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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."  
DATED 08-26-96

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## DECLARATION

This Declaration of Covenants, Conditions and Restrictions is made this \_\_\_\_\_ day of \_\_\_\_\_, 1995, by The Place, L.L.C., a Utah limited liability company (hereinafter referred to as Declarant).

WHEREAS, Declarant is the owner of real property described in Exhibit "A", attached hereto and incorporated herein by reference. Declarant intends by this Declaration to impose upon the property mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property within The Chateaux on the Green Townhomes, the planned unit development made subject to this Declaration and amendments thereto by the recording of this Declaration. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Property and to establish a method for the administration, maintenance, preservation, use and enjoyment of such property subjected to this Declaration;

NOW THEREFORE, Declarant hereby declares that all the property described in Exhibit "A" shall be held, sold and conveyed subject to the following easements, restrictions covenants, and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property subjected to this Declaration and which shall be binding on all parties having any right, title or interest in the described property or any part thereof, their heirs, successors, successors-in-title and assigns and shall inure to the benefit of each owner thereof.

### ARTICLE I Definitions

"Articles of Incorporation" shall refer to The Articles of Incorporation of The Chateaux on the Green Townhomes Homeowners' Association, Inc.

"Association" shall mean and refer to The Chateaux on the Green Townhomes Homeowners' Association, Inc. a Utah non-profit corporation, its successors and assigns.

"Board of Trustees" or "Board" shall refer to the governing body of The Chateaux on the Green Townhomes Homeowners Association, Inc. as set forth in its Articles of Incorporation and/or Bylaws.

"Bylaws" shall refer to the Bylaws of The Chateaux on the Green Townhomes Homeowners' Association, Inc.

"Common Area" shall mean all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the Owners, including areas designated herein as Exclusive Common Area.

"Common Expenses" shall mean and include the actual estimated expenses and estimated expenses of operating the Association, including reasonable reserves, all as may be found necessary and appropriate by the Board pursuant to this Declaration, the Bylaws,

and the Articles of Incorporation of the Association.

"Eligible Votes" shall mean those votes available to be cast on the issue at hand. A vote which is for any reason suspended is not available to be cast.

"Exclusive Common Area" shall mean and refer to certain portions of the Common Area which are for the exclusive use and benefit of one or more, but less than all residential unit owners.

"Lot" shall mean a portion of the Property other than the Common Area intended for independent ownership and use as may be set out in this Declaration. The term lot may also include any structure located on the Lot.

"Majority" means those Eligible Votes or Owners, as the context may indicate, totaling more than fifty per cent (50%) of the total eligible number.

"Member" shall mean and refer to a person or entity entitled to membership in the Association as provided herein.

"Owner" shall mean and refer to the Owner of record, whether one or more persons or entities, of any Lot which is part of the Property, but excluding any party holding the fee simple title merely as security for the performance of an obligation.

"Passenger Vehicles" shall mean and refer to motor vehicles commonly used to transport one or more individuals, but the term "passenger vehicles" does not include such vehicles as motor homes, campers, trailers, boats, and buses.

"Property" shall mean and refer to the real property described in exhibit "A" of this Declaration.

"Residential Unit" shall mean a structure situated upon a Lot intended for any type of independent ownership, use and occupancy as a residence by a single family. For the purposes of this Declaration, a Residential Unit shall come into existence upon the issuance of a certificate of occupancy for that unit by the appropriate agency of Salt Lake City Corporation.

## ARTICLE II

### Property Rights and Use Restrictions

A. Owner's Easement of Enjoyment. Upon the completion of the sale of all Lots by the Declarant to the initial purchaser of each Lot, the Declarant shall convey to the Association title to the Common Area. Every Owner shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Area which shall be appurtenant to and pass with the title to every Lot, subject to the following provisions:

1. the right of the Association to govern by rules and regulations the use of the Common Area by the Owners so as to provide for the enjoyment of the Common Area by every Owner in a manner consistent with the preservation of quiet enjoyment of the Property by the Owners;

2. the right of the Association to suspend an Owner's

voting rights for any period during which any assessment of the Association against the Owner's Lot remains unpaid and for any infraction by an Owner of the Association's rules and regulations for the duration of the infraction and for an additional period thereafter not to exceed thirty (30) days;

3. the right by the Declarant and/or Association to grant easements in and to the Common Area to any public agency, authority or utility for such purposes as benefits the Property or portions thereof and the Owners or Lots contained therein;

4. the right of the Association to dedicate or transfer all or any portion 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 of the Association. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by at least two-thirds (2/3) of the votes cast by those Owners which are present at a meeting duly called for such purpose.

B. Exclusive Common Area. Subject to all utility easements and subject to the right of entry by the Association and/or the Declarant or their representatives for construction, landscaping, yard care, snow removal and routine and/or emergency maintenance, the following described portions of the common area shall be for the exclusive use and enjoyment of the owner of the designated residential unit:

Lot 1 - the area located between the north Lot line of Lot 1 and the north exterior fence of the Property together with the area located between the east Lot line of Lot 1 and the east exterior fence of the Property;

Lot 2 - the area located between the east Lot line of Lot 2 and the east exterior fence of the Property;

Lot 3 - the area located between the east Lot line of Lot 3 and the east exterior fence of the Property;

Lot 4 - the area located between the east Lot line of Lot 4 and the east exterior fence of the Property;

Lot 5 - the area located between the east Lot line of Lot 5 and the east exterior fence of the Property;

Lot 6 - the area located between the south Lot line of Lot 6 and the south exterior fence of the Property;

Lot 7 - the area located between the south Lot line of Lot 7 and the south exterior fence of the Property;

Lot 18 - the area located between the south Lot line of

Lot 18 and the south exterior fence of the Property;

Lot 19 - the area located between the south Lot line of the Lot 19 and the south exterior fence of the Property;

Lot 20 - the area located between the south Lot line of Lot 20 and the south exterior fence of the Property together with the area located between the west property Lot line of Lot 20 and the west exterior fence of the Property;

Lot 21 - the area located between the west Lot line of Lot 21 and the west exterior fence of the Property;

Lot 22 - the area located between the west Lot line of Lot 22 and the west exterior fence of the Property;

Lot 23 - the area located between the west Lot line of Lot 23 and the west exterior fence of the Property;

Lot 24 - the area located between the west Lot line of Lot 24 and the west exterior fence of the Property together with the area located between the north Lot line of Lot 24 and the north exterior fence of the Property;

C. Modifications to Exterior of Residential Units and Lots. The Property has been designed and constructed so that each Lot and Residential Unit thereon lends itself to the overall aesthetics of the entire Property and the corresponding value of each Lot and Residential Unit. Accordingly, no modification, addition or alteration of any kind to the exterior of any Residential Unit or Lot or area of Exclusive Common Area shall be permitted without the prior written consent of the Board of Trustees.

D. Modifications to Interior of Residential Units. Except when making structural modifications, alterations or changes, an Owner may remodel and redecorate the interior of his/her Residential Unit without the prior consent of the Board. However, to ensure that the structural integrity of the Property and any one or more residential units thereon is not compromised, when proposed remodeling requires changes, alterations or modifications in the structural components of the Residential Unit, the Owner must submit detailed plans of the proposed structural changes, alterations or modifications for review and approval by the Board.

E. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws of the Association and subject to reasonable rules, regulations and limitations as may be adopted in accordance therewith, his or her right to enjoyment of the Common Area (including Exclusive Common Areas which have been specifically designated for the use of said Owner) to the members or his or her family, tenants and social invitees and shall be deemed to have

made a delegation of all such rights to the occupants of any leased Lot.

F. Owner's Right to Ingress, Egress and Support. Each Owner shall have the right to ingress and egress over, upon and across the Common Area necessary for access to his or her Lot and shall have the right to lateral support for his or her Lot, and such rights shall be appurtenant to and pass with the title to each Lot.

G. Use of Lots. Each Lot and Residential Unit thereon shall be used for residential purposes only as a single family residence; no trade or business of any kind may be conducted. Owners may permit guests to reside at their residential unit for short periods of time provided that no fee is charged to or paid by the guest. Lease of a Lot and the Residential Unit thereon for residential purposes only shall not be considered to be a violation of this covenant, provided that (1) the term of any lease entered into be for a minimum of 1 year's duration and (2) the terms of the lease are in compliance with the provisions of this Declaration, the Bylaws and with such other reasonable rules and regulations as the Board of Trustees may promulgate. Noxious, destructive or offensive activities or any activity constituting an unreasonable source of annoyance, shall not be conducted on any Lot or on the Common Area or any part thereof, and the Association shall have standing to initiate legal proceedings to abate such activity. Each Owner shall refrain from any act or use of his or her Lot in such manner as could reasonably cause embarrassment, discomfort, or annoyance to other Owners, and the Board of Trustees shall have the power to make and to enforce reasonable rules and regulations in furtherance of this provision. Nothing shall be done or kept by any Owner on any Lot or on the Common Area or any part thereof to increase the rate of insurance of the Property or any part thereof over what the Association, but for such activity, would pay.

H. Use of Exterior Portions of Lots and Common Area. No planting or gardening shall be done and no fences, hedges or walls shall be erected or maintained upon the exterior portions of the Lots and Common Area (including Exclusive Common Area), except in accordance with the initial construction of improvements located thereon or as may be subsequently approved by the Board of Trustees

I. Rules and Regulations. The Board of Trustees may establish reasonable rules and regulations concerning the use of the Common Area and individual Lots. Copies of such regulations and amendments thereto shall be furnished by the Association to all Owners prior to the rule's effective date. Such regulations shall be binding upon the Owners, their families, tenants, guests, invitees, agents, successors and assigns until and unless such regulation, rule or requirement shall be specifically overruled, canceled or modified by the Board. The Board shall have the authority to impose reasonable monetary fines and other sanctions,

and monetary fines may be collected by lien and foreclosure.

J. Declarant's Reserved Easement. Notwithstanding any provision contained in the Declaration to the contrary, Declarant hereby expressly reserves unto itself and its successors and assigns a nonexclusive, perpetual right, privilege and easement with respect to the Property for the benefit of the Declarant, its successors and assigns over, under, in and/or on the Property without obligation and without charge to Declarant, for the purposes of construction, installation, relocation, development, sale, maintenance, repair, replacement, use and enjoyment and/or otherwise dealing with the Property. The reserved easement shall constitute a burden on the title to the Property and specifically includes, but is not limited to:

1. the right of access, ingress and egress for vehicular and pedestrian traffic over, under, on or in the Property; and the right to replace, relocate, maintain and repair any device which provides utility or similar services, including, without limitation, electrical, telephone, natural gas, water, sewer, and drainage lines and facilities constructed or installed in, on under and/or over the Property;

2. no rights, privileges and easements granted or reserved herein shall be merged into the title of any Lot of the Property, but shall be independent of such title and no such right, privilege or easement shall be surrendered, conveyed or released unless and until and except by delivery of a quit claim deed from Declarant releasing such right, privilege or easement by express reference thereto.

K. Storage and Parking of Vehicles. There shall be no storage or parking upon any Lot or the Common Area of any automobile, commercial vehicle, truck, tractor, mobile home, trailer, camper, camper trailer, boat or other watercraft, snow mobile, motorcycles, or any other transportation device of any kind, except within the confines of the Owner's garage located upon each Owner's Lot. Temporary parking for visitors shall be in accordance with the provisions of this Declaration and rules and regulations designated and promulgated by the Board. No Owners or tenants shall repair or restore any vehicle of any kind upon any Lot or Common Area, except for emergency repairs and then only to the extent necessary to enable movement thereof to a proper repair facility. No garage located upon the Property may be altered in such a manner that the number of automobiles which may reasonably be parked therein after the alteration is less than the number of automobiles that could have been reasonably parked in the garage as originally constructed.

L. Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept on the Property except that no more than a total of two dogs, two cats, two birds or tropical fish in an



appropriate aquarium may be kept provided that (1) they are appropriately housed and/or caged within the confines of the Owner's Residential Unit, (2) such pets are not kept, bred or maintained for any commercial purpose, and (3) any and all applicable rules and regulations adopted by the Board of Trustees are complied with. The foregoing notwithstanding, the Board shall have the absolute power to prohibit a pet from being kept on the Property, including within any Residential Unit.

### ARTICLE III MEMBERSHIP AND VOTING RIGHTS

A. Membership. Every person or entity who is the record owner of a fee simple interest in any Lot that is subject to this Declaration shall be deemed to have a membership in the Association. Membership shall be appurtenant to and may not be separated from such ownership. The foregoing is not intended to include persons who hold an interest merely as security for the purpose of an obligation, and the giving of a security interest shall not terminate the Owner's membership. No owner, whether one or more persons, shall have more than one (1) membership per Lot owned. In the event the Owner of a Lot is more than one person or entity, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership, including the right to vote, may be exercised by a Member or the Member's spouse, but in no event shall more than one (1) vote be cast for each Lot.

B. Voting. Members shall be entitled, on all issues requiring a vote of the general membership, to one (1) vote for each Lot in which they hold the interest required for membership by Section A above. When more than one person or entity holds such interest in any Lot, the vote for such Lot shall be exercised as those persons or entities themselves determine and advise the Secretary of the Association prior to any meeting. In the absence of such advice, the Lot's vote shall be suspended in the event more than one person or entity seeks to exercise it. Any owner of a Residential Unit which is leased may, in the lease or other written assignment, assign the voting right appurtenant to that Lot and Residential Unit to the lessee, provided that a copy of such instrument is furnished to the Secretary prior to any meeting.

### ARTICLE IV MAINTENANCE

A. Association's Responsibility. The Association shall maintain and keep in good repair the landscaping of all Lot areas outside of each Residential Unit together with all improvements upon or beneath the Common Areas. The Association shall also endeavor, as established by Association rules and regulations, to remove accumulated snow from the roadways, driveways and walkways of the Property including driveways and walkways located on individual Lots. The cost of the foregoing maintenance shall be

funded as hereinafter provided.

B. Owner's Responsibility. All maintenance (other than the limited snow removal set forth in paragraph "A" above) and repairs of (1) the Residential Unit located on each respective Lot and (2) any improvements, other than landscaping, located upon or beneath said Lot, shall be the sole responsibility of the Owner thereof, who shall perform such maintenance in a manner consistent with this Declaration and applicable Rules and Regulations duly adopted by the Board of Trustees. Upon an Owner's failure to comply with any of the covenants, conditions and restrictions herein provided or any duly adopted Rule or Regulation relating to the use or maintenance of such Owner's Lot, where such Owner's failure to comply has continued for ten (10) days after being notified of such failure and being provided an opportunity to be heard concerning such failure, the Association may enter upon such Owner's Lot and Residential Unit and perform whatever maintenance, repair or other measures are reasonably necessary to cure such failure to comply provided that the entering party shall be responsible to repair any damage caused by the result of the entry; provided further, however, in the event such failure to comply poses a health, safety security or property damage risk, no prior notice or hearing need be given. In either event, such Owner shall be responsible for the actual costs incurred in taking such curative measures. The cost thereof shall be an assessment, and the Association shall have a lien therefor in the same manner as assessment liens pursuant to the terms of this Declaration.

C. Party Walls. Each wall built as a part of the original construction of the Residential Units which shall serve and separate any two adjoining Residential Units, if any, shall constitute a party wall. The cost of repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in equal proportions, subject however, to the right of any such Owners to call for a larger contribution from the others under any law regarding liability for negligent or willful acts or omissions.

#### ARTICLE V INSURANCE

A. The Association's Board of Trustees, or its duly authorized agent, shall have the authority to and may obtain "special perils" property insurance, if reasonably available, for all insurable improvements on the Common Area. If "special perils" insurance is not reasonably available, then an insurance policy providing fire and extended coverage may be obtained.

B. In addition to property insurance on the Common Area, the Association's Board of Trustees, or its duly authorized agent, shall obtain and continue in effect "special perils" property insurance, if reasonably available, and if not reasonably available, then at a minimum, fire and extended coverage, for the

full replacement costs of all structures and/or Residential Units on all Lots. The Association shall endeavor to maintain property insurance limits equal to 100% of the cost to replace all structures and/or Residential Units on all Lots. Said policy may contain a deductible amount not greater than \$5,000 per occurrence. Adequate reserves to cover deductibles shall be maintained by the Association's Board in a reserve fund and shall be collected as part of the general assessment obligations. The property insurance coverage provided by the Association on the structures and/or Residential Units shall include coverage to the "bare walls" for the interior portion of each Residential Unit but will not include coverage for interior paint, wall coverings, carpeting, fixtures (including built-in and/or permanently installed appliances or cabinetry). Property insurance coverage applicable to interior furnishings and fixtures is the responsibility of the individual Lot Owners as defined in Section H below. To the extent that a loss to which this insurance applies is due to the actionable negligence of a member of the Association or some other third party or entity, the Association may seek to recover any amounts paid by the Association towards the deductible directly from the responsible member or third party.

C. The Association's Board of Trustees, or its duly authorized agent, shall also obtain and pay the premium for a policy providing Comprehensive General Liability Insurance or Commercial General Liability Insurance. Said policy will provide coverage for damage or injury caused by the negligence of the Association or it's agents. Said policy shall provide at a minimum limits of \$1,000,000 per occurrence and \$2,000,000 aggregate.

D. Premiums for all insurance coverages described in Sections A, B and C above shall be common expenses of the Association and shall be included in the general assessment obligations of each Owner.

E. Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Association's Board of Trustees; provided however, no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

F. In addition to the other insurance required by this Article, the Board shall obtain, as a common expense, a Fidelity Bond on the trustees, officers and any other persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined in the trustees' best business judgment, but may not be less than three (3) months assessments for all Lot Owners.

G. Each insurance policy maintained pursuant to the foregoing paragraphs shall be in accordance with the Laws of the State of Utah and all insurance carriers must be licensed to transact

business in Utah. All insurance carriers shall have a financial rating from the A.M. Best Company at least A-.

H. Each Lot and Residential Unit Owner shall obtain their own individual personal liability and property insurance coverage for their Residential Units and/or Lots. The personal liability and property coverage may be provided under a "homeowners" or "condominium owners" policy available from a number of insurance companies. The personal liability insurance shall contain a limit of at least \$1,000,000 per occurrence and aggregate. The property insurance coverage shall insure the personal property and contents of each owner and shall provide special extensions of coverage applicable to the interior wall coverings, built in fixtures, paint, carpeting etc. As stated in Section B above the property insurance coverage provided by the Association will provide coverage for the basic structure including the "bare walls" including the sheetrock but will not provide coverage for contents, furnishings, fixtures (including permanently installed appliances and cabinets) or carpet of the individual owners. Each individual unit owner is responsible to insure fixtures (including permanently installed appliances and cabinets), wall coverings, paint and carpet in their individual units under their own personal property insurance. Each Owner shall name the Association as a certificate holder on all insurance policies required herein.

I. Immediately after the damage or destruction by fire or other covered casualty to all or any part of the Property covered by insurance written in the name of the Association, the Board of Trustees, or its duly authorized agent, shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this section, means repairing or restoring the property to substantially the same condition in which it existed prior to the fire or other covered casualty.

J. Any damage or destruction to the Common Area shall be repaired or reconstructed unless at least seventy-five (75%) per cent of the total vote of the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. No mortgagee shall have the right to participate in the determination of whether the Common Area damage or destruction shall be repaired or reconstructed. In the event it should be determined by the Association that damage or destruction to the Common Area not be repaired or reconstructed, then the effected area shall be maintained in a neat and attractive condition. If

the damage or destruction for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board may seek a special assessment as permitted in this Declaration.

ARTICLE VI  
NO PARTITION

Except as is permitted in this Declaration or amendments thereto, there shall be no physical partition of the Common Area or any part thereof.

ARTICLE VII  
CONDEMNATION

Whenever any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the writing direction of all Owners) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association to be disbursed as follows:

A. If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant and at least seventy-five (75%) per cent of the votes cast on behalf of the Membership of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent property is available therefor.

B. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Trustees shall determine.

ARTICLE VIII  
RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

A. The Association, subject to the rights of the Owners set forth in this Declaration, shall accept title to all the Common Area conveyed to it by the Declarant and shall be responsible for the exclusive management and control of the Common Area and all improvements thereon and shall keep it in good, clean, attractive and sanitary condition, order and repair, pursuant to the terms of this Declaration and the Bylaws.

B. The Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof, to the extent it deems advisable, as well as such other personnel as the

Association shall determine to be necessary or desirable for the proper operation of the Property, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or with which it contracts. The Association may obtain and pay for the legal and accounting services necessary or desirable in connection with the operation of the Property or the enforcement of this Declaration.

C. The Association, through its Board of Trustees, may acquire, hold, and dispose of tangible personal property and real property for the common use of the Association.

D. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

E. In addition to any other remedies provided for herein, the Association or its duly authorized agent shall have the power to enter upon a Lot and/or Residential Unit or any portion of the Common Area to abate or remove, using such force as may be reasonably necessary, any thing or condition which violates this Declaration, the Association's Bylaws or the rules and regulations adopted by the Association's Board of Trustees. Unless an emergency situation exists, the Board shall give the violating Owner ten (10) days written notice of its intent to exercise self-help. All costs of self-help, including reasonable attorney's fees actually incurred shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of assessments.

F. The Association shall have the right, in addition to and not in limitation of all the rights it may have, to enter into Residential Units for emergency, security, or safety purposes, which right may be exercised by the Association's Board of Trustees, officers, agents, employees, managers and all police officers, fire fighters, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after reasonable notice to the owner or occupant of the Lot.

#### ARTICLE IX ASSESSMENTS

A. The assessments provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of Lots and Residential Units, including the maintenance of the Common Areas and such other purposes as shall be adopted by the Board of Trustees.

B. Each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association: (a) annual assessments or charges; (b) special assessments and © specific assessments against any particular Lot which are established pursuant to the terms of this Declaration, including, but not limited to, reasonable fines as may be imposed in accordance with the terms of this Declaration. All such assessments, together with late charges, interest, not to exceed the maximum legal rate, costs, and reasonable attorney's fees actually incurred, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Trustees which may include, without limitation, acceleration of the annual assessment for delinquents; unless the Board otherwise provides, the assessments shall be paid in monthly installments.

C. The Board shall cause the proposed assessment to be levied against each Lot for the following year to be delivered to each Member at least thirty (30) days prior to the end of the current fiscal year. No vote shall be required to approve the board's proposed annual assessment provided it does not exceed the previous year's annual assessment by more than five percent (5%). In the event that the Board proposes an annual assessment in excess of five percent (5%) of the previous year's annual assessment, the proposed assessment must be approved by a majority vote of those members attending a meeting duly called and noticed for that purpose. Notwithstanding the foregoing, in the event the membership disapproves the proposed annual assessment increase proposed by the Board or the Board fails for any reason so to determine the annual assessment for the succeeding year, then and until such time as an annual assessment shall have been determined, as provided herein, the annual assessment in effect for the then current year shall continue for the succeeding year.

D. In addition to the other assessments authorized herein, the Association may levy special assessments in any year. So long as the total amount of special assessments allocable to each Lot does not exceed One Thousand (\$1,000.00) in any one fiscal year, the Board may impose the special assessment. Any special assessment which would cause the amount of special assessments allocable to any Lot to exceed this limitation shall be effective only if approved by a majority vote of those members attending a meeting duly called and noticed for that purpose. Special assessments shall be paid as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

E. All sums assessed against any Lot pursuant to this Declaration, together with late charges, interest, costs, and reasonable attorney's fees actually incurred, as provided herein, shall constitute and remain (1) a charge and continuing lien upon

the Lot with respect to which such assessment is made until fully paid; and (2) the personal, joint and several obligation of the Owner or Owners of such Lot at the time the assessment falls due. No owner may exempt himself or his Lot from liability for payment of assessments by waiver of his rights in the Common Areas or by abandonment of his or her Lot. In a voluntary conveyance of a Lot, the grantee shall be jointly and severally liable with the grantor for all such unpaid assessments, late payment fees, interest and costs of collection, including reasonable attorneys fees, which shall be a charge on the Lot at the time of the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor.

F. The lien of assessments provided herein, including interest, late charges, costs, and attorneys fees as provided for herein, shall be subordinate to the lien of any first trust deed or mortgage upon any Lot. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to judicial or nonjudicial foreclosure of a first trust deed or mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from lien rights for any assessments thereafter becoming due.

G. Any assessments which are not paid when due shall be delinquent. Any assessments delinquent for a period of more than ten (10) days shall incur a late charge in an amount as the Board may from time to time determine. The Association shall cause a notice of delinquency to be given to any member who has not paid within ten (10) days following the due date. If the assessment is not paid within thirty (30) days, a lien, as herein provided, shall attach and, in addition, the lien shall include the late charge, interest at the rate of 12% per annum, on the principle amount due, and all late charges from the date first due and payable, all costs of collection, reasonable attorneys fees actually incurred, and any other amounts provided or permitted by law. In the event that the assessment remains unpaid after sixty (60) days, the Association may, as the Board shall determine, institute suit to collect such amounts. Each Owner, by acceptance of a deed or as a party to any other type of conveyance, vests in the Association or its agents the right and power to bring all actions against him or her personally, for the collection of such charges as a debt. All payments shall be applied first to costs and attorney's fees, then to late charges, then to interest, then to delinquent assessments, then to any unpaid annual assessment installments, then to any unpaid special assessment.

H. Each Owners' obligation to pay the annual assessment commences the first day of the month following the date on which the Declarant deeds ownership of the Lot to the Owner.



ARTICLE X  
GENERAL PROVISIONS

A. Duration. The provisions of this Declaration shall run with and bind the Property and all Lots thereon, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns for a term of forty (40) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of Owners, has been filed with the Office of Salt Lake County Recorder within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same.

B. Amendment. This Declaration may be amended unilaterally at any time and from time to time by the Board (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; or (b) if such amendment is reasonably necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration. In addition this Declaration may be amended by a two-third's (2/3) majority vote of all Owners at a special or regular meeting called by the Board of Trustees. Amendments to this Declaration shall become effective upon recordation in the Office of the Salt Lake County Recorder, unless a later effective date is specified.

C. Indemnification. The Association shall indemnify every officer and trustee against any and all expenses, including attorneys' fees, reasonably incurred by or imposed upon any officer or trustee in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the Board of Trustees) to which he or she may be a party by reason of being or having been an officer or trustee. The officers and trustees shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and trustees shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or trustees may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and trustee free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or trustee, or former officer or trustee, may be entitled. The Association shall, as a common expense, maintain adequate

general liability and officers' and trustees' liability insurance to fund this obligation, if such insurance is reasonably available. The following provisions shall govern and apply to the right of indemnification set forth above:

1. Any person seeking indemnification from the Association under the foregoing paragraph as a result of being made a party to or being threatened to be made a party to any action, suit, or proceeding shall, within a reasonable time and before taking significant or material action with respect to such action, suit, or proceeding, notify the Association in writing with respect thereto and provide to the Association the opportunity to reasonably participate in such person's defense thereto and any settlement thereof. Failure to comply with the requirements of this paragraph shall bar any claim of such person for indemnification by the Association.

2. To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to above, or in defense of any claim, issue, or other matter therein, they shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith. Any other indemnification shall be made by the Association only upon a determination that indemnification of the person is proper in the circumstances because they have met the applicable standard of conduct set forth above. Such determination shall be made either by the Board of Trustees of the Association by the affirmative vote of at least a majority of the disinterested Trustees, or by the members by the affirmative vote of the Association at any meeting duly called for such purpose.

D. Easements for Utilities. There is hereby reserved to the Association blanket easements upon, across, above, and under all of the Property for access, ingress, egress, installation, repairing, replacing, and maintaining all utilities serving the Property or any portion thereof, including, but not limited to gas, water, sanitary sewer, telephone and electricity, as well as storm drainage and any other service such as, but not limited to, a cable television system or security system which the Association might decide to have installed to serve the Property. It shall be expressly permissible for the Association or its designee, as the case may be, to install, repair, replace and maintain or to authorize the installation, repairing, replacing and maintaining of such wires, cables and other equipment related to the providing of any such utility or service. Should any party furnishing any such utility or service request a specific license or easement by separate recordable document, the Board shall have the right to grant such easement.

E. Construction and Sale. Notwithstanding any provisions contained in this Declaration to the contrary, so long as construction and initial sale of Lots shall continue, it shall be

expressly permissible for Declarant to maintain and carry on upon portions of the Common Area such activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the construction or sale of the Lots and Residential Units, and the Declarant shall have an easement for access to the extent necessary to carry on such activities.

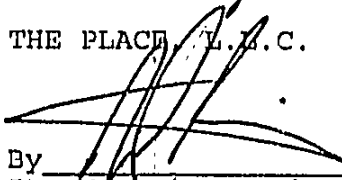
F. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

G. Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable.

H. Captions. The captions of each Article and each Section (when used) herein, are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular Article or Section to which they refer.

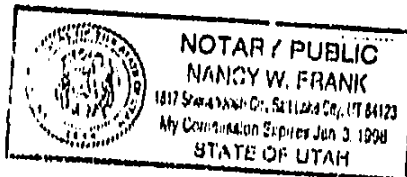
IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 16th day of August, 1996.

THE PLACE, L.L.C.

By   
Its Managing Member

STATE OF UTAH            )  
                                  ): ss.  
County of Salt Lake )

On the 16th day of August, 1996, personally appeared before me, Neil Richardson, known to me to be the person who executed the foregoing, and who acknowledged to me that he executed the foregoing in his capacity as managing member of The Place, L.L.C., a Utah limited liability company.




  
NOTARY PUBLIC

EXHIBIT "A"

LEGAL DESCRIPTION

The legal description which follows is for the property located at 2726 East Wasatch Drive, Salt Lake City, Utah containing 3.005 acres more or less.

BEGINNING at a point North 00°09'33" West along the Section line 33.000 feet from the West Quarter Corner of Section 11, Township 1 South, Range 1 East, Salt Lake Base and Meridian, said point also being the Northwest Corner of the Colina de Roble Condominiums as recorded with the office of the Salt Lake County Recorder, and running thence North 00°09'33" West along the Section line 209.845 feet to the South line of Wasatch Drive; thence South 89°40'00" East along the South line of Wasatch Drive 437.000 feet; thence South 00°20'00" West 299.845 feet to the North line of said Colina de Roble Condominiums; thence along said North line the following (5) five courses; North 89°40'00" West 0.211 feet; South 00°09'33" East 0.600 feet; North 89°40'00" West 35.000 feet; North 00°09'33" West 0.600 feet and North 89°40'00" West 399.910 feet to the point of BEGINNING.

(Basis of Bearing being North 89°40'00" West)