

Declaration of
Covenants, Conditions and Restrictions
for

ROYAL OAKS
PHASE I

Summit County, Utah

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ALAN S. JONES
SUMMIT COUNTY RECORDER
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REC'D NOTICE

THIS DECLARATION, made on this 15th day of July, 1991, by Eremalos Development Corporation, a Utah corporation, hereinafter designated "Declarant":

RECITALS:

A. Declarant is the Owner of certain property in Park City, Summit County, State of Utah, which is more particularly described as follows:

Lots 1 through 13 inclusive in Royal Oaks Phase I Subdivision

upon which real property Declarant intends to develop a subdivision containing Lots (as those terms are hereinafter defined).

B. Declarant will develop and convey all of the Lots contained in the subdivision pursuant to a general plan and subject to certain protective covenants, conditions, restrictions, reservations, easements, equitable servitudes, liens and charges, all running with the title to said Lots as hereinafter set forth.

C. Declarant hereby declares that all of the Lots shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following easements, restrictions, covenants, conditions and equitable servitudes, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of all Lots in the subdivision, in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the subdivision, or any portion thereof. The covenants, conditions, restrictions, reservations, easements, and equitable servitudes set

forth herein shall run with the Lots and shall be binding upon all Persons having any right, title or interest in any Lot or Lots, their heirs, successors and assigns; shall inure to the benefit of each and every Lot and any interest therein; and shall inure to the benefit of and be binding upon Declarant, his successors in interest and each Owner and his respective successors in interest; and may be enforced by any Owner and his successors in interest. Notwithstanding the foregoing, no provisions of this Declaration shall be construed as to prevent or limit Declarant's rights to complete development of the subdivision and improvements thereon, nor Declarant's rights to maintain model homes, construction, sale or leasing offices of similar facilities on any Lot owned by Declarant nor Declarant's right to post signs incidental to construction, sales or leasing.

ARTICLE I

Definitions

Unless otherwise expressly provided, the following words and phrases when used in this Declaration shall have the meanings hereinafter specified:

Section 1. "Architectural Committee" shall mean the committee created pursuant to Article IV hereof.

Section 2. "City" shall mean the municipal government of Park City, Utah, and its appropriate officers and departments.

Section 3. "Declarant" shall mean and refer to Eremalos Development, a Utah corporation, its successors and assigns so long as Declarant assigns such rights of Declarant hereunder to any such Person by an express written assignment.

Section 4. "Declaration" shall mean this instrument as it may be amended from time to time.

Section 5. "Deed of Trust" shall mean and refer to a mortgage or a deed of trust, as the case may be.

Section 6. "Design Guidelines" shall mean the Design Guidelines of Deer Valley, Park City, Utah.

Section 7. "Dwelling Unit" shall mean and refer to a building located on a single Lot designed and intended for use and occupancy as a residence by a single Family and its domestic employees and guests.

Section 8. "Family" shall mean (1) a group of natural Persons related to each other by blood or legally related to each other by marriage or adoption, or (2) a group of Persons not all so related who maintain a common household in a residence on a Lot.

Section 9. "Improvement" shall mean all structures and appurtenances thereto of every type and kind, including but not limited to buildings, out buildings, walkways, sprinkler pipes, carports, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior air conditioning and water softener fixtures or equipment, antennae and satellite dishes.

Section 10. "Lot" shall mean and refer to any residential Lot shown upon any recorded plat of the Subdivision.

Section 11. "Mortgage" shall mean any mortgage or deed of trusts or other conveyance of a Lot to secure the performance of an obligation, which will be void and reconveyed upon the completion of such performance. The term "deed of trust" or "trust deed" when used herein shall be synonymous with the term "mortgage". The term "Mortgagee" shall mean a Person or entity to whom a mortgage is made and shall include the beneficiary of a deed of trust; "Mortgagor" shall mean a Person or entity who mortgages his or its property to another (i.e., the maker of a mortgage), and shall include the trustor of a deed of trust. The term "Trustor" shall be synonymous with the term "Mortgagor", and the term "beneficiary" shall be synonymous with the term "Mortgagee". The term "first mortgagee" shall include any Mortgagee or the beneficiary under any deed of trust who, by virtue of his mortgage or deed of trust, holds a first and prior lien upon any Lot to that of any other mortgagee.

Section 12. "Owner" shall mean and refer to the Person or Persons or other legal entity or entities, including Declarant, holding fee simple interest of record to any Lot, including sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation.

Section 13. "Person" shall mean a natural individual or any entity with the legal right to hold title to real property.

Section 14. "Plat Map" shall mean and refer to that plat of **Royal Oaks Phase I** which will be recorded in the official records of the Summit County Recorder concurrently with the recordation hereof.

Section 15. "Properties" shall mean and refer to all of the real property described in Paragraph A of the Recitals to this Declaration.

Section 16. "Record, Recorded, Filed and Recordation" shall mean, with respect to any document, the recordation of such document in the office of the County Recorder of the County of Summit, State of Utah.

Section 17. "Subdivision" shall mean Royal Oaks Phase I subdivision which has been divided or separated into Lots as shown on the Plat Map.

ARTICLE II

Architectural Control

Section 1. Architectural Committee.

(a) The Architectural Committee shall consist of three to five members, who may be Lot Owners within the project and/or designees of the Declarant. The committee shall act by a majority vote of those present in any meeting duly called for conducting the official business of the Committee, provided that such majority shall consist of not less than two Committee members. The Committee members shall be appointed only by the Declarant, or its successor, until such time that 90% of the Lots are sold or in five years following the date hereof, whichever comes later, when all members of the Committee shall then be selected by Owners of the Lots at meetings called for that purpose. No Committee member shall be entitled to any compensation for services performed pursuant to this Declaration. However, the Architectural Committee may, at its discretion, employ an outside professional architect or engineer or other consultant or professional to assist it in its functions and a reasonable fee will be charged to the Lot Owner for such service. No member of the Committee shall be liable to any Person for his decisions or failure to act in making decisions as a member of said Committee. Said Architectural Committee shall have and exercise all of the powers, duties and responsibilities set out in this instrument.

(b) In elections for members of the Architectural Committee, other committees or any other matter presented to a vote of the Owners, each Owner shall be entitled to one vote for each Lot which is owned by said Owner. When more than one Person holds such interest or interests in any Lot ("co-Owner"), all such co-Owners shall be Owners and may attend any meetings of the Owners, but only one such co-Owner shall be entitled to exercise the votes to which the Lot is entitled. Such co-Owners may from time to time all designate in writing one of their number to vote. The vote for each Lot shall be exercised, if at all, as a unit. Where no voting co-Owner is designated or if such designation has been revoked, the votes for such Lot shall be exercised as the majority of the co-Owners of the Lot mutually agree. Unless a written objection from a co-Owner is delivered to the meeting, it shall be presumed that the voting co-Owner is acting with the consent of his or her co-Owners. No votes shall be cast for any Lot where the majority of the co-Owners present in Person or by proxy and representing such Lot cannot agree to said votes or other

action. The non-voting co-Owner or co-Owners shall be jointly and severally responsible for all of the obligations imposed upon the jointly owned Lot and shall be entitled to all other benefits of Ownership.

(c) Written notice of any meeting called for the purpose of electing members of the Architectural Committee or taking any action by the Owners shall be sent to all Owners not less than thirty (30) days, nor more than sixty (60) days, in advance of the meeting. Those present at the meeting of members entitled to cast votes or of proxies entitled to cast votes shall constitute a quorum for any action.

Section 2. Approval by Architectural Committee. No improvements of any kind, including but not limited to dwelling houses, swimming pools, ponds, parking areas, fences, walls, tennis courts, garages, drives, antennae, satellite dishes, flag poles, curbs and walks shall ever be erected, altered, or permitted to remain on any lands within the Subdivision, nor shall any excavating, clearing, or landscaping be done on any lands within the Subdivision, unless the complete plans and specifications thereof are approved in writing by the Architectural Committee prior to the commencement of such work. The Architectural Committee shall consider the materials to be used on the external features of said buildings or structures, including exterior colors, harmony of external design with existing structures within said subdivision, the building bulk or mass of said buildings or structures, the location with respect to topography, existing trees and finished grade elevations and harmony of landscaping with the natural setting and surroundings. The complete architectural plans and specifications must be submitted in duplicate and must include a site plan and at least four different elevation views. One complete copy of the plans and specifications shall be signed for identification by the Owner and left with the Architectural Committee. The Architectural Committee shall exercise its best efforts to review each set of plans within a 21 day period. However, in the event that the Architectural Committee fails to take any action within 30 days after complete plans for such work have been submitted to them, then all of such submitted plans shall be deemed to be disapproved. In addition to securing approval from the Architectural Committee, each lot owner shall also be responsible to ensure that his plans and specifications conform to the Design Guidelines of Deer Valley.

Section 3. Variances. The Declarant and the Architectural Committee shall have the authority to deviate from the requirements contained herein in extenuating circumstances, when following these covenants would create an unreasonable hardship or burden for an Owner. An affirmative vote of Declarant and of two-thirds (2/3) of the members of the Architectural Committee must be gained for a variance to be granted. The Declarant and the Architectural Committee do not, however, have authority to allow deviation beyond the guidelines of the Park City Land Management Code.

Section 4. General Requirements. The Architectural Committee shall exercise its best judgment to see that all improvements, construction, landscaping, and alterations on the lands within the Subdivision conform and harmonize with the natural surroundings and with existing structures as to external design, materials, color, siting, height, topography, grade and finished grade elevation. Each Lot owner shall assume responsibility for compliance with the Design Guidelines, municipal and government codes and this Declaration of Covenants.

Section 5. Preliminary Approvals. Persons who anticipate constructing improvements on lands within the Subdivision, whether they already own lands or are contemplating the purchase of such lands may submit preliminary sketches of such improvements to the Architectural Committee for informal and preliminary approval or disapproval. All preliminary sketches shall be submitted in duplicate and shall contain a proposed site plan, together with sufficient general information on all aspects, that will be required to be in the complete plans and specifications to allow the Architectural Committee to act intelligently on giving an informed preliminary approval or disapproval until such time as complete plans are submitted and approved or disapproved.

Section 6. Plans. The Architectural Committee shall disapprove any plans submitted to it which are not sufficient for it to exercise the judgment required of it by these covenants.

Section 7. Declarant and Architectural Committee Not Liable. The Declarant and Architectural Committee shall not be liable in damages to any Person submitting any plans for approval, or to any Owner or Owners of lands within the Subdivision, by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove, with regard to such plans. Neither Declarant nor the Architectural Committee nor any member thereof, nor their duly authorized representative shall be liable to any Owner for any loss, damage or injury arising out of or in any way connected with the performance of the Declarant's or the Architectural Committee's duties hereunder unless due to the willful misconduct or bad faith of the Declarant or the Architectural Committee. Any Person or group acquiring the title to any property in the Subdivision or any Person submitting plans to the Declarant or to the Architectural Committee for approval, by so doing shall be deemed to have agreed and covenanted that he, she, or they will not bring any action or suit to recover damages against the Declarant or the Architectural Committee, its members as individuals, or its advisors, employees, or agents.

Section 8. Written Records. The Architectural Committee shall keep and safeguard complete written records of all applications for approval submitted to them (including one set of all preliminary sketches and all architectural plans so submitted) and of all actions of approval or disapproval and all other actions taken by it under the provisions of this instrument which records shall be maintained for a minimum of five years after approval or disapproval.

Section 9. Limited Extent of Committee Review. The Architectural Committee shall review and approve or disapprove all plans submitted to them for any proposed

improvement, alteration or addition, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result on the immediate vicinity and the Subdivision generally. The Architectural Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall their approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes.

Section 10. Completion Required Before Occupancy. Unless approved by the Architectural Committee, no Building within the property shall be occupied until and unless the Owner of any Building shall have completed the Building in accordance with, and complied with, all approved plans and specifications.

ARTICLE III

Restrictions on all Property

Section 1. Zoning Regulations. No lands within the Subdivision shall ever be occupied or used by or for any Building or purpose or in any manner which is contrary to the zoning regulations applicable thereto validly in force from time to time.

Section 2. No Mining, Drilling or Quarrying. No mining, quarrying, tunneling, excavating or drilling for any substances within the earth, including oil, gas, water, minerals, gravel, sand, rock, and earth, shall ever be permitted on the surface of the property.

Section 3. No Business Uses. The Lots within the property shall be used exclusively for residential living purposes, such purposes to be confined to approved residential buildings within the property. No Lots within the property shall ever be occupied or used for any commercial or business purposes provided, however, that nothing in this Article III, Section 3 shall be deemed to prevent (a) Declarant or his duly authorized agent from using any Lot owned by Declarant as a sales model, (b) any Owner or his duly authorized agent from renting or leasing said Owner's residential Building from time to time for periods which conform to established City codes, subject to the provisions of this Declaration, or (c) any Owner from conducting an office type business in a residential Building provided no signs or advertisements are placed on the Building or the Lot and provided said business does not create a traffic or parking problem.

Section 4. Restriction of Signs. With the exception of a sign no larger than six (6) square feet on each side identifying the architect and a sign of similar dimension identifying the prime contractor to be displayed only during the course of construction and a sign no larger than three (3) square feet on each side for the Owner to advertise his home or Lot

for sale, no signs or advertising devices, including but without limitation, commercial, political, informational or directional signs or devices, shall be erected or maintained on any of the property, except signs approved in writing by the Architectural Committee as to size, materials, color and location: (a) as necessary to identify Ownership of the Lot and its address; (b) as necessary to give directions; (c) to advise of rules and regulations; (d) to caution or warn of danger; and (e) as may be required by law.

Section 5. Restrictions on Animals. No animals other than ordinary household pets, which do not constitute a nuisance, may be kept or allowed to remain on any of the property. Said household pets shall be limited in number to two (2) only of any particular species, except newborns up to the age of four (4) months of age.

Section 6. No Resubdivision. No Lot shall be resubdivided and no Building shall be constructed or allowed to remain on any parcel within the Subdivision that comprises less than one full Lot.

Section 7. Underground Utility Lines. All water, gas, electrical, telephone and all other utility lines within the limits of the property must be buried underground and may not be exposed above the surface of the ground.

Section 8. Service Yards. All equipment, service yards or storage piles on any Lot in the property shall be kept screened by approved planting or fencing so as to conceal them from the view of neighboring Lots, access roads and area surrounding the property.

Section 9. Maintenance of Property. All property and all improvements on any Lot shall be kept and maintained by the Owner thereof in clean, safe, attractive and sightly condition and in good repair.

Section 10. No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any property nor shall anything be done or placed on any property which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others.

Section 11. No Hazardous Activities. No activities shall be conducted on any property and no improvements constructed on any property which are or might be unsafe or hazardous to any Person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any property and no open fires shall be lighted or permitted on any property except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace.

Section 12. No Unsightliness. No unsightliness shall be permitted upon any of the property. No trailer, camper, boat, truck larger than pickup size or similar equipment shall be permitted to remain upon any Lot unless placed or maintained within a garage or parked to the rear of the average front line of the dwelling with appropriate screening or unless written approval is given by the Architectural Committee. No lumber, grass, shrub or tree

clippings, plant waste, metals, bulk materials or scrap shall be kept, stored or allowed to accumulate on any of the property, except in service yards. Refuse, garbage and trash shall be placed and kept at all times in covered containers and such containers shall be kept within an enclosed structure or appropriately screened from view. Hanging, drying or airing of clothing or household fabrics shall not be permitted on Lots if visible from buildings, Lots or areas surrounding the property. Exterior colors of structures shall be unobtrusive and blend with the natural colors in the area.

Section 13. No Annoying Lights, Sounds or Odors. No light shall be emitted from any Lot or property which is unreasonably bright or causes unreasonable glare or does not comply with the Design Guidelines; no sound shall be emitted from any Lot or property which is unreasonably loud or annoying including but without limitation, speakers, horns, whistles, bells or other sound devices except security and fire alarm devices used exclusively to protect any of the property or buildings; and no odors shall be emitted from any Lot or property which are noxious or offensive to others.

Section 14. Drainage. No Owner shall permit any erosion or water drainage to take place on his Lot which may adversely affect neighboring properties and/or roads.

ARTICLE IV

Restrictions on Lots

Section 1. Number and Location of Buildings. No buildings or structures shall be placed, erected, altered, or permitted to remain on any Lot other than one single family dwelling together with related non-residential structures and improvements. No building shall be constructed on or excavation occur on any portion of a Lot which is not within the area designated on the Plat Map as "Limit of Disturbance."

Section 2. Residence Floor Area. The single-family dwellings which may be constructed on lots exceeding 16,000 square feet shall have a maximum living floor area, exclusive of basements, garages, balconies, porches, and patios of 7,500 square feet and a minimum living floor area, exclusive of basements, garages, balconies, porches and patios, of 2,000 square feet for single level dwellings and 2,700 square feet for more than one level. The single-family dwellings which may be constructed on lots less than 16,000 square feet (lots 1, 2, 4, 5, 12) shall have a maximum living floor area, exclusive of basements, garages, balconies, porches and patios, of 5,000 square feet and a minimum living floor area of the same requirements as described above in this paragraph.

Section 3. Single Family Dwelling to be Constructed First. No garage or other structure shall be constructed on any Lot until after commencement of construction of the

single family dwelling on the same Lot except as otherwise specifically permitted by the Architectural Committee. All construction and alteration work shall be prosecuted diligently, and each building, structure, or improvement which is commenced on any Lot shall be entirely completed within 18 months after commencement of construction.

Section 4. Setbacks and Building Placement. The placement of buildings shall conform to setback and placement requirements of the City. Unless the Architectural Committee and City shall approve otherwise, all buildings and structures shall be constructed within the area designated as the "Area of Disturbance" as set forth in the Plat Map, except that with the approval of the Architectural Committee, decks or patios attached to the main dwelling may be extended outside said Area of Disturbance.

Section 5. Sewer Laterals and Ejector Pumps. Due to the terrain and architectural styles of construction, the elevation of all sewer laterals should be verified and incorporated into home design. Lots may require pump facilities to lift sewage into the sewer lateral. Pump facilities shall be private individual ejector pumps.

Section 6. Towers and Antennae. Without the express written approval of the Architectural Committee, no towers, and no exposed, or outside, radio, television or other electronic antennae or dish shall be allowed or permitted to remain on any Lot. Television dish antennae shall not be permitted unless properly screened so as not to be visually obtrusive and any such installation must be approved by the Architectural Committee. It is recommended that lightning rods be installed on all structures.

Section 7. Used or Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other out building may be used on any lot at any time as a residence, either temporarily or permanently.

Section 8. Fences. In general, perimeter fencing will not be allowed. Perimeter fencing is defined to mean fences along or near Lot lines or fencing not connected with a building or structure. Interior fencing, screens or walls which are associated or connected with a building are permitted if they are of such design, materials, and heights as may be approved by the Architectural Committee.

Section 9. Landscaping and Preservation of Existing Site Vegetation. All buildings should be located to preserve and utilize existing tree masses as much as possible. Landscaping shall be in accordance with the landscaping standards of the Design Guidelines. Landscaping shall take into account any water conservation guidelines or programs of the City, and, in addition, shall be designed to preserve natural vegetation where possible and minimize irrigation requirements.

Section 10. Driveway Access. Easements are shown on the official plat, restricting the locations of driveways on lots 1, 5, 8 and 9 such that the existing water meter boxes are not surrounded by driveway pavement. Driveways cannot be located where driveway easement restrictions are shown. All individual driveway access locations within the Subdivision shall be designed to function well with the site location and layout of each appropriate residential building. Care shall be taken in siting driveways to allow for the least amount of site and vegetation disturbance. The minimum width of any drive shall be 12 feet. Where possible, driveways shall parallel the slope to lessen site impact and the approaching private driveway shall align itself with the intersecting road as close to 90 degrees as possible. When necessary to cut and fill, a balance shall be sought. Exception will be allowed in order to save specimen vegetation. Retaining walls or other appropriate retention methods as approved by the Architectural Committee and City shall be used with cuts in excess of 8 feet.

Section 11. Architectural.

(a) **Roofs** All roofs shall be covered by fire resistant wood shingles or wood shakes, tile, slate or similar materials and must be designed so that all roof areas drain. Roof materials shall conform to the Design Guidelines and must be approved by the Architectural Committee.

(b) **Icicles and Ice Buildup.** Building designs must consider and address the danger caused by falling ice and ice accumulation on walks and building entrances.

(c) **Structural Certification.** All building designs must be approved and certified by a qualified licensed structural engineer and/or licensed architect. Particular attention should be given to snow loads on roofs and frost line depth for foundations and plumbing installations.

(e) **Insulation and Weatherstripping.** The following are the minimum insulating and weatherstripping requirements in all heated buildings.

1. All outside walls - minimum insulation factor of R-19.
2. All ceilings separating attic from roof - minimum insulation factor R-30. All vaulted ceilings that are also the roof - minimum insulation factor R-30.
3. Exposed underfloor areas - minimum insulation factor R-25.

4. Perimeter concrete foundation walls to be insulated with a minimum of two inch rigid insulation on the outside of wall.

5. All outside windows shall be double glazed.

6. All outside doors and windows shall be weather-stripped on all edges.

(f) Flashings and Roof Gutters. Flashing or roof gutters or other metal fittings on the exterior of buildings shall be copper or Cor-Ten Steel or other material which takes on a natural appearance or shall be painted to match adjacent materials on buildings.

(g) Automatic Fire Sprinkler Systems. To the extent required by the City fire marshal, all buildings shall contain an automatic fire sprinkler system or such other automatic fire extinguishing system. In addition to interior sprinkling, all structures shall have exterior building materials which meet the fire spread standards defined in Table 42-A of the Uniform Building Code unless protected by exterior sprinkling system meeting the standards of Section 3802 of the Uniform Building Code. These references are to the 1982 Edition of the Uniform Building Code, but structures shall comply with successor provisions of that Code in subsequently adopted modifications.

(h) Protection to Minimize Problem of Frozen Pipes. Water lines and sewer wastelines shall not be installed in the outside walls, overhangs, or in uninsulated attic or crawl spaces.

(i) Design Guidelines, Zoning and Plat Restrictions. All buildings, structures and improvements on each Lot shall comply with the Deer Valley Design Guidelines, Park City Zoning requirements and the Notes and restrictions listed on the official plat of this subdivision.

ARTICLE V

Maintenance Obligations

Section 1. Maintenance Obligations of Owners. It shall be the duty of each Owner, at his sole cost and expense, subject to the provisions of this Declaration regarding Architectural Committee approval, to maintain, repair, replace and restore his residence and Lot in a neat, sanitary and attractive condition. In the event that any Owner shall permit any improvement, which is the responsibility of such Owner to maintain, to fall into disrepair or not to be so maintained so as to create a dangerous, unsafe, unsightly or unattractive condition, or to otherwise violate this Declaration, the Architectural Committee shall have

the right but not the duty, upon thirty (30) days' prior written notice to the Owner of such Lot, to correct such condition and to enter upon such Owner's Lot to make such repairs or to perform such maintenance and the cost thereof shall be charged to the Owner. The Owner shall pay promptly all amounts due for such work, and the costs and expenses of collection may be added.

Section 2. Maintenance Obligations for Recreation Trails.

Each Lot owner shall be responsible for the maintenance obligations (if any) of the Recreation Trails and paths which traverse and border the subdivision and or surrounding open space adjacent to the subdivision. Lot owners shall cooperate among themselves in meeting such maintenance responsibilities. In the event that the City requires expenditures to be made at the expense of Lot owners for the maintenance of such trails and paths, each Lot owner shall be responsible to pay a pro-rata share of such expenses, to be collected by the Architectural Committee, a special or Ad Hoc committee duly elected by the Lot owners according to the procedure prescribed in Article II, Section 1, or by the municipal government of Park City, through a special assessment or tax.

Section 3. Variance in Exterior Appearance and Design. Any Owner who has suffered damage may apply for approval to the Architectural Committee for reconstruction, rebuilding or repair of his residence in a manner which will provide for an exterior appearance and design different from that which existed prior to the date of the casualty. Application for such approval shall be made in writing together with full and complete plans and specifications, working drawings and elevations showing the proposed reconstructions and the end result thereof. The Architectural Committee shall grant such approval only if the design proposed by the Owner would result in a finished residence in harmony with exterior design of other residences on the Properties. Failure of the Architectural Committee to act within thirty (30) days after receipt of such a request in writing coupled with the drawings and plot plans showing the full and complete nature of the proposed changes shall constitute disapproval thereof.

ARTICLE VI

General Provisions

Section 1. Annexation of Additional Property. Any contiguous real property may be annexed to and become subject to this Declaration, provided that a Supplementary Declaration of Covenants, Conditions and Restrictions, covering said property shall be executed and recorded by Eremalos Development Corporation, the owner of said real property, or its successors and assigns. The recordation of said Supplementary Declaration shall constitute and effectuate the annexation of the said real property described therein, making said real property subject to this Declaration and subject to the functions, powers

and jurisdiction of the Royal Oaks Architectural Committee and any other committees duly elected by Lot owners in the Royal Oaks subdivisions in accordance with Article II, Section 1.

Section 2. Enforcement. This Declaration may be enforced as follows:

(a) Breach of any of the covenants contained in this Declaration and the continuation of any such breach may be enjoined, by the Declarant, any Owner or by the Architectural Committee. Any judgment rendered in any action or proceeding pursuant hereto shall include a sum for attorneys' fees in an amount as the court may deem reasonable, in favor of the prevailing party, as well as the amount of any delinquent payment, interest thereon, costs of collection and court costs.

(b) The result of every act or omission whereby any of the covenants contained in this Declaration are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy shall be applicable against every such result and may be exercised by Declarant, any Owner, or by the Architectural Committee.

(c) The remedies herein provided for breach of the covenants contained in this Declaration shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

(d) The failure to enforce any of the covenants contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter.

(e) A breach of the covenants, conditions or restrictions contained in this Declaration shall not affect or impair the lien or charge of any bona fide first Mortgage made in good faith and for value on any residential Lot or the improvements thereon, provided, however, that any subsequent Owner of such property shall be bound by said covenants, whether such Owner's title was acquired by foreclosure in a trustee's sale or otherwise, but shall not be liable for prior breach.

Section 3. Covenant for Special Assessments. Each owner, by acceptance of a real estate contract or deed for a Lot, whether or not it shall be so expressed in any such contract or deed, is deemed to covenant and agree to pay a pro-rata share of the maintenance obligation (if any) associated with the recreation trails and paths in and around the Royal Oaks subdivisions, such assessments to be established by the City, the Architectural Committee or such other committee duly elected for such purpose by the Lot owners. The amount of any such assessment(s) shall be determined and fixed according to the maintenance requirements of the City. Such assessments, together with interest at a rate of 12% per annum and the costs of collection thereof, including reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which

each such assessment or charge is made. Each such assessment or charge, together with such 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 or charge fell due.

Section 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 5. Limited Liability. Neither Declarant, the Architectural Committee, any duly elected special or Ad Hoc committee, nor any member, agent or employee of Declarant, the Architectural or other Committees shall be liable to any party for any action or for failure to act with respect to any matter if the action taken or failure to act was in good faith and without malice.

Section 6. Duration of Declaration. Any provision, covenant, condition or restriction contained in this Declaration or any Supplemental or Amended Declaration which is subject to the common law rule sometimes referred to as the Rule Against Perpetuities, shall continue and remain in full force and effect for the period of fifty (50) years or until this Declaration is terminated as hereinafter provided, whichever first occurs. All other provisions, covenants, conditions and restrictions contained in this Declaration or in any Supplemental or Amended Declaration shall continue and remain in full force and effect until January 1, 2041, provided, however, that unless at least one year prior to said time of expiration, there is recorded an instrument directing the termination of this Declaration, executed by the Owners of not less than two-thirds of the Lots then subject to this Declaration, said other provisions, covenants, conditions and restrictions shall continue automatically for an additional ten years and thereafter for successive periods of ten years unless, at least one year prior to the expiration of any such extended period of duration, this Declaration is terminated by recorded instrument directing termination signed by the Owners of not less than two-thirds of the Lots then subject to this Declaration as aforesaid.

Section 7. Amendment or Revocation. At any time while any provision, covenant, condition or restriction contained in this Declaration or any Supplemental or Amended Declaration is in force and effect, it may be amended or repealed by the recording of a written instrument specifying the amendment or the repeal, executed by the owners of not less than two-thirds of the Lots then subject to this Declaration. No such amendment or repeal shall be effective with respect to the holder or successor or assign of the holder of a mortgage or deed of trust recorded prior to recording of the instrument specifying the amendment or repeal unless such holder executes the said instrument.

Section 8. Constructive Notice and Acceptance. Every Person who owns, occupies or acquires any right, title, estate or interest in any Lot in the Subdivision does and shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to these restrictions is contained in the instrument by which such Person acquired an interest in the properties, or any portion hereof.

Section 9. Reservation of Easements. Non-exclusive utility and drainage easements are reserved along the front 10.0 feet, the side 5.0 feet, and the rear 10.0 feet of each lot. In addition, Declarant expressly reserves (for a period not to exceed five (5) years after conveyance of the first Lot), for himself and his agents and employees, easements of access, ingress and egress, over the Lots, for the purpose of maintaining, repairing and installing water and other utility lines, drainage structures, sewer pipelines and laterals if necessary, in accordance with the provisions of this Declaration, and as otherwise provided by law.

Section 10. Easements for City and County Public Service Use. There shall be and Declarant hereby reserves and covenants for itself and all future Owners within the Subdivision, easements for city, county, state and federal public services, and for public utilities, including but not limited to, the right of the police to enter for the purpose of enforcing the law.

Section 11. Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either Personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, at the mailing address of such Person, as listed on the tax roles or other records of the Summit County Assessor's or Treasurer's Office.

Section 12. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a residential community. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine and neuter shall each include the masculine, feminine and neuter.

Section 13. Severability. Invalidity or unenforceability of any provision of this Declaration or of any Supplemental or Amended Declaration in whole or in part shall not affect the validity or enforceability of any other provision or valid and enforceable part of a provision of this Declaration.

Section 14. Captions. The captions and headings in this instrument are for convenience only and shall not be considered in construing any provision, restriction, covenant or condition contained in this Declaration.

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

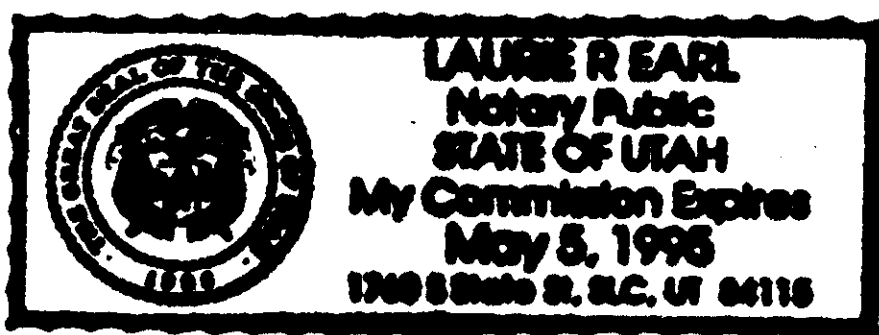
Declarant, a Utah Corporation

By: David L. Evans
David L. Evans, President

STATE OF UTAH)
) ss.
County of Summit)

On July 15, 1991, before me, the undersigned, a Notary Public in and for said County and State, personally appeared David L. Evans, known to me to be the President of Eremalos Development, the corporation that executed the within instrument, and known to me that such corporation executed the same.

WITNESS my hand and official seal.



Laurie Earl
Notary Public
Residing at : _____

My Commission Expires:
