstanding the foregoing sentence, the Reserve Fund shall not be used for daily maintenance expenses unless such expenses are approved by a 51% majority of Owners present at a duly scheduled meeting of the Association at which a quorum is present. At each annual meeting of the Owners, or any special meetings duly convened as set forth in the Bylaws, the Board shall present the reserve study and provide an opportunity for Owners to discuss the Reserve Fund and the ways in which it should be funded. The decision and discussion of the Association shall be kept in the meeting minutes of the Association, as such minutes are duly kept as set forth in the Bylaws.

7.10 Creation of Lien and Personal Obligation of Assessments.

Each Owner is deemed to covenant, for each Lot owned by it within the Development, to pay to the Association all Assessments as may be fixed, established, and collected from time to time pursuant to this Declaration. Assessments will also be the personal obligation of each Person who was an Owner of the Lot at the time the Assessment was assessed. Each Assessment, together with any interest, expenses, or attorneys' fees imposed pursuant to Section 13.5, will be a continuing lien upon the Lot against which it is assessed. An Owner who sells its Lot will not be entitled to a refund from the Association of any Assessments paid in advance. However, the purchasing Owner will be entitled to a credit for any Assessments paid in advance by a previous Owner, and the selling Owner may seek a corresponding credit from the purchasing Owner.

7.11 Appointment of Assessment Trustee.

The Association hereby designates First American Title Insurance Agency as the "trustee" for purposes of Section 57-8a-302 of the Utah Community Association Act. The Association further hereby informs each Owner that such Owner's acceptance of an interest in a Lot constitutes a simultaneous conveyance of the Lot in trust, with power of sale, to said trustee or such substitute trustee as the Association may designate from time to time, as provided in Section 57-8a-302 of the Utah Community Association Act, for the purpose of securing payment of all amounts due under the Declaration or pursuant to such act.

Section 8 MAINTENANCE

8.1 Maintenance Responsibilities of the Association.

The Association will landscape and maintain the Common Areas in a clean and attractive condition and in a good and workmanlike manner so as to carry out the purposes for which the Common Areas are intended. The Association will also be responsible for following items on the Lots: landscape maintenance, repair and replacement, including weeding, fertilizing, mowing and trimming, as applicable, of shrubs, trees, and lawn and maintenance of the irrigation system; snow removal (including salting as appropriate) of sidewalks, private drives, and garage aprons consistent with local ordinances; replacement of light bulbs for exterior light fixtures and maintenance and repair of common area light poles; spraying for insect and pest control; maintenance and repair of fountains and fountains used for flower beds that are not attached to a Unit wall; and maintenance and repair of the flagpole, common mailbox and exterior fences and gates.

8.2 Maintenance Responsibilities of the Owners.

Except as otherwise set forth below or in Section 8.1, each Owner will be responsible for maintaining its Lot and the exterior of its Unit in a clean, sanitary, attractive and marketable condition, free of trash and in good repair at all times and in such fashion as not to create a hazard or nuisance. Such maintenance obligations will include, without limitation, the obligation to maintain the following items located on the Owner's Lot: roof tiles, roof membranes, chimneys, porches, balconies, steps, sidewalks, decks, patios, fountains attached to the exterior wall of a Unit, vegetable gardens, container plants or other specialty landscaping items installed by the Owner and located on such Owner's Lot (including the trimming of trees planted by the Owner, and any aspen or sycamore trees that were not removed previously by the Association at the request of the Owner of the applicable Lot), private drives and garage aprons, windows, exterior siding, exterior paint, exterior railings, copper turrets, exterior light fixtures (except that the Association will be responsible for replacement light bulbs), rain gutters, downspouts, plaster foundations, wainscot masonry, pipes, meters, and other utility facilities (except that the Association will be responsible for any portions of trunk lines located on or under the Lots and the Owner will be responsible for portions of lateral lines located on or under the Common Areas serving only that Owner's Lot, even if located in the Common Area), and all specifications outlined in the Rules and Regulations.

8.3 Interior of Units.

Each Owner will be responsible for maintaining the interior of its Unit.

8.4 Party Walls.

(a) **General Rules of Law to Apply.** General rules of law regarding party walls will apply to the Party Walls to the extent that such rules are consistent with the provisions of this Declaration.

(b) **Maintenance and Repair.** Unit Owner's sharing a Party Wall shall ensure that such Party Wall is maintained in sound condition and shall not neglect the regular maintenance and upkeep of the same. Each Unit Owner will give reasonable notice to the adjoining Unit Owner sharing a Party Wall of any repair, reconstruction, or other maintenance to the Party Wall ("**Maintenance Work**") that such Owner reasonably believes is required. The Owners sharing a Party Wall must agree on all such Maintenance Work before any Maintenance Work commences. If the Owners sharing a Party Wall are unable to agree with respect to the Maintenance Work, then such matter will be resolved pursuant to Section 8.4(i). Except as otherwise provided herein, the costs of all Maintenance Work will be borne equally by the Owners sharing the affected Party Wall, unless such Maintenance Work exclusively benefits one Owner, in which event such Owner shall pay the costs of such Maintenance Work in its entirety.

(c) **Right to Contribution Runs with Land.** The right of an Owner to receive contribution from an adjoining Owner sharing a Party Wall, together with the obligation of an Owner to contribute to an adjoining Owner sharing a Party Wall as described in this Section 8.4, will be appurtenant to and will run with the land and will pass to each Owner's successors in title.

(d) **Personal Obligation.** Each Owner, by acceptance of a deed to a Lot, whether or not so expressed in the deed, will be deemed to covenant and to agree to pay its share of the costs of the Maintenance Work. No Owner may avoid liability for the costs of Maintenance Work by non-use or abandonment of the Party Wall or of the Owner's Unit.

(e) **Effect of Non-Payment for Maintenance Work; Remedies.** If an Owner fails to pay for Maintenance Work as required hereunder, the nondefaulting Owner sharing the affected Party Wall will be entitled to recover (from the defaulting Owner) the defaulting Owner's share of the costs for the Maintenance Work, together with interest thereon at the rate of 12% per annum from the date of expenditure by the nondefaulting Owner.

(f) **Maintenance Easement.** Each Unit Owner will have an easement across any adjoining Party Wall for the purpose of performing the Maintenance Work required under this Section.

(g) **Damage Caused by or Attributed to an Owner.** Notwithstanding any other provision in this Section, if a Party Wall is damaged by an Owner or by the Owner's Tenants or Guests and such insurance is not covered by applicable insurance, the Owner will repair such damage at the Owner's sole expense.

(h) **Restoration.**

(i) **Insurance Proceeds Sufficient to Cover Loss.** If a Party Wall is damaged by a casualty that is not covered by insurance maintained by the Association, and if the proceeds of the affected Owners' insurance policies are sufficient to pay all costs of necessary repair or reconstruction, such proceeds will be applied to such repair or reconstruction. The affected Owners' respective insurance policies will be jointly and severally liable for the cost of repair or reconstruction of the Party Wall.

(ii) **Insurance Proceeds Insufficient to Cover Loss.** If proceeds of the affected Owners' insurance policies are insufficient to pay all costs of necessary repair or reconstruction and such repair and reconstruction is not covered by insurance maintained by the Association, the affected Party Wall nonetheless will be promptly repaired or reconstructed by the affected Owners. Any proceeds of the affected Owners' insurance policies will be applied toward the costs of necessary repair or reconstruction of the Party Wall. Each affected Owner will be jointly and severally liable for the cost of repair or reconstruction of the Party Wall.

(iii) **Cooperation; Application of Proceeds.** If an insurable loss to a Party Wall occurs, the affected Owners will cooperate with each other, the Association and their respective insurers to coordinate adjustment of the losses and application of insurance proceeds to reconstruction and repair of the Party Wall.

(i) **Dispute Resolution.** If a dispute arises under the provisions of this Section 8.4, the Board will review the dispute and issue a decision. The decision of the Board will be binding and final.

Section 9
INSURANCE

9.1 Association's Insurance.

(a) Property Insurance.

(i) The Association will maintain a "master" or "blanket" policy of special form property insurance covering 100% of the current replacement cost of the Common Areas and the Units (which may or may not include coverage for casualty loss caused by an earthquake in such coverage amounts and with respect to such insured property as the Board may determine in its sole and absolute discretion, subject to the requirements of applicable law, if any); building service equipment, personal property and supplies comprising a part of the Common Areas or owned by the Association; and any fixture, improvement, or betterment installed by a Owner to a Unit, including interior walls, floor coverings (including carpet, wood, stone, tile, etc.), counter tops (including granite and other hard surface tops), patios, decks, cabinets, light fixtures, electrical fixtures, heating or plumbing fixtures (including fireplaces), paint, wall covering, window, and any other item permanently part of or affixed to a Unit (real or decorative); but excluding land, foundations, excavations, and other items normally not covered by such policies.

(ii) The property insurance policy will be issued in the name of the Association for the use and benefit of the Association and the individual Owners, as their respective interests may appear. Loss payable will be in favor of the Association as a trustee for the Association, the Owners and the Mortgagees, as their respective interests may appear. Certificates of insurance will be issued to any Owner or Mortgagee on request.

(iii) The property insurance policy will contain the standard mortgage clause, or equivalent endorsement (without contribution), commonly accepted by private institutional Mortgage investors in the area in which the Development is located. In addition, such mortgage clause or similar appropriate provision will provide that the policy may not be cancelled or substantially modified without at least ten days' prior written notice to the Association, the Owners, and each First Mortgagee that is listed as a scheduled holder of a First Mortgage in the policy.

(iv) The property insurance policy will provide for the following: (A) a waiver of the right of subrogation against Owners individually and each member of the Owner's household; and (B) the policy is primary if the Owner has other insurance covering the same loss; provided, however, in such event and notwithstanding the primacy of the insurance maintained by the Association, the Owner is responsible for the Association's policy deductible. In addition, if, in the exercise of its business judgment, the Board determines that a claim is likely not to exceed the Association's property insurance policy deductible: (C) the Owner's policy is considered the policy for primary coverage to the amount of the Association's policy deductible; and (D) an Owner who does not have a policy to cover the Association's property insurance policy deductible is responsible for the loss to the amount of the Association's policy deductible, as provided in Subsection (v) below.

(vi) The property insurance policy will also contain or provide an "Agreed Amount Endorsement" and an "Inflation Guard Endorsement" (if available). Each Unit Owner shall provide written notice to the Association of any material improvements to such Owner's Unit within thirty (30) days following the completion of such material improvements.

(vii) The Association is not responsible for and the insurance maintained by the Association does not cover the personal property of the Owners.

(viii) In the event of "lot damage," as that term is defined in Utah Code Ann. § 57-8a-405(8)(a)(ii), the Owner of the damaged Lot or Unit is responsible for that portion of the loss attributable to the Association's policy deductible, as described in Utah Code Ann. § 57-8a-405(8)(b). If the Owner does not pay the foregoing amount within thirty (30) days after substantial completion of the repairs to the Unit, the Association may levy an Individual Assessment against the Owner.

(ix) The Association shall set aside an amount equal to the amount of the property insurance policy deductible or \$10,000, whichever is less, in a reserved fund maintained at the Board's discretion. The Association shall maintain a certificate or memorandum of the insurance maintained by the Association in the office of the Association, which memorandum or certificate shall be available for inspection by any Owner and shall identify the amount of the applicable deductible.

(b) **General Liability Insurance.** The Association will maintain in force, and pay the premium for a policy providing commercial general liability insurance coverage covering all of the Common Areas and all other areas of the Development that are under the Association's supervision, whether or not such spaces are leased to some third party. The coverage limits under the policy will be in amounts generally required by private institutional Mortgage investors for projects similar to the Development in construction, location, and use. Nevertheless, such coverage will be for at least \$2,000,000 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under such policy will include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance, or use of the Common Areas. Additional coverage under such policy will include protection against such other risks as are customarily covered with respect to projects similar to the Development in construction, location, and use. If such policy does not include "severability of interest" in its terms, the policy will include a special endorsement to preclude an insurer's denial of any Lot Owner's claim because of negligent acts of the Association or any other Lot Owner. Such policy will provide that it may not be cancelled or substantially modified, by any party, without at least ten days' prior written notice to the Association, the Owners, and each First Mortgagee that is listed as a scheduled holder of a First Mortgage in such policy.

(c) **Directors & Officers Insurance.** The Association will maintain directors and officers liability insurance providing coverage for the Association and its Trustees and officers for any liability resulting from the negligent acts or omissions of the Trustees or officers in their official capacities.

9.2 Individual Owner's Insurance.

Each Lot Owner shall obtain and maintain a separate homeowners insurance policy insuring the Owner against (a) claims made for damages due to bodily injury or property damage to third parties for which the Owner is legally responsible and (b) casualty damage to personal property kept within the Unit (covering the full replacement cost thereof). The liability portion of the policy will name the Association as an additional insured, and the property portion of the policy will include a waiver of subrogation rights by the insurer as to other Owners, the Association, and Mortgagees. The policy will include such other endorsements as are typically included in a homeowners policy issued in the State of Utah.

9.3 Insurance Carrier Requirements.

Each insurance policy required under this Section 9 will be purchased from an insurance carrier licensed in the State of Utah and having a financial rating from A.M. Best Company of at least A-.

9.4 Power-of-Attorney.

Each Owner hereby appoints the Board (or an insurance trustee or substitute insurance trustee designated by the Board) as its attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: (i) the collection and appropriate disposition of the proceeds thereof; (ii) the negotiation of losses and execution of releases of liability; (iii) the execution of all documents; and (iv) the performance of all other acts necessary to accomplish such purpose. The Board (or designated insurance trustee) will receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for the use and benefit of the Owners and their Mortgagees, as their interests may appear.

Section 10 CASUALTY

10.1 Damage or Destruction.

In the event of any casualty damage to a Unit that is covered by the insurance policy kept or required to be kept by the Association under Section 9.1(a), the insurance proceeds, if sufficient to reconstruct the Unit, will be deposited into a bank account that requires, for withdrawals, the signatures of the Unit Owner and an officer of the Association. The Unit Owner and the Association will then promptly authorize the necessary repair and reconstruction work, and the insurance proceeds and the deductible will be applied by the Association and the Owner to defray the cost thereof. "Repair and reconstruction" of the Unit, as used herein, means restoring the Unit to substantially the same condition in which it existed before the damage, with each Unit having the same boundaries as before.

10.2 Insufficient Insurance Proceeds.

If the insurance proceeds are insufficient to repair and reconstruct any damaged Unit, such damage or destruction will be promptly repaired and reconstructed by the Association,

using the insurance proceeds and the proceeds of an Individual Assessment against the Owner of the damaged Unit. Any such Individual Assessment will be equal to the amount by which the cost of reconstruction or repair of the Unit exceeds the sum of the insurance proceeds allocable to such Unit. Notwithstanding the foregoing, the destroyed or damaged Units be demolished and all debris and rubble caused by such demolition may be removed and the Lot(s) regraded and landscaped if (i) at least seventy-five percent (75%) of all Owners, (ii) all Eligible First Mortgagees that hold a security interest in any or all of the destroyed or damaged Units, and (iii) each Lot Owner of a Unit that is not to be rebuilt, vote not to rebuild. The cost of such reconstruction or demolition work will be paid for by any and all insurance proceeds available. Any excess insurance proceeds will then be disbursed to such Owners and their Mortgagees jointly in accordance with their respective interests. If a Unit is not rebuilt, such Unit's allocated voting interests shall be reallocated among the Lot Owners and amendment to this Declaration showing such reallocation shall be recorded in the Official Records of the County.

10.3 Damage to Common Area.

In the event of any casualty damage to the Common Area, the insurance proceeds will be applied by the Association to the reconstruction and repair of the damaged Common Area unless (i) at least 75% of the allocated voting interests of the Lot Owners, (ii) all Eligible First Mortgagees that hold a security interest in any or all of the destroyed Common Areas, and (iii) each Lot Owner to which the destroyed Common Area is appurtenant, vote not to rebuild.

Section 11 EMINENT DOMAIN

In the case of a taking or condemnation by competent authority of any part of the Common Area, the proceeds awarded in such condemnation will be paid first to satisfy any indebtedness secured by a mortgage or other lien encumbering such portion of the Common Area, and the balance to the Association. The proceeds, if any, paid to the Association, together with any reserve being held for such part of the Common Area, will be used first to restore the remaining Common Area in the vicinity of the portion that was taken to conform as closely as possible to the general appearance and design of the remaining Common Area, and the balance, if any, will be distributed to the Owners in equal shares.

Section 12 RESTRICTIONS

12.1 Residential Character of Development.

Each Lot and Unit will be used and occupied for single-family primary or secondary residential purposes, and not for purposes of real estate speculation or investment. No trade, craft, business, profession, or commercial activities of any kind will be conducted within the Development, nor will any goods, equipment, vehicles, materials, or supplies used in connection with any trade, service, or business be kept or stored within the Development. Notwithstanding the foregoing, (a) an Owner may conduct activities relating to sale of its Lot; (b) the Association may construct improvements on the Common Areas and store construction materials and equipment on the Common Areas in the normal course of construction, and (c) an Owner may

maintain its professional library, records, or accounts, or communicate with professional associates, clients, or customers in its Unit, as long as there is no evidence of such activities observable from outside the Unit.

12.2 Restrictions on Leasing Units.

(a) **Lease Restriction.** Notwithstanding anything to the contrary in this Declaration, following the recording of this Declaration, no Owner or other Person shall enter into a lease, rental agreement, license or other agreement allowing a person that is not the Owner of the Unit to occupy a Unit in exchange for rent or other remuneration.

(b) **Violations of Restrictions on Rental.** If an Owner breaches the restriction set forth in Section 12.2(a) above, the Association may seek and obtain preliminary and permanent injunctive relief against the breach or threatened breach of such covenants or provisions. Such relief shall be in addition to any other legal or equitable remedies, relief or damages which may be available to the Association or the Board.

(c) **Exceptions to Rental Restrictions.** The Lease Restriction shall not apply to: (i) a Unit Owner serving in the military for the period of the Unit Owner's deployment; (ii) a Unit occupied by a Unit Owner's parent, child, or sibling; (iii) a Unit Owner whose employer has relocated the Unit Owner for no less than two years; (iv) a Unit owned by a trust or other entity created for estate planning purposes if the trust or other estate planning entity was created for the estate of the current resident of the Unit or the parent, child, or sibling of the current resident of the Unit (provided the tenant under any lease with respect to such Unit or any person occupying such Unit without a lease is an officer, owner, member, trustee, beneficiary, director, or person holding a similar position of ownership or control of such trust or other estate planning entity or such person's parent, child or sibling); or (v) a lease or other rental agreement in place at the time this Declaration is recorded until such time as the Unit Owner occupies the Unit or an officer, owner, member, trustee, beneficiary, director, or person holding a similar position of ownership or control of an entity or trust that holds an ownership interest in the Unit, occupies the Unit.

(d) **Additional Lease Requirements.** Any lease entered into pursuant to an exception set forth in Section 12.2(c) must: (i) have a minimum initial term of not less than one (1) year; (ii) shall be between the Unit Owner and an individual or individuals constituting a single "family" for purposes of the Salt Lake City zoning ordinances; (iii) shall require the applicable Tenant to comply with all applicable provisions of this Declaration and the Rules and Regulations; and (iv) shall prohibit overnight parking, except within the garage of the Unit.

12.3 Unlawful Use Prohibited.

No unlawful use will be made of the Development or any part thereof, and all applicable federal, State, and local laws, ordinances, and regulations will be observed.

12.4 No Nuisances.

No noxious, offensive, or unsightly activities or conditions will be carried on, in, or upon any part of the Development, nor will anything be done or placed in or upon any part of the

Development which is or may become a nuisance or which may cause disturbance or annoyance to Owners. No activities will be conducted, improvements constructed, nor conditions created in or upon any part of the Development which are or may become unsafe or hazardous to any person or property.

12.5 No Smoking Outdoors; Smoking in Units.

Smoking in any outdoor area of the Development (other than on private patios or decks attached to an Owner's Unit) is strictly forbidden. Smoking is allowed in the Units and tobacco smoke may drift from one Unit into another and each Owner is hereby informed and acknowledges by purchasing said Owner's Unit that such drifting may occur. Each Owner shall contain tobacco smoke created within such Owner's Unit within the Owner's Unit and shall install at such Owner's sole cost and expense, such air filtration systems as are necessary to contain such smoke and the odors created thereby to such Owner's Unit. Each Owner shall indemnify and hold the Association harmless from and against any and all liabilities, obligations, claims, debts, demands, suits, costs, attorneys' fees, expenses, actions and causes of action of any kind or nature whatsoever, in law or equity, arising out of or in any way relating to such Owner's failure to contain tobacco smoke within such Owner's Unit.

12.6 Alterations, Additions, Removals, or Improvements.

To preserve the first-class appearance of the Development and the property values of the Lots, any alteration, removal, addition, or improvement of or to the exterior or structural portions of a Unit or to the landscaping of a Lot will require prior written approval by the Board. Without limiting the generality of the previous sentence, an Owner must obtain prior written approval from the Board before changing the color of exterior items such as stucco, paint, and wrought-iron railings. Improvements to the interior of Unit will also require prior written approval of the Board to the extent such improvements would affect any party wall, the structural components or structural integrity of the Unit or would be visible from the exterior of the Unit. The approval of the Board will be withheld or granted in accordance with such reasonable rules, restrictions, and architectural and landscaping guidelines as may be established from time to time by the Board. Owners will be required to submit an application containing, among other things, detailed plans and drawings of the proposed alteration, removal, addition, or improvement. The Board may waive or simplify the application requirement for proposed alterations or additions that are deemed to be minor in nature or scope. Each Owner must comply with all applicable building codes and any governmental permitting and inspection requirements. Each Owner shall undertake such activities in a way that minimizes the impact on other Owners to the degree reasonably possible under the circumstances.

12.7 No Obstructions.

No Owner will obstruct the Common Areas or store any items on the Common Areas except to the extent expressly permitted under the Governing Documents.

12.8 Parking.

No Owner may store or park any automobile, motorcycle, commercial vehicle, truck, tractor, mobile home, trailer, camper, camper trailer, boat or other watercraft, snowmobile, or

other transportation device of any kind except within the confines of the Owner's garage. Temporary parking for visitors and those residing in a Unit will be allowed in accordance with the Rules and Regulations. Each Owner will be responsible for ensuring that such Owner's Tenants and Guests, and contractors comply with the parking requirements set forth in the Rules and Regulations and for ensuring that such Tenants, Guests and contractors do not park in a manner that obstructs driveway access of other Owners. Repair or restoration of any vehicle of any kind within the Development is prohibited, except for emergency repairs and then only to the extent necessary to enable movement of the vehicle to a proper repair facility. No garage located within the Development may be altered so as to reduce the number of automobiles that can reasonably be parked therein.

12.9 Construction Period Exemption.

During the course of actual construction of any permitted structures or improvements within the Development, the provisions, covenants, conditions, and restrictions contained in this Declaration will be deemed temporarily waived to the extent reasonably necessary or convenient to permit such construction. Construction activities will be limited to the hours of 8:00 a.m. to 5:00 p.m. Monday through Friday.

12.10 Hazards.

No activity may be conducted within the Development that is, or would be considered by a reasonable person to be unreasonably dangerous or hazardous, or which could lead to the cancellation of a conventional homeowner's insurance policy. This includes, without limitation, the storage of caustic, toxic, flammable, explosive or hazardous material 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). All stacks and chimneys from fire places in which combustibles, other than natural gas, are burned will be fitted with spark arresters.

12.11 Animals.

No wild, exotic, or dangerous animals, horses, cows, pigs, sheep, fowl, livestock or animals, other than ordinary household pets that do not constitute a nuisance, will be allowed within the Development. Dogs and cats or other household pets belonging to Owners or their Tenants or Guests within the Development must be kept within the owner's control. All dogs will be restrained on a leash when outside of a Unit. Animal owners are responsible for immediately picking up all animal droppings that are deposited within the Development. In no case may any household pet or other animal kept within the Development be allowed to create a nuisance for neighboring Owners due to noise, odors, or otherwise. No more than two dogs or two cats, or one of each, may be kept within a Unit at any time.

12.12 Motor Vehicles, ATVs, Etc.

Motor vehicles may be operated within the Development only on streets and driveways. ATVs, skate boards, roller blades, scooters and other such devices and other recreational vehicles may not be used in the Development at any time.

12.13 Signs.

No “for sale” signs or other signs or advertising devices of any kind may be erected or maintained within the Development except in accordance with the Rules and Regulations and, provided further, that one (1) “for sale” sign shall be permitted to be placed in the window of a Unit that is at the time of placement available for sale so long as such sign is promptly removed when the Unit is no longer available for sale.

12.14 Clotheslines and Lighting Devices.

No exterior clothesline will be erected or maintained within the Development; and there will be no exterior drying or laundering of clothes within the Development. An Owner may attach Christmas lights or other holiday decorations to the exterior of its Unit, but only in accordance with Rules and Regulations adopted by the Board.

12.15 Temporary Structures.

No tent, shed, gazebo, or other outbuilding may be installed on a Lot or elsewhere within the Development without Board approval.

12.16 Variances.

A variance from the standards and restrictions set forth in this Article may be granted by the Board, but only for good cause shown.

Section 13 ENFORCEMENT

13.1 General.

The Board will notify any Owner in writing of any violation of the Governing Documents for which the Owner is responsible, including violations caused by a Tenant or Guest of the Owner, and will specify any necessary remedial action. If (1) the Owner has not begun and diligently pursued the remedial action within at least 48 hours of notification (or such longer period as specified below or as the Board may deem appropriate); (2) the Owner and the Association cannot agree to a mutually acceptable solution consistent with the Governing Documents; and (3) the Association has given the Owner reasonable opportunity to be heard; then the Association may do any or all of the following:

(a) subject to the additional requirements of Section 13.2, impose reasonable fines as an Individual Assessment upon the Owner;

(b) subject to the additional requirements of Section 13.2, suspend the Owner’s voting rights and right to use the Common Areas (excluding the driveway associated with an Owner’s Unit) for the period that the violation remains uncured;

(c) where applicable, enter the offending Owner’s Lot and remove the cause of the violation, or alter, repair, or change the item which is in violation of the Governing

Documents in such a manner as to make it conform thereto, in which case the Association may assess the cost of the remedy as an Individual Assessment against the Owner and the Owner's Lot;

- (d) foreclose the Assessment lien as described in Section 13.4;
- (e) bring suit or action against the Owner to enforce the provisions of this Declaration; or
- (f) pursue any other remedy available at law or in equity.

13.2 Fines.

Only the Board may assess a fine against an Owner. A fine may be assessed only for a violation of a rule, covenant, condition, or restriction that is specifically listed in the Governing Documents. A fine must be in the amount specifically provided for in the Governing Documents for the specific type of violation, or in an amount commensurate with the nature of the violation. Before assessing a fine, the Board will notify the delinquent Owner of the violation and inform the Owner that a fine will be imposed if the violation is not remedied within 48 hours (or such longer cure period as may be deemed appropriate by the Board). Any Owner assessed a fine may request an informal hearing to protest or dispute the fine within 14 days from the date the fine is assessed. The hearing will be conducted in accordance with the standards provided in the Governing Documents. If a hearing is requested within the 14-day period, no interest or late fees may accrue on a fine until after the hearing has been conducted and a final decision has been rendered.

13.3 Suspension of Voting Rights and Right to Use Common Areas.

If an Owner fails to pay an Assessment levied under the Governing Documents within 30 days of its due date, the Association may suspend the Owner's voting rights and access to the Common Areas (exclusive of Common Areas providing access to a Unit and the apron in front of a Unit's garage). Before suspending voting and access rights, the Board will send a written notice to the delinquent Owner of (a) the amount of the past-due Assessment, including any interest or late fees; (b) the Board's intent to suspend the Owner's voting rights and access to Common Areas if payment of the past-due Assessment is not received within 14 days (or such longer cure period as may be deemed appropriate by the Board); and (c) the Owner's right to request an informal hearing with the Board within 14 days after receipt of the notice. If a hearing is requested by the delinquent Owner, a hearing will be conducted in accordance with the standards provided in the Governing Documents, and no interest or late fees may accrue on a fine until after the hearing has been conducted and a final decision has been rendered.

13.4 Enforcement of Assessment Lien.

The Association will have a lien against each Lot for any Assessment levied against the Lot and the Owner thereof under the Governing Documents from the date on which the Assessment is due. If an Owner fails to pay an Assessment levied under the Governing Documents within 30 days of its due date, the Association may foreclose on the lien and may, through its duly authorized agents, bid on the Lot at such foreclosure sale and may acquire, hold,

lease, mortgage, or convey the Lot. Foreclosure may be carried out (a) judicially or (b) nonjudicially in accordance with the Utah Trust Deed Act, as if the lien were secured by a trust deed. By accepting a deed to a Lot, each Person will be deemed to appoint the Association's attorney (or other lawful designee of the Association) as trustee for purposes of exercising the power of sale. The Association may bring an action to recover a money judgment for unpaid Assessments without foreclosing or waiving the lien described in this Section. Recovery on any such action, however, will operate to satisfy the lien, or the portion thereof, for which recovery is made.

13.5 Interest, Expenses, and Attorneys' Fees.

Any Assessment or other amount not paid to the Association when due in accordance with this Declaration will bear interest from the due date (unless the Assessment is a fine and a hearing is timely requested) until paid at a rate three percentage points per annum above the prime rate published in the *Wall Street Journal* at the time, or such other rate as may be established by the Board, but not to exceed the lawful rate of interest under the laws of the State. A reasonable late charge may be levied for each delinquent Assessment in an amount established from time to time by the Board. If the Association files a notice of lien, the lien amount will also include the recording fees associated with filing the notice and a fee for preparing the notice of lien, which fee will be established from time to time by the Board. If the Association prevails in any procedure to enforce the provisions of this Declaration, the Association is entitled to an award of its costs and reasonable attorneys' fees associated with the action.

13.6 Nonexclusiveness and Accumulation of Remedies.

An election by the Association to pursue any remedy provided for in this Declaration will not prevent concurrent or subsequent exercise of another remedy permitted hereunder. The remedies provided in this Declaration are not exclusive but will be in addition to all other remedies, including actions for damages and suits for injunctions and specific performance, available under applicable law. Failure by the Association to enforce any provision of the Governing Documents will not be deemed a waiver of the right to do so thereafter. Any aggrieved Owner may bring an action against another Owner or the Association to recover damages or to enjoin, abate, or remedy any violation of the Governing Documents by appropriate legal proceedings.

Section 14 MORTGAGEE PROTECTIONS

14.1 Benefit of Mortgagees.

This Article establishes certain standards and covenants that are for the benefit of Mortgagees. This Article is supplemental to, and not in substitution of, the other provisions of this Declaration, but in case of a conflict, this Article will control.

14.2 Notices of Action.

Each Eligible Mortgagee is entitled to timely written notice of the following:

(a) any proposed amendment to the Governing Documents effecting a change in the use to which any Lot or the Common Areas are restricted;

(b) any condemnation or casualty loss that affects either a material portion of the Development or the Lot encumbered by the Eligible Mortgagee's Mortgage;

(c) delinquency in the payment of Assessments that remains uncured for 60 days by the Owner whose Lot is encumbered by the Eligible Mortgagee's Mortgage;

(d) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association under Section 9; and

(e) any proposed action that requires the consent of a specified percentage of Mortgagees.

14.3 No Priority.

No provision of this Declaration or the Bylaws gives or will be construed as giving any Owner or other party priority over any rights of the First Mortgagee of such Owner's Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Areas.

14.4 Notice to Association.

Upon request, each Owner will be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering the Owner's Lot.

Section 15 AMENDMENT AND REPEAL

15.1 Amendment by the Owners.

This Declaration or the Plat may be amended or repealed with the approval of at least 67% of the Owners. Any amendment will be executed and acknowledged by the Association and will be effective upon recording in the official records of the County.

15.2 Amendment by the Board.

The Board may amend this Declaration without the approval of the Owners for the limited purpose of (a) correcting a clerical error, (b) clarifying an ambiguity, (c) resolving a contradiction in the terms of the Declaration, (d) bringing this Declaration into compliance with any applicable law, statute, ordinance, or regulation, (e) enabling a reputable title insurance company to issue title insurance coverage on a Lot, or (f) enabling an institutional or governmental Mortgage lender, purchaser, insurer, or guarantor to make, purchase, insure, or guarantee a Mortgage on a Lot.

Section 16
MISCELLANEOUS PROVISIONS

16.1 Joint Owners.

Where two or more Owners share the ownership of any Lot, the responsibility of such Owners to comply with this Declaration will be a joint and several responsibility.

16.2 Tenants/Guests.

Tenants and Guests using the Development under rights derived from an Owner will comply with all applicable provisions of the Governing Documents. Each Owner will be responsible for its Tenants' and Guests' compliance and will be liable for any failure of compliance by its Tenants or Guests in the same manner and to the same extent as if the failure had been committed by the Owner himself.

16.3 Construction; Severability; Number; Captions; Exhibits.

This Declaration will be liberally construed as an entire document to accomplish the purposes stated in the Recitals. However, each provision of this Declaration will be deemed independent and severable, and the invalidity of any provision will not affect the validity of any other provision. As used in this Declaration, the singular includes the plural and the plural the singular, and the masculine and neuter include the masculine, feminine, and neuter, as the context requires. All captions used in this Declaration are intended solely for convenience of reference and will in no way limit any of the provisions of this Declaration. All exhibits attached to this Declaration are incorporated into this Declaration by reference.

16.4 Approvals, Notices, and Other Writings.

(a) Within 15 days after taking title to a Lot, the Owner of the Lot will provide the Association with the Owner's postal address (if other than the address at the Lot), phone number, fax number, and email address (if available), and will provide the Association with a copy of the instrument by which the Owner acquired title to the Lot. An Owner will notify the Association of any change in its contact information within 15 days after the change.

(b) The Association and the Board may deliver any approval, notice, or other writing permitted or required to be delivered to an Owner hereunder: (i) in person, (ii) by certified first-class United States mail, return receipt requested, or by Federal Express, UPS, or other nationally recognized commercial carrier, postage prepaid, or (iii) by fax or email. Delivery of such notice or other writing will be deemed made: (A) two business days after having been deposited with the United States Postal Service or nationally recognized commercial carrier, addressed to the address provided pursuant to Section 16.4(a) (or at the Lot, if applicable); or (B) as soon as the sender receives electronic confirmation that the fax or email has been delivered to the fax number or email address given in accordance with Section 16.4(a), so long as the recipient has previously consented to receive notices by fax or email.

(c) Any approval, notice, or other writing required to be delivered to the Association or the Board hereunder will be delivered in person, by certified first-class United

States mail, return receipt requested, or by Federal Express, UPS, or other nationally recognized commercial carrier, postage prepaid, and addressed as follows: if to the Association or the Board, at the address given in the Bylaws. Delivery of such notice or other writing will be deemed made two business days after having been deposited with the United States Postal Service or nationally recognized commercial carrier, addressed to the applicable address.

The Association has executed this Declaration as of the date first set forth above.

The Chateaux on the Green Townhomes Homeowners' Association, Inc.,
a Utah nonprofit corporation

By: Michael W. Soulier
Name: Michael W. Soulier
Title: President

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

The foregoing instrument was acknowledged before me on June 18, 2014,
by Michael W. Soulier, president of Chateaux on the Green Townhomes Homeowners'
Association, Inc.



Notary Public *Taryn Leigh Russell Tolman*

Exhibit A

Legal Description of the Real Property Comprising the Development

All of Lots 1, 2, 3, 5, 6, 7, 8, 17, 18, 19, 20, 22, 23, and 24, and all Common Areas, Chateaux on the Green, a Planned Unit Development, according to the official plat thereof, recorded June 24, 2014, as Entry No. 11870597 in Book 2014P at Page 157, of the official records of Salt Lake County, Utah.

[For Reference Only: Existing Salt Lake County Tax Parcel Serial Nos. 16-11-152-007, 16-11-152-008, 16-11-152-009, 16-11-152-010, 16-11-152-011, 16-11-152-016, 16-11-152-017, 16-11-152-022, 16-11-152-023, 16-11-152-028, 16-11-152-029, 16-11-152-030, 16-11-152-031, 16-11-152-032, 16-11-152-033]

Exhibit B

Bylaws

[See attached]

Exhibit B

**AMENDED AND RESTATED
BYLAWS
OF
THE CHATEAUX ON THE GREEN TOWNHOMES HOMEOWNERS' ASSOCIATION, INC.**

**Section 1
DEFINITIONS**

1.1 **Articles.** The Amended and Restated Articles of Incorporation of The Chateaux on the Green Townhomes Homeowners' Association, Inc., on file with the Utah Department of Commerce, Division of Corporations and Commercial Code, as such Articles may be amended from time to time.

1.2 **Declaration.** The Amended and Restated Declaration of Covenants, Conditions, Restrictions, and Easements for Chateaux on the Green recorded June 24, 2014 as Entry No. 11870597, in Book 2014P, at Page 157 in the Official Records of Salt Lake County.

1.3 **Mortgage.** Any mortgage, deed of trust, or other document pledging a Lot or an interest therein as security for payment of a debt or obligation.

1.4 **Mortgagee.** Any Person named as a mortgagee or beneficiary in any Mortgage and any successor to the interest of any such Person under a Mortgage.

1.5 **Person.** Any natural person, corporation, partnership, limited liability company, association, trust, trustee, governmental or quasi-governmental entity, or any other entity capable of owning real property under the laws of the State of Utah.

1.6 **Other Definitions.** Any capitalized term used but not defined in these Bylaws will have the meaning attributed to it in the Declaration or in the Articles.

**Section 2
MEETINGS OF OWNERS**

2.1 **Annual Meetings.** The annual meeting of the Association will be held each year in the month of December, at a time and day specified by the Board. Annual meetings will be held for the purpose of electing Directors, approving the annual budget, and transacting such other business as may come before the annual meeting.

2.2 **Special Meetings.** A special or semi-annual meeting of the Association may be called at any time by the Board or by the president of the Association, or upon the written request of at least 30% of the votes entitled to be cast by the Owners. A special meeting may only be held for the purposes set forth in the notice for that special meeting.

2.3 Place of Meetings. The Board may designate any place in Salt Lake County as the place for any annual or special meeting of the Association. If available and approved by the Board, Owners may participate in meetings by any means of electronic or telephonic communication through which all Owners and other participants may simultaneously hear one another during the meeting. Owners who participate in a meeting by such means will be considered present for all purposes, including the presence of a quorum.

2.4 Notice of Meetings.

(a) Notice of each meeting, stating the place, date, and time of the meeting and the purpose or purposes for which the meeting is called, will be delivered to each Owner entitled to vote at the meeting not less than 10 nor more than 60 days before the date of the meeting. Each notice will be in writing and will be sent via one of the following methods of delivery: (i) hand delivery to the Owner or an authorized agent of the Owner; (ii) United States first-class mail, postage prepaid, and addressed to the Owner at the address on file with the Salt Lake County Recorder (or at such other address as the Owner has designated in writing to the Association); (iii) nationally recognized delivery service, with all fees prepaid, and addressed to the Owner at the address on file with the Salt Lake County Recorder (or at such other address as the Owner has designated in writing to the Association); (iv) fax, sent to the Owner at the fax number the Owner has designated in writing to the Association; or (v) email, sent to the Owner at the email address the Owner has designated in writing to the Association.

(b) A notice will be deemed to have been received as follows: (i) if the notice is delivered in person or sent by nationally recognized delivery service, upon receipt as indicated by the date and time on the signed receipt; (ii) if the notice is delivered by United States first-class mail, three business days after the notice is deposited in the mail; (iii) if the notice is sent by fax, upon receipt by the Association of an acknowledgment or transmission report generated by the machine from which the fax was sent indicating that the fax was sent in its entirety to the Owner's fax number; (iv) if the notice is sent by email, upon receipt by the Association of a reply email from the Owner acknowledging receipt of the email; (v) if the Owner rejects or otherwise refuses to accept the notice, or if the notice cannot be delivered because of a change in mailing address, fax number, or email address for which the Owner failed to notify the Association, then upon the rejection, refusal, or inability to deliver; (vi) notwithstanding the foregoing, if a notice is received after 5:00 p.m. Mountain Time, or on a day that is not a business day in the State of Utah, then the notice will be deemed received at 9:00 a.m. on the next business day in the State of Utah. If an Owner requires that such Owner's notice be sent using a particular method other than that utilized by the Association for delivery to the other Owners, such Owner shall bear the additional cost of such specified delivery method.

(c) The Board may set a record date for determining the Owners entitled to notice. The Association will give notice at the Association's expense of any special meeting called by the Owners under Section 2.2.

Section 3
VOTING; QUORUM

3.1 **Voting.** Votes will be allocated as set forth in the Declaration and the Articles.

3.2 **Voting Method.** Votes may be cast (a) in person, (b) by proxy in accordance with Section 3.3, (c) by action without a meeting in accordance with Section 3.4, or (d) by written ballot in accordance with Section 3.5.

3.3 **Action by Proxy.** Every proxy must be executed in writing by the Owner or its duly authorized attorney-in-fact and filed with the secretary of the Association before or at the time of the meeting. No proxy will be valid after the expiration of one year from the date of its execution unless otherwise provided in the proxy. A common proxy form will be issued by the Board for use by the Owners in connection with the applicable meeting. An Owner may designate an agent to represent such Owner's interest only by utilizing a proxy form meeting the foregoing requirements and delivered to the Association as specified above.

3.4 **Action Without a Meeting.**

(a) Any action that may be taken at any annual or special meeting of the Association may be taken without a meeting and without prior notice if written consents setting forth the action taken are signed by Owners having at least the minimum voting power that would be necessary to authorize or take the action at a meeting at which all Owners entitled to vote on the action were present and voted.

(b) Notice of any proposed Owner action without a meeting must be delivered at least ten days before the effective date of the action to every Owner entitled to vote on the matter and must (i) include a description of the proposed action sufficient to permit each Owner to reach an informed decision on the matter and (ii) state the percentage of approvals necessary to approve the action.

(c) Action taken by the Owners pursuant to this Section 3.4 is effective as of the date the last written consent necessary to effect the action is received by the Association, so long as all written consents on which the Association relies for the taking of an action pursuant to this Section 3.4 are: (i) received by the Association within 60 days from the date the first consent is received and (ii) not revoked pursuant to Section 3.4(d).

(d) Any Owner may revoke its consent by a signed writing that (i) describes the action; (ii) states that the Owner's prior consent is revoked; and (iii) is received by the Association before the action becomes effective.

(e) A written consent under this Section 3.4 may be received by the Association by fax or email or other form of communication providing the Association with a complete copy of the written consent, including a copy of the signature to the written consent.

(f) Directors may not be elected pursuant to this Section 3.4 except by unanimous written consent of all Owners entitled to vote for the election of Directors.

(g) The record date for determining the Owners entitled to take action without a meeting is the date the first Owner delivers to the Association a written consent to the action.

(h) Action taken pursuant to this Section 3.4 will have the same effect as action taken at a meeting.

3.5 **Action by Written Ballot.**

(a) Any action that may be taken at any meeting of the Association may be taken without a meeting if the Association delivers a written ballot to every Owner entitled to vote on the matter. Such written ballot will set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot will be valid only when the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot. Owners submitting a written ballot will be considered to have participated in the meeting for all purposes.

(b) All solicitations for votes by written ballot must: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of Directors; (iii) specify the date by which a written ballot must be received by the Association in order to be counted (which date may not be less than 15 days after the date on which the ballots are delivered); and (iv) be accompanied by written information sufficient to permit each Owner casting a written ballot to reach an informed decision on the matter.

(c) The number of votes cast by written ballot will constitute a quorum for action on the matter.

(d) Action by written ballot will have the same effect as action taken at a meeting. A written ballot may also be used in connection with any meeting of the Association, thereby allowing Owners the choice of either voting in person or by written ballot delivered by an Owner to the Association in lieu of attendance at such meeting. A valid written ballot will be counted equally with the votes of Owners in attendance at any meeting for every purpose.

(e) A written ballot may not be revoked.

3.6 **Majority Vote.** The affirmative vote of a majority of the votes entitled to be cast by the Owners participating in a meeting in person, by proxy, or by written ballot will be the act of the Owners, unless the vote of a greater number is required by law, the Declaration, the Articles, or these Bylaws.

3.7 **Quorum.** The number of Owners participating in a meeting in person, by proxy, by action without a meeting, or by written ballot will constitute a quorum.

3.8 Greater Quorum or Voting Requirements. Any amendment to these Bylaws that adds, changes, or deletes a greater quorum or voting requirement must meet the same quorum requirement and be adopted by the same vote required to take action under the greater of the quorum and voting requirements then in effect or proposed to be adopted.

Section 4 BOARD

4.1 Number, Election, Term of Directors. The Board will consist of three Directors. Directors will be elected at the annual meetings of the Association by a majority of the votes allocated to the Owners. Subject to Sections 4.2 and 4.3, each Director will hold office for a term of three years; provided, however, to maintain continuity on the Board, to the degree possible, the Directors shall serve staggered terms with one new Director elected each year.

4.2 Removal and Replacement. A Director may be removed before the expiration of his term with the consent of 67% or more of the votes allocated to the Lots or with the consent of 50% or more of the votes allocated to the Lots if such Director does not occupy his or her Unit at least 70% of the time during a calendar year. Upon the removal of a Director, the Owners will appoint a replacement Director to serve until his successor is elected.

4.3 Resignation or Death. A Director may resign before the expiration of his term by giving written notice to the president or to the secretary of the Association. Such resignation will take effect on the date specified in the notice. Upon the resignation or death of a Director, the remaining Directors will appoint a replacement Director to serve until his successor is elected.

4.4 Meetings. Meetings of the Board will be held at least annually, and at any time when called by the president of the Association or by two or more Directors, upon the giving of at least five days' prior notice of the time and place of the meeting to each Director by hand-delivery, prepaid United States mail, fax, email, or telephone. Any business may be transacted at a Board meeting. No notice of a Board meeting need state the purposes for holding the meeting, and no notice of any adjourned Board meeting will be required.

4.5 Place of Meetings. The Board may designate any location convenient to the Directors in which to hold a Board meeting. Directors may participate in any Board meeting by means of any electronic or telephonic communication by which all participants may simultaneously hear one another during such meeting. Directors who participate in a Board meeting by such means will be considered present for all purposes, including the presence of a quorum.

4.6 Quorum. Two Directors will constitute a quorum for the transaction of business. When a quorum is present at any Board meeting, a majority of the Directors in attendance will decide any question brought before such meeting.

4.7 Waiver of Notice. Before, at, or after any Board meeting, any Director may, in writing, waive notice of such meeting and such waiver will be deemed equivalent to the giving

of such notice. Attendance by a Director at a Board meeting will constitute a waiver of notice by such Director except when such Director attends the meeting for the express purpose of objecting to the transaction of business based on a claim that the meeting was not duly called or convened.

4.8 Informal Action by Directors. Any action required or permitted to be taken at a Board meeting may be taken without such meeting if a written consent setting forth the action so taken is signed by all of the Directors entitled to vote with respect to the subject matter thereof. Such consent will have the same force and effect as a unanimous vote of the Directors.

Section 5 OFFICERS AND AGENTS

5.1 General. The Officers of the Association will be a president, a vice president/treasurer, and a secretary. The three Directors will serve as the Officers of the Association as they may agree among themselves, or according to the year of their three-year term (i.e., the President is generally in the third year of his or her three year term). The Board may appoint such assistant officers, committees, and agents as it may consider necessary or advisable, who will be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Board.

5.2 President. The president will have the following duties:

- (a) serve as the chief Officer of the Association;
- (b) preside at all Association meetings and Board meetings;
- (c) exercise control of the affairs and business of the Association;
- (d) supervise the Officers and agents of the Association;
- (e) execute, certify, record, and direct the preparation of amendments to the Governing Documents on behalf of the Association;
- (f) prepare the annual budget and monitor costs;
- (g) approve all expenditures; and
- (h) perform all other duties incident to the office of president.

5.3 Vice President/Treasurer. The vice president/treasurer will have the following duties:

- (a) assist the president and perform the duties assigned to him by the president; and

(b) perform the duties of the president during the absence or incapacity of the president; serve as the principal financial officer of the Association;

(c) take care and custody of all funds, securities, evidences of indebtedness, and other personal property of the Association;

(d) receive and give receipts and acquittances for moneys paid on account of the Association;

(e) pay out of the funds on hand all bills, payrolls, and other just debts of the Association upon maturity; and

(f) perform all other duties incident to the office of treasurer and the duties assigned to him by the president.

5.4 **Secretary.** The secretary will have the following duties:

(a) keep the minutes of the proceedings of Association meetings and Board meetings;

(b) see that all notices are duly given in accordance with this Declaration;

(c) maintain the records of the Association, including a record containing the names and registered addresses of all Owners, the designation of the Lot owned by each Owner, and, if a Lot is Mortgaged, the name and address of each Mortgagee; and

(d) perform all other duties incident to the office of secretary and the duties assigned to him by the president.

Section 6

PROOF OF OWNERSHIP; CONTACT INFORMATION; ASSOCIATION ADDRESS; MORTGAGES

6.1 **Proof of Ownership.** Each Owner will furnish to the Association a copy of the recorded instrument vesting that Owner with an ownership interest in the Lot. Such copy will remain in the records of the Association. An Owner who fails to satisfy this requirement will not be deemed an Owner in good standing and will not be entitled to vote at any Association meeting.

6.2 **Contact Information.** Each Owner is required to register a mailing address, a phone number, and an email address with the Association within ten days after becoming an Owner. The contact information of each Owner will be kept in the records of the Association. Owners must notify the Association of any change in contact information within ten days after the change. Any notice mailed to an Owner's registered address or—if the Owner fails to register an address with the Association—to the address on file with the Salt Lake County Recorder will be deemed duly delivered.

6.3 **Address of the Association.** As of the effective date of these Bylaws, the principal address of the Association is 262 East 3900 South, Suite 200, Salt Lake City, Utah 84107. The Association's address may be changed from time to time upon written notice to the Owners.

6.4 **Mortgages.** Any Owner who mortgages its Lot will give the Association written notice of the name and address of the Mortgagee and will file true, correct, and complete copies of the note and security instrument with the Association.

Section 7
SECURITY INTEREST IN MEMBERSHIP

An Owner will have the right to appoint a Mortgagee of its Lot as its true and lawful attorney-in-fact to exercise any and all rights, privileges, and powers that the Owner has as a Member of the Association by filing a proxy with the secretary of the Association. A release of the Mortgage covering the Lot will operate to revoke the proxy. An Owner who appoints its Mortgagee as attorney-in-fact will not be relieved of its duties and obligations as an Owner, nor will the appointment impose upon the Mortgagee the duties or obligations of an Owner.

Section 8
AMENDMENT

These Bylaws may only be amended with the approval of at least 67% of the votes allocated to the Members participating in a duly called meeting in person, by proxy, by written consent without a meeting, or by written ballot.

The Association has executed these Bylaws to be effective as of the date the Amended and Restated Articles of Incorporation of the Association are filed with the Utah Department of Commerce, Division of Corporations and Commercial Code.

DATED this 18th day of June, 2014.

**The Chateaux on the Green Townhomes Homeowners'
Association, Inc., a Utah nonprofit corporation**

By: Michael W. Soulier
Name: Michael W. Soulier
Title: President

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