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NOTARIAL PUBLIC  
UTAH COUNTY  
BY *W. A. GORDON*  
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*Orem, Utah*  
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DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS  
FOR  
PARK PLACE AT OREM, A PLANNED UNIT DEVELOPMENT

This Declaration for the PARK PLACE AT OREM, PLAT "B", A PLANNED UNIT DEVELOPMENT (the "Declaration") made this 31<sup>st</sup> day of OCTOBER, 1983, by DESTER AND LUCK CONSTRUCTION, INC., a Utah Corporation (the "Declarant"), acting by and through its Officers, John Dester and Wayne Luck,

WITNESSETH:

Whereas the Declarant is the owner of certain real property in Utah County, Utah, which is more particularly described as:

Commencing at a point located S00°30'08"E along the section line 944.56 feet and West 265.46 feet from the East 1/4 corner of section 15, township 6 South, range 2 East, Salt Lake base and meridian, thence S18°27'21"E 402.99 feet; thence N89°06'03"W 526.71 feet; thence N00°18'39"E 382.30 feet; thence S88°48'13"E 397.08 feet to the point of beginning. Total area= 4.041 acres.

such land and improvements thereon being hereafter referred to as the "Project", and

Whereas the declarant desires to provide for the preservation of the values and amenities in said Project and for the maintenance of open spaces; and to this end, desires to subject the real property described herein to the covenants, restrictions; easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and the subsequent owners thereof; and

Whereas the Declarant has deemed it desirable, for the efficient preservation of the values and amenities in said Project, to create an Association to which will be delegated and assigned the powers and duties of maintaining and administering and enforcing the within covenants and disbursing the charges and assessments hereinafter created; and

Whereas the declarant has formed Park Place at Orem Homeowners Association, Inc.

NOW, THEREFORE, the Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, and covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs,

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(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the Utah County Recorder, Utah County, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth as length;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of ther Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of two-thirds (2/3) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidation with other nonprofit corporation organized for the same purposes or annex additional residential property and Common Area, provided that any merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of member;

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Utah by law may now or hereafter have or exercise.

## ARTICLE V

### MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

## ARTICLE VI

### VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant (as described in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever first occurs.

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or (b) on \_\_\_\_\_, 19\_\_.

#### ARTICLE VII

##### BOARD OF DIRECTORS

The affairs of this Association shall be managed by an interim Board of three (3) Directors, who need not be members of the Association. The number of directors may be changed from time to time by an amendment to the By-Laws, but never less than 7 nor greater than 9. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

John L. Dester	284 S. 1160 W. Orem, Utah
Wayne R. Luck	1979 N. 120 E. Orem, Utah
<u>DANNY M HANSEN</u>	<u>1846 S. 50 E. OREM, UTAH</u>

#### ARTICLE VIII

Incorporators: The name and address of the Incorporators are:

The same as the directors as set forth in Article VII, above.

#### ARTICLE IX

##### DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

#### ARTICLE X

DURATION

The corporation shall exist perpetually, unless dissolved pursuant to Article IX, above.

ARTICLE XI

AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the entire membership. As long as there is a Class "B" membership, amendments of these articles shall also require assent of HUD/FHA.

IN WITNESS WHEREOF, I hereunto sign and verify in duplicate these Articles of Incorporation this 31<sup>st</sup> day of OCTOBER, 1983.

Wayne R. [Signature]  
John J. [Signature]  
James M. [Signature]

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

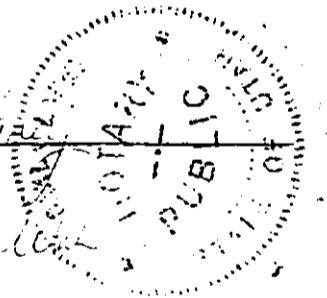
SUBSCRIBED and SWORN to before me, a Notary Public in and for said County and State, personally appeared Wayne R. [Name], who being by me first duly sworn, declared that he is the person who signed the foregoing document as incorporator, and the statements therein contained are true.

WITNESS my hand and official seal this 31<sup>st</sup> day of OCTOBER, 1983.

[Signature]  
NOTARY PUBLIC

Residing at: [Address]

My Commission Expires: 3/31/84



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ARTICLES OF INCORPORATION  
OF  
PARK PLACE AT OREM  
HOMEOWNERS ASSOCIATION, INC.

In compliance with the requirements of Title 16, chapter 6, Utah Code Annotated, 1953, as amended, the undersigned, all of whom are natural persons of the age of twenty-one (21) years or older, acting as incorporators of a corporation under the Utah Nonprofit Corporation and Cooperative Association Act, adopt and certify the following Articles of Incorporation for such corporation.

ARTICLE I

The name of the corporation is Park Place at Orem Homeowners Association, hereafter called the "Association."

ARTICLE II

The principal office of the Association is located at 2230 North University Parkway, Suite 6C, Provo, Utah 84604.

ARTICLE III

John Dester whose address is 284 South 1160 West, Orem, Utah, 84057, is hereby appointed the initial registered agent of this Association.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

The Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residential Lots and Common Area within that certain tract of property described as:

Commencing at a point located S00°30'08"E along the section line 944.56 feet and West 265.46 feet from the East 1/4 corner of section 15, township 6 South, range 2 East, Salt Lake base and meridian, thence S18°27'21"E 402.99 feet; thence N89°06'03"W 526.71 feet; thence N00°18'39"E 382.30 feet; thence S88°48'13"E 397.08 feet to the point of beginning. Total area= 4.041 acres.

and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of the Association for this purpose to:

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successors and assigns, and shall inure to the benefit of each owner thereof.

## ARTICLE 1

### DEFINITIONS

1.1 Association. Shall mean and refer to The Park Place at Orem Homeowners Association, Inc., and its successors and assigns.

1.2 Board of Directors. Shall mean the Governing Board of the Association.

1.3 Common Areas. Shall mean the entire Project, except for those portions thereof which lie within the boundaries of any lot. Common Areas shall also include:

(a) The Project outdoor lighting, fences, landscaping, sidewalks, unassigned parking spaces and driveways, not included within the dimensions of any unit.

1.4 Common Assessment. Shall mean an assessment levied to offset Common Expenses.

1.5 Common Expenses. Shall mean any of the following:

(a) The expenses of, or reasonable reserves for, the maintenance, management, operation, repair and replacement for the Common Areas.

(b) The expenses of management and administration of the Association, including compensation paid by the Association to a manager, accountant, attorney or other employees or agents.

(c) Any other item or items designated by this Declaration or the By-Laws of the Association to be Common Expenses, and any other expenses reasonably incurred by the Association on behalf of all Owners.

1.6 Limited Common Areas. Shall mean those portions of the Common Areas which are limited to and reserved for the exclusive use or individual owners, specifically the designated parking spaces, the front porches and entries to units, and the exterior or fences separating lots from the Common Areas.

1.7 "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the Common Area.

1.8 Map. Shall mean the plat map of "Park Place at Orem", Plat "B", a Planned Unit Development, recorded at the County Recorder's Office, County of Utah, State of Utah.

1.9 Member. Shall mean a member of the Association.

1.10 Owner. Shall mean and refer to the owners of record (in the County Recorder's Office, County of Utah, State of Utah), whether one or more persons or entities, of a Unit/lot. The term "Owner" shall not mean or include mortgagee or beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

1.11 Rules and Regulations. Shall mean the Rules and Regulations governing the use of the Common Areas and the recreational facilities thereon, duly adopted by the Association.

1.12 Special Assessment. Shall mean an assessment for Special Expenses.

1.13 Special Expenses. Shall mean the following:

(a) The expenses incurred by the association for the repair of damage or loss to the Common Areas, or Limited Common Areas.

1.14 Unit. The combination of dwelling, rear yard and garage constructed on a lot and intended for the independent and private use of an Owner.

## ARTICLE II

### PROPERTY RIGHTS

2.1 Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every lot and every Owner shall have a permanent right and easement of ingress and egress, for both the vehicular and pedestrian traffic, over such portion of the common areas as are set aside and designated on the map as streets and/or roadways, subject to the following provisions:

(a) The rights of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area.

(b) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed 60 days for any infraction of its Rules and Regulations.

(c) The right of the Association to dedicate or transfer all or any part of the Common area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 2/3rds of each class of owners has been recorded.

2.2 Delegation of Use. Any owner may designate or assign his right of enjoyment to the Common Areas to the members of his family who reside with him in his unit, or to his tenants or contract purchasers who reside in his unit. The rights and privileges of such delatee or assignee shall be subject to suspension in the same manner and to the same extent as those of the Owner.

## ARTICLE III

### PROJECT ADMINISTRATION

3.1 Administration of Project. The Project shall be administered by the Association, acting by and through its Board or Directors, who shall be elected in accordance with the Articles of Incorporation of the Association, and whose duties will be governed by the terms of the Act, this Declaration, and the Articles of Incorporation and By-Laws of the Association. The Association may employ a professional management agent to

perform, subject to the supervision of the Board of Directors, such duties and services as the Board of Directors shall direct, including, but not limited to, management of the Common Areas and the collection of and accounting for assessments made by the Association.

3.2 Rules and Regulations. The Association shall have the power to establish and enforce compliance with the Rules and Regulations and to amend same from time to time. A copy of such Rules and Regulations shall be delivered or mailed to each Member promptly upon the adoption thereof.

3.3 Common Utilities. The Association shall be responsible for the monthly payment of the common utility services that are provided by Public Utilities, specifically the sewer and water assessments. The Association shall prorate those costs to the Unit Owners on an equitable basis. If water and sewer are on a single master meter, then the fees for water and sewer service must be maintained in a separate account from other association funds.

## ARTICLE VI

### MEMBERS AND VOTING RIGHTS

4.1 Membership. Each Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from the ownership of the lots. Ownership of a lot shall be the sole qualification for membership. The membership held by an Owner shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of such lot, and then only to the purchaser or mortgagee of such lot.

4.2 Class of Voters. The Association shall have two classes of voting membership:

Class A. Class A members shall all be Owners, with the exception of the Declarant, and shall be entitled to one vote for each lot owned.

Class B. The Class B Member(s) shall be the Declarant and shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) on December 31, 1985.

4.3 Suspension of Voting Rights. The voting rights of any Member shall automatically be suspended for a maximum of 60 days during any period in which he shall be delinquent in the payment of assessments due the Association and for any period during which his right to use the recreational facilities upon the Common Areas shall have been suspended by the Board of Directors.

4.4 Proxies. An Owner may give his proxy, either specific or general, to another Owner, a third person, or to a contract purchaser of his Lot to vote on all matters coming before the Association for vote provided the same is in writing, authenticated by witnesses or a notary public and is presented to those Association officers conducting such vote.



ARTICLE V

MAINTENANCE OF PROJECT

5.1 Duties of Association. The Association shall have the responsibility of maintaining, repairing, replacing and otherwise keeping in a first-class condition all portions of the Project, not required in this Article to be maintained by the Owners, specifically the Common Areas.

5.2 Exterior Maintenance. The Association will provide maintenance upon the exterior of each home, fencing, garage and the Common Area as follows: paint, repair, replace, and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, streets and other exterior improvements except glass surfaces. In the event an owner of any Lot in the Properties shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, after a resolution is passed by two thirds of the Board of Directors, the Association shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain and restore the Lot and the exterior of the Unit and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE VI

ASSESSMENTS

6.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned in the Properties, hereby covenants and each owner of any Lot by acceptance of a deed therefor whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

6.2 Purpose of Assessments. The assessments levied by the association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the properties and for the improvement and maintenance of the Common Area, and of the Units situated upon properties.

6.3 Annual Budget. Not less than thirty (30) days prior to the commencement of each fiscal year (which shall commence on the first day of the month in which the sale of the first lot by Declarant is closed), the Board of Directors (or those named herein as constituting the original Board of Directors in the event the Association has not been formed at such time) shall establish an annual budget for such fiscal year, including therein all anticipated items of Common expense together with a reasonable reserve for contingencies.

6.4 Annual Common Assessment. By the adoption of the annual budget by the Board of Directors there shall be established an annual Common Assessment for the payment of which each Owner (including Declarant) shall be personally liable in the same percentage as his percentage ownership in the Common Areas. Each Owner shall pay his percentage share in even monthly installments of one-twelfth (1/12) thereof on the first day of each month during the fiscal year. The first monthly installment, or pro rata portion thereof, of such annual Common Assessment shall be due and payable by an Owner upon delivery of his deed to a lot. In addition, each Owner (other than Declarant), may be required to deposit and to maintain up to three (3) monthly installments of his share of the annual Common Assessment, for purchase of equipment or supplies and for working capital. Such advance payment shall not relieve an Owner from making the regular monthly payment. Upon the sale of his lot, an Owner shall be entitled to a credit from his grantee for any unused portion thereof. If the annual budget is not adopted as herein required, the previous fiscal year's monthly payment shall continue to be due until such time as the annual budget for the current year is established, at which time the annual Common Assessment shall become retroactive to the commencement of such current fiscal year.

6.5 Maximum Annual Assessment. Until January 1, of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment shall be \$424.00 per lot.

(a) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased each year not more than five percent (5%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased above five percent (5%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

6.6 Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

6.7 Notice and Quorum for Any Action Authorized Under Sections 6.5 and 6.6. Written Notice of any meeting called for the purpose of taking any action authorized under Sections 6.5 or 6.6 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting

shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

6.8 Uniform Rate of Assessment. Both annual and special assessment must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

6.9 Effect of Nonpayment of Assessment. Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest at the rate of 10 percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his lot.

6.10 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

## ARTICLE VII

### INSURANCE

7.1 Property Insurance. The Association shall obtain and pay the premiums upon, as a Common Expense, a policy of insurance on all Common Area improvements in the Project and all personal property within the Common Areas (except the personal property individually owned by one or more Owners and improvements to Units added by the Owners thereof) in an amount equal to the maximum insurable replacement value thereof, affording protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and such other risks as may from time to time be customarily insured against with respect to improvements similarly in construction, location and use, including by way of example, vandalism and malicious mischief. Such policy shall be issued in the name of the Association, as insured, with loss payable in favor of the Association, as Trustee for each Owner and his Mortgagee, if any, who shall be beneficiaries thereof (even though not named therein) in the percentages of Common Area Ownership established as to each Unit. Certificates of insurance shall be issued to each Owner and Mortgagee upon request. Such policy shall not be cancellable until after thirty (30) days' notice to each Owner and Mortgagee. The proceeds of such policy shall be received by the Association and held in a separate account for distribution to the Owners and their Mortgagees (subject to the provisions of the Act, this Declaration and the Association By-Laws) as their interests may appear; provided, however, when repair or reconstruction of the Project shall be required as provided in Article VIII hereof, such proceeds shall be applied to such repair or reconstruction.

7.2 Public Liability and Property Damage. The Association shall purchase broad form Comprehensive Liability coverage in such amounts and in such forms deemed appropriate by it. This coverage shall be issued in the name of the Association and shall include Owners in their capacity as Members of the Association as additional insureds and evidence thereof shall be furnished to each additional insured. Coverage under this policy shall

include, but not be limited to, legal liability of the Association for bodily and personal injuries, property damage, operation of the automobiles on behalf of the Association and activities of the Association in connection with the operation, maintenance or use of the Common Areas.

7.3 Owner's Insurance. Each Owner, and not the Association, shall have the responsibility of obtaining and keeping in full force and effect, at his sole expense, (a) standard fire and extended risk insurance on his own Unit and personal property and furnishings contained in his Unit or located on his respective Limited Common Areas, and on any improvements added to his lot or Unit by any Owner thereof; (b) broad form Comprehensive Liability coverage for his lot and Unit (which shall be in addition to and not in lieu of the Comprehensive Liability coverage required to be purchased by the Association); and (c) such other insurance as he may elect to purchase in addition to the insurance coverage purchased by the Association; provided, however, that in no event is the insurance coverage purchased by the Association to be brought into contribution with insurance purchased by Owners. Certificates of insurance shall include the Association as an additional insured. A certificate of insurance shall be furnished to the Association and must remain on file with the Association.

7.4 Waiver of Subrogation. In the event of loss or damage to the Common Areas or the property of an Owner which shall be covered by insurance, the insurance company paying such claim shall have no right of subrogation against the Association, its agents and employees, nor the Owners, their tenants, or members of their respective households.

7.5 Power of Attorney. Each Owner hereby irrevocably constitutes and appoints the Association as his true and lawful attorney-in-fact for the purposes of maintaining such insurance policies.

## ARTICLE VIII

### PARTY WALLS

8.1 General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

8.2 Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

8.3 Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost or restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

8.4 Weatherproofing. Notwithstanding any other provision or this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear

the whole cost of furnishing the necessary protection against such elements.

8.5 Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

8.6 Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

#### ARTICLE IX

##### MORTGAGES

9.1 Notices. Any Owner who mortgages his lot shall furnish the Association the name and address for such Mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Lots". The Association shall report to such Mortgagee any unpaid assessments due from the Owner of such lot at the same time as the Association makes demand on the Owner thereof for payment of such assessment. Each Mortgagee shall also be entitled to written notification from the Association of any other default by its Owner-Mortgagor in the performance of such Owner's obligations under the terms and provisions of this Declaration which shall not have been cured within thirty (30) days after written notice to such Owner-Mortgagor by the Association specifying such default.

9.2 Delinquent Assessments. A Mortgagee may, but shall not be required to, pay any delinquent assessments due upon the mortgaged lot, and the amount of such payment shall be added to the mortgage indebtedness.

9.3 Right to Examine. The mortgagee shall have the right to examine the books and records of the Association upon request and to require annual reports of the financial status of the Association.

#### ARTICLE X

##### ARCHITECTURAL CONTROL

10.1 Creation of Committee. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Project, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an Architectural Committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

#### ARTICLE XI

##### RESTRICTIONS

11.1 Residential Use. Each unit may be occupied and used by its Owner only as a private dwelling for the Owner, his family, tenants and social guests.

11.2 Alterations. Notwithstanding the above, no Owner shall make structural alterations or modifications to his Unit or to any of the Common Areas or Limited Common Areas, including but not limited to, the erection of antennas, aerials, awnings, the placement of any reflective or other materials in the windows of his Unit or other exterior attachments and signs or other advertising devices without the written approval of the Association. The Association shall not approve any alterations, decorations or modifications which would jeopardize or impair the soundness, safety or appearance of the Project.

11.3 Improper Activities. No unlawful activities shall be carried on in any Unit or upon the Common Areas, nor shall anything be done which may be a nuisance to the Owners. No Owner shall store any dangerous explosives or inflammable materials either in his Unit or upon the Common Areas, or permit anything to be done or keep or permit to be kept in his Unit or on the Common Areas anything that will increase the rate of insurance on the Project.

11.4 Signs No signs or other advertising devices shall be displayed which are visible from the exterior of any Unit or on the Common Areas, including "For Sale" signs, except in conformity with the Rules and Regulations promulgated by the Board of Directors.

11.5 Use of Common Areas. The Common Areas shall not be used for storage of supplies, personal property or trash or refuse of any kind except common trash receptacles placed at the discretion of the Association, nor shall the Common Areas be used in any way for the drying, shaking or airing of clothes or other fabrics. Stairs, entrances, sidewalks, yards, driveways or parking areas shall not be obstructed in any way nor shall unauthorized persons use them for other than their intended purposes.

11.6 Pets. No animals shall be kept in the Project except household pets. Such pets may not be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor, or unsanitary conditions. No savage or dangerous animals shall be kept. No more than one household pet may be kept in any Unit without the written permission of the Association. No pets shall be permitted to run loose upon the Common Areas.

11.7 Parking. One parking space shall be assigned by the Board of Directors of the Association for each lot. These parking spaces shall be considered Limited Common Area. There will be no parking of recreational vehicles, boats, snowmobiles or other vehicles which are not licensed to be driven on public roads in the guest parking spaces or limited Common Area spaces, and such preclusion shall be strictly enforced by the management. Recreational vehicles and boats must be stored in the fenced recreational vehicle storage area provided.

## ARTICLE XII

### DEFAULT

12.1 Definition. Failure to comply with any of the terms or this Declaration, the Articles of Incorporation or By-Laws of

the Association or the duly adopted Rules and Regulations of the Association, shall constitute an event of default and shall be grounds for relief, which may include without limitation an action to recover sums due for damages and injunctive relief, or any combination thereof.

12.2 Costs. In any proceeding arising because of any alleged default by any Owner, the Association, if successful, shall be entitled to recover the costs of the proceedings and reasonable attorneys fees from such Owner.

12.3 No Waiver. The failure of the Association or of any Owner to enforce any right, provision, covenant or condition which may be granted by this Declaration, the Articles of Incorporation or By-Laws of the Association, or the Rules and Regulations, shall be deemed to be cumulative and the exercise of any one or more of such rights, remedies and privileges shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies or privileges, as may be available to such party at law or in equity.

#### ARTICLE XIII

##### GENERAL PROVISIONS

13.1 Acceptance of Governing Rules. The Association, all present or future Owners, tenants or future tenants, or any other persons using the facilities of the Project are subject to and shall comply with this Declaration, the Articles of Incorporation and By-Laws of the Association, and the Rules and Regulations, and the acquisition, occupancy or rental of a Unit shall signify that all such documents are accepted and ratified. In the event of a conflict in any of the provisions of any such documents, the documents shall govern or control in the following order or preference: (a) this Declaration; (b) the Articles of Incorporation of the Association; (c) the By-Laws of the Association; and (d) the Rules and Regulations.

13.2 Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

13.3 Delivery of Notices. All notices or other documents required herein to be delivered by the Association or Owners may be delivered either personally or by mail. If delivered personally, same shall be deemed to have been delivered when actually received by the Owner or when left at the front door of his Unit. If mailed, same shall be deemed delivered when deposited in the United States Mail addressed to the Owner at his address as it appears on the records of the Association with postage thereon prepaid.

13.4 Severability. If any of the provisions of the Declaration or any paragraph, sentence, clause, phrase or work, or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any provisions, paragraph, sentence, clause, phrase or work in any other circumstances shall not be affected thereby.

13.5 Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

13.6 Annexation. Additional land within the area described in Deed Book \_\_\_\_\_ Page \_\_\_\_\_ of the land records of Utah County may be annexed by the Declarant without the consent of members within 2 years of the date of this instrument provided that the FHA and VA determine that the annexation is in accord with the general plan heretofore approved by them. In the event each Owner of any lot contained in the description on said Deed shall become a member of the Association and all Common Areas and Limited Common Areas in such annexed property shall become Common Areas and Limited Common Areas of Georgetown on the Park Planned Development and such annexed property shall be governed by this Declaration, The Articles of Incorporation, By-Laws, Rules and Regulations and Association as if included in the property description found on page one (1) of this Declaration.

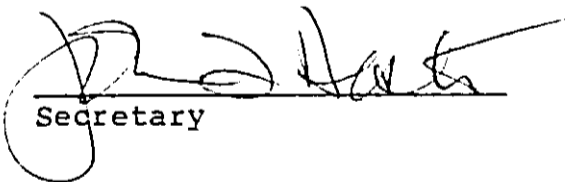
13.7 FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

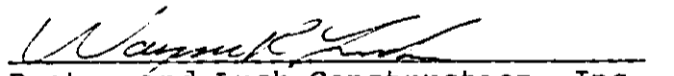
13.8 Paragraph Titles. Paragraph titles are used in this Declaration for convenience of reference and are not intended to limit, enlarge or change the meaning of the contents of the various paragraphs.

IN WITNESS WHEREOF, Declarant has duly executed this Declaration on the day and year herein first above written.

ATTEST:

By:

  
Secretary

  
Dester and Luck Construction, Inc.,  
a Utah Corporation  
By Its President

STATE OF UTAH )  
                  ) :ss  
COUNTY OF UTAH )

Subscribed and sworn to before me, a Notary Public, in and for Utah County, State of Utah, personally appeared WAYNE R. LUCK, President of Dester and Luck Construction, Inc. a corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledge to me that the same was the act of the said corporation for the purposes and consideration therein expressed and in the capacity therein stated.

BOOK 2091 PAGE 896



WITNESS my hand and official seal this 31<sup>st</sup> day of OCTOBER, 1983.

Jimmy M. Hansen  
Notary Public

My Commission Expires:

4-2-85

Residing at:

Drum, Utah



BY-LAWS  
OF  
PARK PLACE AT OREM  
HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME and LOCATION. The name of the Corporation is Park Place at Orem Homeowners Association, Inc. hereinafter referred to as the "Association". The principal office of the corporation shall be located at 2230 N. University Parkway, Suite 6C, Provo, Utah 84604, but meetings of members and directors may be held at such places within the State of Utah, County of Utah, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to The Park Place at Orem Homeowners Association Inc., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean the entire Project, except for those portions thereof which lie within the boundaries of any lot. Common Areas shall also include:

(a) The Project outdoor lighting, fences, landscaping, sidewalks, unassigned parking spaces and driveways.

Section 4. "Owner" shall mean and refer to the owner of record (in the County Recorder's Office, County of Utah, State of Utah), whether one or more persons or entities, of a Unit/lot. The term "Owner" shall not mean or include mortgagee or beneficiary or trustee under a deed of trust, unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

Section 5. "Declarant" shall mean and refer to Dester and Luck Construction, Inc., a Utah Corporation, its successors and assigns if such successors or assigns should acquire more than one-third (1/3) of the Units for the purpose of investment.

Section 6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Utah County Recorder.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 8. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the Common Area and Limited Common Areas.

Section 9. "Limited Common Areas" shall mean those portions of the Common Areas which are limited to and reserved for the exclusive use of individual owners, specifically the designated parking spaces, the front porches and entries to units, and the exterior of fences separating the lots from the Common Areas.

### ARTICLE III

#### MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 p.m. If the day of the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called any time by the president or by the Board of Directors, or one-fourth (1/4) of all the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 30 days before such meeting to each member entitled to vote thereat, addressed to the member's address appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, date and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Unit.

### ARTICLE IV

#### BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by an interim Board of three (3) Directors, who need not be members of the Association. The number of Directors may be changed from time to time by an amendment to the By-Laws, but never less than 3 nor greater than 9.

Section 2. Term of Office. At the first annual meeting the members shall elect one director for a term of one year, one director for a term of two years, and one director for a term of three years; and at each annual meeting thereafter the members shall elect one director for a term of three years.

Section 3. Removal. Any director may be removed from the Board with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

#### ARTICLE V

##### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Elections. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

#### ARTICLE VI

##### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two Directors, after not less than three (3) days written notice to each Director.

Section 3. Quorum. A majority shall constitute a quorum for the transaction of business. Every act or decision done or made by the majority Directors present at a duly held meeting shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Areas and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended, after notice and hearing, for a period not to exceed 60 days, for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declaration;

(d) declare the office of a member of the Board of directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period.

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessment are not paid within thirty (3) days after personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained.

(h) cause the exterior to the lot/unit be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. The acceptance of such resignation shall be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the Association; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The Books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 10 percent (10%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Unit.

ARTICLE XII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration

shall have the right to veto amendments while there is Class B membership.

Section 2. In the event of a conflict in any of the provisions of any such documents, the documents shall govern or control in the following order or preference: (a) this Declaration; (b) the Articles of Incorporation of the Association; (c) the By-Laws of the Association; and (d) the Rules and Regulations.

ARTICLE XIII

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end of the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the Directors of Park Place at Orem Homeowners Association, Inc. have hereto set our hands this 31<sup>st</sup> day of OCTOBER, 1983.

[Signature]

[Signature]

[Signature]

STATE OF UTAH )  
                  : ss.  
COUNTY OF UTAH)

Subscribed and sworn to before me, a Notary Public, in and for Utah County, State of Utah, personally appeared [Signatures], Directors of Park Place at Orem Homeowners Association, Inc., a corporation, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that the same was the act of Park Place at Orem Homeowners Association, Inc., a corporation, and that they executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

WITNESS my hand an official seal this 31 day of October, 1983.

BOOK 2091 PAGE 904

[Signature]  
NOTARY PUBLIC  
Residing at: Camp Creek

My Commission Expires:  
5/89