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AFTER RECORDING PLEASE RETURN TO:

VAN WAGONER & STEVENS  
215 South State Street  
Suite 500  
Salt Lake City, Utah 84111

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27 JUNE 90 10:09 AM  
KATIE L. DIXON  
RECORDER, SALT LAKE COUNTY, UTAH  
VAN WAGONER & STEVENS  
REC BY: KARMA BLANCHARD, DEPUTY

SECOND SUPPLEMENT TO DECLARATION  
OF COVENANTS, CONDITIONS AND RESTRICTIONS OF  
THE COVE ON MT. OLYMPUS,

A Planned Unit Development

THIS SUPPLEMENT is made and executed this 31 day of May,  
1990, by the EASTRIDGE OWNERS ASSOCIATION (the "Association")

RECITALS:

A. The Association represents the record owners of that certain tract of Property more particularly described in Article II of this Declaration.

B. On May 24, 1985 an instrument entitled Declaration of Covenants, Conditions, and Restrictions of The Cove on Mt. Olympus, A Planned Unit Development, was filed for record in the Office of the Recorder of Salt Lake County, Utah as Entry No. 4090348 in Book No. 5657, at Page 394 and was supplemented by the documents entitled First Supplement to Declaration of Covenants, Conditions and Restrictions of The Cove on Mt. Olympus, A Planned Unit Development, filed for record in the Office of the Recorder of Salt Lake County, Utah on September 4, 1985 as Entry No. 4132813, in Book 5687, at Page 1966. Both documents concern the project for the development of the real property located in Salt Lake County, State of Utah and described in Exhibit "A" attached hereto.

C. During 1985, a Utah nonprofit corporation called The Cove on Mt. Olympus Owners Association was created to facilitate the administration of the obligations of the owners of the Property as set forth in the original Declaration. In 1987 and again in 1990, a Utah nonprofit corporation called the Eastridge Owners Association was created to take the place of The Cove on Mt. Olympus Owners Association.

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D. In order to memorialize the changes which had taken place since the filing of the First Supplement to the Declaration of Covenants, Conditions and Restrictions of The Cove on Mt. Olympus, a Planned Unit Development, a meeting of the members of the Association was held on May 24, 1990 and this Second Supplement to the Declaration of Covenants, Conditions and Restrictions of The Cove on Mt. Olympus, a Planned Unit Development, was ratified and adopted. Under Section 5 of Article XII of the original Declaration, the original Declaration may be amended by the vote of at least 67% of the total votes in the Association and the consent of Eligible Mortgagees holding mortgages on at least 51% of the Lots which are then subject to mortgages held by Eligible Mortgagees. By their signatures at the end of this Supplement, the officers of the Association certify that the vote required for amendment has occurred and the specific percentage of Members of the Association approving of this Supplement was obtained. The officers further certify that no mortgagee has requested notice of matters of this nature as provided for in the original Declaration and that, therefore, there are no Eligible Mortgagees of the Association as that term is defined in the original Declaration and that no consent by Eligible Mortgagees to this Supplement is necessary.

NOW, THEREFORE, the Association hereby amends all preceding Declarations with respect to the Property in their entirety so that this Supplement contains the complete enumeration of the terms of the Declaration of Covenants, Conditions and Restrictions with respect to the Property.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
OF THE EASTRIDGE OWNERS ASSOCIATION

A Planned Unit Development

I. DEFINITIONS

When used in this Declaration (including in that portion hereof entitled "Recitals") the following terms shall have the meanings indicated:

1. Articles or Articles of Incorporation shall mean and refer to the instrument entitled "Articles of Incorporation of the Eastridge Owners Association" which was filed for record in the office of the Utah Department of Commerce on May 3, 1990.

2. Association shall mean and refer to The Eastridge Owners Association, Inc., the Utah nonprofit corporation which was created by the filing of the Articles.

3. Board and Board of Trustees shall mean and refer to the group of persons known as "Trustees", who shall be vested with the management of the affairs of the corporation.

4. Common Areas or Common Areas and Facilities shall mean and refer to all portions of the Property owned by the Association for the common use and enjoyment of the Owners, and shall include:

(a) All portions of the Property not specifically included with the individual Lots.

(b) All Common Areas designated as such on the two Plats.

(c) All installations, equipment, and lines which serve more than one Lot, if any, now or hereafter located on, over, or under the Common Areas and/or the Lots and connected with or related to the furnishing of Project utility services such as water, sewage disposal, electricity, and telephone, and which are not owned by or dedicated to a governmental or quasi governmental authority or public or private utility company.

(d) The Private Streets within the Project.

5. Declaration shall mean and refer to this Declaration of Covenants, Conditions, and Restrictions, as the same may be modified, amended, supplemented, or expanded in accordance with law and the provisions hereof.

6. Living Unit shall mean and refer to a house, similar structure or portion of a structure located on a Lot which is designed and intended for human occupancy.

7. Lot shall mean and refer to any of the separately numbered and individually described parcels of land shown on the Plats and intended for private use and ownership.

8. Manmade Landscaping shall mean and include all lawns, trees, shrubbery, sprinkling systems, sidewalks, rearwalks, frontwalks, driveways and all impervious surfaces (except a Living Unit) provided or installed in the Project.

9. Member shall mean and refer to every person who holds membership in the Association. There shall be three (3) classes of Members as follows:

Class A Members. Class A Members shall be Owners who have a Living Unit on their Lot. For purposes of this Supplement, a Living Unit shall be considered in existence when a building permit or similar authorization to construct a Living Unit is obtained from the applicable local, county or state regulatory agency.

Class B Members. Class B Members shall be Owners who have not established a Living Unit on their Lot but have either: (1) established a connection with the Project's water lines; or, (2) are using water on their Lot through a connection from the Project's water lines from an adjoining Lot.

Class C Members. Class C Members shall be Owners who are not Class A Members or Class B Members.

10. Mortgage shall mean and include both a first mortgage on any Lot or a first deed of trust on any Lot.

11. Mortgagee shall mean and include both a mortgagee under a first mortgage on any Lot and a beneficiary under a first deed of trust on any Lot.

12. Natural Landscaping shall mean and include all hillsides and vegetation occurring naturally in the Project.

13. Owner shall mean and refer to the person who is the owner of record (in the office of the County Recorder of Salt Lake County, Utah) of a fee or an undivided fee interest in any Lot. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term Owner shall not mean or include a mortgagee or a 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.

14. Plats shall mean and refer to the following duly approved and recorded Plats:

(a) That certain Plat recorded May 24, 1985, in the office of the County Recorder of Salt Lake County, Utah, as Entry No. 4090347, entitled "The Cove On Mt. Olympus, a Planned Unit Development", prepared and certified to by

Patrick C. Alsup, a duly registered Utah Land Surveyor holding Certificate No. 4609, and consisting of one (1) sheet; and

(b) That certain Plat recorded September 4, 1985, in the office of the County Recorder of Salt Lake County, Utah, as Entry No. 4132812, entitled "Plat B, of The Cove on Mount Olympus, a Planned Unit Development," as executed by Patrick C. Alsup, a duly registered Utah Land Surveyor holding Certificate No. 4609, and consisting of one (1) sheet.

15. Private Street shall mean and refer to the Project's private street identified as "Mountain Lane", "Mountain Cove" and "Mountain Place", on the Plats.

16. Project shall mean and refer to The Cove on Mt. Olympus, a Planned Unit Development, as shown on the two Plats and governed by this Declaration.

17. Property shall mean and refer to the tract of real property described in Article II of this Declaration.

## II. PROPERTY DESCRIPTION

The Property which is initially to be held, transferred, sold, conveyed, and occupied subject to the provisions of this Declaration consists of the following-described real property situated in Salt Lake County, State of Utah:

See Exhibit "A" attached hereto and incorporated herein by this reference.

TOGETHER WITH all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant to, or accompanying the above-described parcel of real property.

EXCLUDING ALL presently existing or to be constructed or installed utility lines and related facilities which are now or hereafter owned by any governmental or quasi-governmental authority or by any public or private utility company.

### III. MEMBERSHIP AND VOTING RIGHTS

1. Membership. Every Owner shall be a member of the Association. No evidence of membership in the Association shall be necessary other than evidence of ownership of a Lot. Membership in the Association, shall be mandatory, shall be appurtenant to the Lot in which the Owner has the necessary interest, and shall not be separated from the Lot to which it appertains.

2. Voting Rights. The Association shall have the three following-described classes of voting membership:

Class A. Class A Members shall be entitled to four (4) votes for each Lot in which the interest required for Membership in the Association is held. Although each Lot may have multiple Owners, in no event shall more than four (4) Class A votes exist or be cast on the basis of a single Lot. All votes attributable to any single Lot must be cast in a single block. Which of the multiple Owners of a single Lot shall cast the votes on the basis of that Lot shall be determined under Section 3 of this Article III.

Class B. Class B Members shall be entitled to two (2) votes for each Lot in which the interest required for Membership in the Association is held. Although each Lot may have multiple Owners, in no event shall more than two (2) Class B votes exist or be cast on the basis of a single Lot. All votes attributable to any single Lot must be cast in a single block. Which of the multiple Owners of a single Lot shall cast the votes on the basis of that Lot shall be determined under Section 3 of this Article III.

Class C. Class C Members shall be entitled to one (1) vote for each Lot in which the interest required for Membership in the Association is held. Although each Lot may have multiple Owners, in no event shall more than one (1) Class C vote exist or be cast on the basis of a single Lot. All votes attributable to any single Lot must be cast in a single block. Which of the multiple Owners of a single Lot shall cast the votes on the basis of that Lot shall be determined under Section 3 of this Article III.

3. Multiple Ownership Interests. In the event there is more than one Owner of a particular Lot, the vote relating to such Lot shall be exercised as such Owners may determine among themselves. A vote cast at any Association meeting by any of such Owners, whether in person or by proxy, shall be conclusively

presumed to be the vote attributable to the Lot concerned unless an objection is immediately made by another Owner of the same Lot. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

4. Lists of Owners. The Association shall maintain up-to-date records for each class of Members showing: the name of each person who is an Owner, the address of such person, and the Lot which is owned by him. In the event of any transfer of a fee or undivided fee interest in a Lot, the transferrer shall furnish the Association with evidence establishing that the transfer has occurred and that the deed or other instrument accomplishing the transfer is of record in the office of the County Recorder of Salt Lake County, Utah. The Association may for all purposes act and rely on the information concerning Members, class membership, Owners and Lot ownership which is thus acquired by it, or at its option, the Association may act and rely on current ownership of Lot status information respecting any Lot or Lots which is obtained from the office of the County Recorder of Salt Lake County, Utah or any other local, county or state agency. The address of an Owner shall be deemed to be the address of the Lot owned by such person unless the Association is otherwise advised in writing.

#### IV. MEMBERS MEETINGS

1. Annual Meeting. The annual meeting of the Members shall be held during the month of April of each year on a day and at a place in time deemed appropriate and convenient by the Trustees. The purposes of the annual meeting shall be the election of Trustees and the transaction of such other business as may come before the Members. If election of Trustees is not held on the day designated herein for an annual meeting, the Board of Trustees shall cause such election to be held at a special meeting of the Members held as soon thereafter as is convenient.

2. Special meetings. A special meeting of the Members for any purpose or purposes may be called by the President, by the Board of Trustees, or by Members who, absent any objection under Article III, Section 3 hereof, would collectively be entitled to cast no fewer than one-third (1/3) of all Membership votes entitled to be voted at such meeting.

3. Place of Meeting. The Board of Trustees may designate any place within the State of Utah as the place for any annual meeting or for any special meeting called by the Board. If no designation is made, the place of meeting shall be the principal office of the Association.

4. Notice. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to all Members either personally or by mail at least ten (10) but not more than fifty (50) days prior to the meeting date. Such notice shall be deemed to have been furnished if mailed postage prepaid within the required time period to the person who appears as a Member, at the latest address for such person appearing in the records of the Association at the time of mailing.

5. Quorum Requirements. Except as otherwise provided in the herein (and then only for the action of the Association specifically so provided), the quorum required for any action by the Association shall be as follows: At the first meeting called, the presence of Members or of proxies entitled to cast fifty-one percent (51%) of all the votes of Members shall constitute a quorum. If a quorum is not present at the first meeting or subsequent meeting, another meeting may be called, subject to the notice requirements set forth in Section 4 of this Article, at which a quorum shall be one-half (1/2) of the quorum which was required at the immediately preceding meeting. No such subsequent meeting shall be held more than forty-five (45) days following the immediately preceding meeting.

6. Proxies. At any meeting of the Members a Member may vote by proxy executed in writing by the Member or his duly authorized attorney-in-fact. All proxies shall be filed with the Secretary of the Association before or at the time of the meeting. Unless otherwise provided therein, no proxy shall be valid after eleven (11) months from the date of its execution.

7. Necessary Vote. Except with respect to those proposals which, under the Declaration or by law, require a greater proportion for adoption, the affirmative vote of fifty-one percent (51%) of all votes which Members present in person or represented by proxy are entitled to cast at a meeting shall be sufficient for the adoption of any matter voted on by the Members.



V. PROPERTY RIGHTS IN COMMON AREAS

1. Easement of Enjoyment. Each Owner shall have a nonexclusive right and easement of use and enjoyment in and to the Common Areas. Such right and easement shall be appurtenant to and shall pass with title to each Lot and in no event shall be separated therefrom. Any Owner may delegate the right and easement of use and enjoyment described in this Section to any family member, household guest, tenant, lessee, contract purchaser, or other person who resides on such Owner's Lot.

2. Form for Conveyancing. Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering title to a Lot shall describe the interest or estate involved substantially as follows:

Lot No. \_\_\_\_\_ contained within The Cove on Mt. Olympus, a Planned Unit Development, as said Lot is identified on the Plats recorded in Salt Lake County, Utah in 1985, and identified in the "Declaration of Covenants, Conditions, and Restrictions of Eastridge Owners Association, a Planned Unit Development" recorded in Salt Lake County, Utah on \_\_\_\_\_, 1990, as Entry No. \_\_\_\_\_. in Book \_\_\_\_\_, at Page \_\_\_\_\_, TOGETHER WITH a nonexclusive right and easement of use and enjoyment in and to the Common Areas described, and as provided for, in said Plat and said Declaration of Covenants, Conditions, and Restrictions.

Whether or not the description employed in any such instrument is in the above-specified form, however, this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Lot. No right and easement of use and enjoyment to the Common Areas shall be separated from the Lot to which it appertains, and even though not specifically mentioned in the instrument of transfer, such nonexclusive right and easement of use and enjoyment to the Common Areas shall automatically accompany the transfer of the Lot to which it relates.

3. Limitation on Easement. A Member's nonexclusive right and easement of use and enjoyment concerning the Common Areas shall be subject to the following:

(a) The right of the Association to suspend a Member's voting rights and right to the use of the Common Areas (except the Private Streets shown on the Plats for access to his Lot) for any periods during which an assessment on such Member's Lot remains unpaid, or infraction of the provisions of this Declaration or of any rule or regulation promulgated by the Association;

(b) The right of the Association (without the consent of Owners, Members, Mortgagees, or any other persons or entities) to grant permits, licenses, and easements over, across, through, and under the Common Areas to any governmental or quasi-governmental authority, to any public or private utility company, or to any other person or entity for the purpose of installing, maintaining, or providing utilities and related facilities or roads for such other purposes reasonably necessary or useful for the proper maintenance or operation of the Project; and

(c) The right of Salt Lake County, any other governmental or quasi-governmental body having jurisdiction over the Property, and any private or public utility company serving the Project to access and rights of ingress and egress over, across, through, or under the Common Areas for purposes of providing police and fire protection, transporting school children, and providing any other governmental, municipal, or utility service to the Project.

4. Charges for Use of Common Areas. No leases, charges for use, rental agreements, licenses, or similar arrangements shall be employed or entered into with respect to any portion of the Common Areas and Facilities.

5. Access to Lots. Each Lot Owner's nonexclusive right and easement of use and enjoyment in and to the Common Areas shall include (without limitation) the right of ingress and egress to such Owner's Lot, which right shall be irrevocable, perpetual, and appurtenant to such Lot.

## VI. ASSESSMENTS

1. Personal Obligation and Lien for Assessments. Each Owner shall, by acquiring or in any way becoming vested with an

interest in a Lot, be deemed to covenant and agree to pay to the Association the annual and the special assessments described in this Article, together with the herein-after provided for interest and costs of collection. All such amounts shall be, constitute, and remain: (i) a charge and continuing lien upon the Lot with respect to which such assessment is made; and (ii) the personal obligation of each person who is an Owner 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 concerning the Common Areas or by abandonment of his Lot.

2. Purpose of Assessments. Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of residents of the Property. The use made by the Association of funds obtained from assessments may include payment of the cost of: taxes and insurance on the Common Areas; maintenance, operation, managements and supervision of the Common Areas; establishing and funding a reserve to cover major repair or replacement of improvements within the Common areas; utility services supplied to Lots, Living Units or Owners by the Association; and any expense necessary or desirable to enable the Association to perform or fulfill its obligations, functions, or purposes under this Declaration or the Articles of Incorporation. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of the Common Areas and Facilities.

3. Maximum Monthly Assessment. As of the date set for the commencement of monthly assessments under Section 6 of this Article VI, each Lot shall be subject to a monthly assessment of not more than One Hundred and no-100 Dollars (\$100.00). From and after May 1, 1991 the maximum monthly assessment may be increased so long as the increase is assented to by a majority of the votes which Members present in person or represented by proxy are entitled to cast at a meeting duly called for such purpose. Written notice setting forth the purpose of the meeting shall be sent to all Members at least ten (10) but not more than fifty (50) days prior to the meeting date. The Board of Trustees of the Association may from time to time and in its discretion set the amount of the monthly assessment at any sum not in excess of the then applicable maximum amount.

4. Special Assessments. From and after the date set for commencement of monthly assessments under Section 6 of this Article VI, the Association may levy special assessments for the purpose of defraying, in whole or in part; (i) any expense or

expenses not reasonably capable of being fully paid with funds generated by monthly assessments; or (ii) the cost of any construction, reconstruction, repair, or replacement of an improvement, personal property, or fixtures upon the Common Areas. Any such special assessment must be assented to by a majority of the votes which Members present in person or represented by proxy are entitled to cast at a meeting duly called for such purpose. Written notice setting forth the purpose of such meeting shall be sent to all Members at least ten (10) but not more than fifty (50) days prior to the meeting date.

5. Uniform Rate of Assessment. Both monthly and special assessments shall be fixed at a uniform rate for all Lots. Notwithstanding the foregoing provisions of this paragraph, Class A Members shall pay one hundred percent (100%) of any such uniform rate, Class B Members shall pay fifty percent (50%) of any such uniform rate and Class C Members shall pay twenty five percent (25%) of any such uniform rate. In addition, the terms of this paragraph shall not limit the Associations right to assess an individual Owner and Lot in connection with damages to Common Areas as provided in section 3 of Article VII of this Declaration.

6. Assessment Due Dates. At least fifteen (15) days prior to the effective date of any change in amount of any assessment, the Association shall give each Owner written notice of the amount and first due date of the assessment concerned. Each assessment shall be due and payable to the Association on the first day of the month to which such assessment applies.

7. Certificate Regarding Payment. Upon the request of any Owner, prospective purchaser, or encumbrancer of a Lot, the Association shall issue a certificate stating whether or not all assessments respecting such Lot are current and, if not, the amount of the delinquency. Such certificate shall be conclusive in favor of all persons (other than the Owner of the Lot concerned) who in good faith and for value rely thereon.

8. Effect of Nonpayment -- Remedies. Regardless of the terms of any agreement to the contrary, the liability of the Owners of a Lot for the payment of any assessment relating to such Lot shall be joint and several, and any remedy for the collection of such assessment may be enforced against any or all Owners of the Lot concerned; provided, however, that the personal obligation of an Owner to pay assessments shall not pass to his successors in title unless assumed by them. If any assessment is not paid within thirty (30) days after the date on

which it becomes delinquent, the amount thereof shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum (or, in the event such rate at any time exceeds the maximum legal limit, interest shall accrue at such maximum legal rate) and the Association may bring an action either against any or all Owners who are personally liable therefor or to foreclose the lien against the Lot; provided, however, that the Association shall give the Owner(s) concerned twenty (20) days advance written notice of its intent to pursue one or more of its remedies hereunder. Any relief obtained by the Association (whether or not through judicial action or by way of appeal) shall include reasonable attorneys' fees, court costs, and each and every other expense incurred by the Association in enforcing its rights. After institution of a foreclosure action by the Association against any Lot, the Association shall, without regard to the value of such Lot or the extent of the Owner's equity therein, be entitled to the appointment of a receiver to collect any income or rentals which may be produced by such Lot.

## VII. OPERATION AND MAINTENANCE

1. Operation and Maintenance by Association. The Association shall provide for such maintenance and operation of the Common Areas (including without limitation, utility lines and facilities owned or used by the Association or which serve more than one Lot) and the Natural and Manmade Landscaping on the Common Areas, as may be reasonably necessary or desirable to make the Common Areas appropriately usable in conjunction with the Lots and Living Units and to keep the Common Areas clean, functional, attractive, and generally in good condition and repair. Included in such obligation to maintain and operate the Common Areas are the obligations to provide or cause to be provided garbage collection and snow removal services, to maintain street and other signs and lights located on the Common Areas, to maintain the Private Streets and to provide revegetation of the Common Areas. The Manmade and Natural Landscaping on each Lot and the Living Unit on each Lot shall be maintained by the Owner thereof as set forth in Section 2 of this Article VII. In recognition of the flood control requirements of Salt Lake County, the Association shall maintain all storm water runoff and drainage structures and facilities located in the Project, if any, including all manmade retention ponds, swales, swale flairs, bridges, pipes, check drains, spillways and culverts. Said maintenance shall include all means necessary to prevent said areas and structures from holding or controlling less storm water runoff than the quantity for which they were

designed. The Association, and not the Lot Owner, shall be responsible to pay for water services (including, without limitation, both hook-up and installation fees and periodic charges) provided for Natural or Manmade Landscaping on the Common Areas. The Association may, at its option, provide utility services to any Lot and require the Owner of such Lot to pay for any such utilities services (including, without limitation, both hookup and installation fees and periodic charges) which are separately metered, billed and charged to such Lot and such fees shall constitute an assessment under Article VI of this Declaration. If any question arises concerning the obligation as between the Association or the Owners to pay for any maintenance or operation charge or expense, the Association shall have the sole authority to determine responsibility for payment of such charge or expense.

2. Maintenance by Owners. Each Lot, the Natural and Manmade Landscaping thereon, and each Living Unit shall be maintained by the Owner thereof in a clean and orderly condition and in such condition as does not detract from the appearance of the Property and as does not affect adversely the value or use of any other Lot, Living Unit, or the Common Areas. The Association shall have no obligation regarding maintenance or care of any Lot or the Natural or Manmade Landscaping thereon, or any Living Unit. The Owner of each Lot and Living Unit, and not the Association, shall in every event be responsible for the maintenance, repair and/or replacement of all Natural or Manmade Landscaping, impervious surfaces, balconies, decks, patios, porches, spas, or other similar structures or facilities located on such Lot. Each Lot Owner, and not the Association, shall be responsible to pay for utility services (including, without limitation, both hookup and installation fees and periodic charges) which are separately charged, billed and/or metered to his Lot by governmental or quasi-governmental authorities or by public or private utility companies. In the event the Association provides utility services to any Lot, the Owner of such Lot shall pay the Association reasonable hookup and use fees for utility services separately metered and provided to his Lot by the Association and such fees shall constitute an assessment against such Lot and Owner for the purposes of Article VI hereof.

3. Damage by Owners. In the event an Owner, the Owner's agent or independent contractor, causes damage to the Common Areas, Facilities or Private Streets, that Owner shall be responsible for the repair and/or the replacement of the damaged Common Area, Facility or Private Street. In the event the Owner fails or refuses to remedy such damages, the Association may undertake such repairs and/or replacements and may assess the

costs of such repairs and/or replacements against the Owner responsible for the damage. Such assessment may be made a lien against the Owner's Lots and the Association shall have the right to pursue and collect damages, cost and attorneys fees in accordance with Article XII, section 1 of this Declaration.

4. Professional Management. If approval for professional management is obtained pursuant to Paragraph (b) of Section 5 of Article XII hereof, the Association shall carry out through a professional manager those of its functions which are properly the subject of delegation. The professional manager so engaged shall be an independent contractor and not an agent or employee of the Association, shall be responsible for managing the Project for the benefit of the Association and the Owners, and shall, to the extent permitted by law and by the terms of the agreement with the Association, be authorized to perform any of the functions or acts required or permitted to be performed by the Association itself.

5. Association Access to Lots. The Association shall have an irrevocable right of access to each Lot to make emergency repairs and to do other work reasonably necessary or useful for the proper maintenance or operation of the Project.

#### VIII. USE AND BUILDING RESTRICTIONS

1. Use of Common Areas. The Common Areas shall be used only in a manner consistent with their community nature and with the use restrictions contained herein. No automobile or other vehicle shall be parked at any location within the Project which impairs or tends to impair vehicular or pedestrian access within the Project or to and from its various parts. The Common Areas may be used only for hiking, jogging, picnicking, and other outdoor recreational or agricultural uses consistent with the undisturbed natural state of the Common Areas. Motorcycling, snowmobiling, horseback riding and camping are not permitted at any time within the Common Areas.

2. Use of Lots and Living Units. All Lots and Living Units are restricted to use as single-family residential housing; provided, however, that a portion of a Living Unit can be used as a maid or servant's quarters. A portion of a Living Unit can be used to conduct a business or profession if: (i) such use is approved by all appropriate governmental and quasi-governmental bodies that have jurisdiction over such matters; (ii) such use is approved by the Architectural Committee (as said Committee is provided for hereafter); (iii) such use is approved by the

Association; and (iv) such use is of a type traditionally conducted in a single-family residence. Under no circumstances shall a Lot or Living Unit be used for other than a single-family residence. No Lot or Living Unit shall be used, occupied, or altered in violation of law, so as to detract from the appearance or value of any other Lot, Living Unit, or the Common Areas, so as to create a nuisance or interfere with the rights of any Owner, or in a way which would result in an increase in the cost of any insurance covering the Common Areas. No aluminum foil, newspapers, or other similar materials may be used to cover the windows in any Living Unit or other structure.

3. Recreational Vehicles. Boats, trailers, and campers shall be parked only within the Lot of the Owner concerned. When parked within a Lot for more than 48 hours, such boats, trailers, campers and similar vehicles shall be kept in an enclosed structure or appropriately screened from view in accordance with rules and regulations which may be from time to time promulgated by the Association.

4. Animals. No animals other than small household pets (dogs and cats) shall be kept or allowed on any Lot or within any part of the Common Areas. Whenever a permitted animal is allowed to leave a Lot it shall be either on a leash or in a cage. No animals of any kind shall be raised, bred or kept for any commercial purpose. The Association shall promulgate any reasonable rules and regulations concerning the use of, or damages to, the Common Areas by animals and the liability of individual Owners for such damage.

5. Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon the Property and no odors shall be permitted to arise therefrom so as to render any part of the Property unsanitary or unsightly or which would be offensive or detrimental to any other part of the Property or to the occupants thereof. No noise or other nuisance shall be permitted to exist or operate upon any part of the Property so as to be offensive or detrimental to any other part of the Property or to the occupants thereof.

6. Unsightly Articles. No unsightly articles shall be permitted to remain on a Lot so as to be visible from any other Lot or the Common Areas. Refuse, garbage and trash shall be kept at all times in a covered, noiseless container, and, except on garbage collection day(s), any such container shall be kept within an enclosed structure or appropriately screened from view. No metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any Lot except within an



enclosed structure or when appropriately screened from view.

7. Signs. No sign of any kind shall be displayed to the public view without the approval of the Architectural Committee, except such signs of customary and reasonable dimensions as may be displayed on a Lot advertising a Lot or Living Unit for sale or lease. Display of any "for sale" or "for lease" sign more than two (2) feet by one and one-half (1½) feet shall require the prior written approval of the Architectural Committee. A residential identification sign for a Lot is permitted but should not exceed one (1) square foot in surface areas.

8. No Hazardous Activities. No activities shall be conducted on the Property and no improvements shall be constructed on the 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 the Property and no open fires shall be lighted or permitted on the Property except in a container barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace.

9. Motorbikes and Snowmobiles. All motorcycles, snowmobiles, trail bikes, three-wheel powered devices, automobile, and two or four-wheel drive recreational type vehicles are to be operated only on established streets and parking areas and are specifically prohibited from all other portions of the Common Areas.

10. Temporary and Other Structures. Structures of a temporary nature, trailers, basement houses, mobile homes, modular homes, prefabricated housing, tents, or shacks shall not be used at any time as a residence either temporarily or permanently, nor shall said structures be permitted on the Property at any time. No old or secondhand structures shall be moved onto any Lot, it being the intention hereof that all Living Units and other buildings erected on Lots or within the Property shall be new, permanent, on-site construction of good quality workmanship and materials.

11. Drainage. No Owner may interfere with the established drainage pattern over any part of the Project unless adequate provision is made for proper drainage and is approved in advance by the Architectural Committee.

12. Chimneys. All wood or coal burning chimneys shall be equipped with appropriate spark screens as approved by the Architectural Committee.

13. Trees. Native trees and timber shall not be removed from any Lot except as may be deemed necessary by the Architectural Committee for the construction of a Living Unit, other authorized structure, or necessary site development.

14. Storage Tanks and Utility Lines. All fuel tanks, water tanks, or similar storage facilities shall be constructed as an integral part of a Living Unit. All utility services, including but not limited to, phone lines, power lines, and water and sewer lines shall be located underground.

15. No Further Subdividing. No Lot or Common Areas may be further subdivided.

#### IX. ARCHITECTURAL CONTROL

1. Architectural Committee. The Board of Trustees of the Association shall appoint a three-member Committee, the function of which shall be to insure that all Living Units and other improvements within the Lots harmonize with existing surroundings and structures and comply with the requirements set forth in this Article IX (as said requirements may be supplemented in supplement(s) to this Declaration. The committee need not be composed of Owners. If such a Committee is not so appointed, the Board of Trustees of the Association itself shall perform the duties required of the Committee.

2. Standard. In deciding whether to approve or disapprove plans and specifications submitted to it the Committee shall use its best judgment to insure that all improvements and construction on Lots within the Property conform to and harmonize with existing surroundings and structures and comply with the requirements of this Declaration (as said requirements may be supplemented in supplement(s) to this Declaration). In furtherance of the Committee's functions set forth herein, the Committee may from time to time promulgate design guidelines clarifying or expanding upon the standards set forth in this Declaration.

3. Submission to Committee. No Living Unit, accessory or addition to a Living Unit, other structure or building, impervious surface, or fence shall be constructed or maintained, no change in structure or color on the exterior of any Living Unit, other structure, building, or fence shall be attempted or accomplished, and no grading or removal of natural vegetation shall occur, on a Lot unless approved in advance by the Architectural Committee.

4. Approval Procedure. Any plans and specifications submitted to the Committee shall be approved or disapproved by it in writing within thirty (30) days after compliance with the requirements of paragraph (a) through (e) of this Section or thirty (30) days after approval by all appropriate governmental and quasi-governmental authorities, whichever is later. In the event the Committee fails to take any action within such period it shall be deemed to have approved the material submitted. Approval is conditioned upon compliance with the following procedure:

(a) The Owner concerned signing a notice indicating that he has read and understood this Declaration.

(b) Unless otherwise waived by the Committee, the Owner concerned depositing with the Architectural Control Committee a Five Hundred Dollar (\$500.00) security deposit to insure compliance with the provisions of this Declaration. Two Hundred Fifty Dollars (\$250.00) of such deposit shall be refundable if all provisions of this Declaration are complied with through the completion of the Living Unit or other structure or building concerned. Two Hundred Fifty Dollars (\$250.00) of said deposit shall be retained by the Architectural Committee to reimburse it for plan approval costs. The amount of said security deposit and the amount to be retained by the Architectural Committee may be increased by the Board of Trustees of the Association without a vote of the Members or amending this Declaration.

(c) The Owner concerned submitting a site layout plan showing: (1) the proposed Living Unit or other structure or building as it will be situated on the Lot; (2) the extent of all cutting, filling, grading, and other excavation proposed in conjunction with construction of the proposed Living Unit and the landscaping of the Lot; (3) the pre-construction and post-construction slope of each portion of the Lot and drainage plan for disposition of storm water runoff from the Lot; (5) the relationship of the basement, above-ground floors, and roof to the original and finish grades of the particular Lot; (6) the location

and type of all natural vegetation on the Lot and a landscaping and revegetation plan for the areas to be disturbed during construction and landscaping; and (7) the location and design of any proposed fence on the Lot.

(d) The Owner concerned submitting a complete set of architectural plans, including (without limitation):

(1) A cross section of the proposed walls of the home indicating type of support, insulation, and exterior finish.

(2) One complete set of all exterior colors in the form of samples or color chips, with detailed information as to the location of the color, including brick, stone, and wood siding, roofing materials, etc.

5. Living Unit Size. The ground floor area of Living Units, exclusive of open porches and garages, shall not be less than 2000 square feet for a one story Living Unit or less than 1500 square feet for a Living Unit of more than one story. In so-called split-entry or bi-level Living Units, the ground floor shall be defined as only two levels and not all multiple levels combined. Each Lot containing a Living Unit shall also contain an attached or detached garage for no fewer than two (2) nor more than three (3) cars. A detached building used for a garage may contain maid or servants quarters.

6. Building Location. The following minimum yard requirements and other restrictions shall apply to all Living Units and accessory buildings:

(a) Front Yard. No building shall be located on any Lot nearer than ten (10) feet to the front Lot line.

(b) Side Yard. No buildings shall be located on any Lot nearer than five (5) feet to a one side Lot line.

(c) Rear Yard. No building shall be located on any Lot nearer than twenty (20) feet to the rear Lot line.

(d) Open Space. No building shall be located on any Lot nearer than five (5) feet to any portion of the Common Areas.

(e) Slope. No building shall be located on any portion of a Lot exceeding forty percent (40%) slope unless such location is approved both by all appropriate governmental and quasi-governmental bodies having jurisdiction over such matter and by the Committee.

(f) Natural Vegetation. All buildings shall be located so as to reasonably preserve a significant portion of existing trees and scrub oak.

7. Living Unit Design and Construction. In order to promote a harmonious community development and protect the character of the Project, the following design and construction guidelines will be complied with:

(a) Time of Construction. Construction of a Living Unit shall be completed within one (1) year of the time such construction is commenced.

(b) Styles. Living Unit styles, designs, alterations or additions will conform to standards determined by the Architectural Committee.

(c) Exterior Walls. Exterior construction materials will be limited to stone or stone veneer, cement, stucco, brick or brick veneer, or wood, and shall be in colors approved by the Committee.

(d) Roofs. All Living Unit roofs shall be of shake, tile or asphalt shingle construction.

(e) Related Improvements. Location of all storage, utility, or accessory buildings shall be to the rear of the Living Unit on the Lot concerned. No television, radio or like antennas, satellite dishes, or disks shall be visible from a Private Street.

(f) Lighting. Any outdoor lighting other than street lights shall be so arranged as to reflect light away from adjacent Lots and away from the vision of passing motorists.

(g) Landscaping. The manicured yard of each Lot

shall be fully landscaped within one (1) year from occupancy of the Living Unit on said Lot.

The Architectural Committee shall have the discretionary right to change or eliminate the time of construction, style, exterior wall, roof, related improvement, lighting and landscaping requirements for the purpose of enhancing harmonious community development and protecting or enhancing the aesthetic quality and character of the Project.

8. Fences. No fences within the Project shall be allowed without the prior written approval of the Committee.

9. No Liability for Damages. The Committee and the Association shall not be held liable for damages by reason of any action, inaction, approval, or disapproval by the Committee or the Association with respect to any request made pursuant to this Article IX.

10. County Approval. No Living Unit, accessory or addition to a Living Unit, other structure or building shall be constructed or maintained, and no grading or removal of natural vegetation or change in natural or approved drainage patterns shall occur, on a Lot until a permit or written approval therefor is obtained from Salt Lake County; provided, however, that the granting of a permit or approval by the County with respect to any matter shall not bind or otherwise affect the power of the Committee to refuse to approve any such matter.

12. Compensation. The Committee shall serve without salary or other compensation but shall be entitled to reimbursement for out-of-pocket expenses reasonably incurred on behalf and for the benefit of the Association or Committee.

#### X. ASSOCIATION INSURANCE

1. Insurance. The Association shall acquire and maintain insurance against insurable hazards in amounts which reasonably protect the Association and the Owners from loss and/or liability arising from the hazards insured against, including any property owned and utilized by the Association in connection with the Common Areas. Such insurance coverage may be written in the name of, and the proceeds thereof payable to the Association, as the Trustee for the Owners. Such insurance may include, but is not limited to fire insurance, comprehensive liability insurance and Worker's Compensation Insurance. Premiums for insurance carried

by the Association shall be a common expense included in the assessments or charges made by the Association. The Association shall notify the Owners in writing of the type and amount of any such insurance secured by it and shall immediately advise the Owners in writing of any changes made with respect thereto.

2. Fidelity Bonds. The Association shall at all times maintain in force and pay the premiums for blanket fidelity bonds for all officers, trustees, members, and employees of the Association and for all other persons handling or responsible for funds of or administered by the Association. Furthermore, where the Association has delegated some or all of the responsibility for the handling of funds to a management agent, such bonds are required for the management agent's officers, directors, employees, and agents handling or responsible for funds of, or administered on behalf of, the Association. The total amount of fidelity bond coverage required shall be based upon best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. Nevertheless, in no event may the amount of such bonds be less than a sum equal to three months' aggregate assessments on all Lots plus reserve funds. The bonds required shall meet the following additional requirements: (1) the fidelity bonds shall name the Association as obligee; (2) the bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions; (3) the premiums on all bonds required herein for the Association (except for premiums on fidelity bonds maintained by a management agent for its officers, directors, employees, and agents) shall be paid by the Association as a common expense; and (4) the bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days' prior written notice to the Association.

#### XI. DESTRUCTION OR CONDEMNATION OF COMMON AREAS

1. Replacement or Repair of Property. Damaged or destroyed Common Areas and Facilities, or the property of the Association used in connection with the Common Areas and Facilities, shall be repaired or replaced by the Association utilizing insurance proceeds therefor. In the event there are no insurance proceeds or the insurance proceeds are insufficient to cover the cost of repair or replacement of the property damaged or destroyed, the Association may make a special assessment under

Section 4 of Article VI to cover such cost. In the event the Owners fail to approve an assessment for such repair or replacement, the Association shall not be required to make such repair or replacement at its expense.

2. Authority of Association to Represent Owners in Condemnation or to Restore. The Association, as attorney-in-fact for each Owner, shall represent all of the Owners and the Association in any condemnation proceeding or in negotiations, settlements, and agreements with the condemning authority for the acquisition of all or any part of the Common Areas and Facilities. The award in any condemnation proceeding, the proceeds of any settlement related thereto, and the proceeds of any insurance on the Common Areas shall be payable to the Association for the use and benefit of the Lot Owners and their Mortgagees as their interests may appear. The Association, as attorney-in-fact for each Owner, shall have and is hereby granted full power and authority to restore the Common Areas whenever Restoration is undertaken. Such authority shall include the right and power to enter into any contracts, deeds, or other instruments which may be necessary or appropriate.

## XII. MISCELLANEOUS

1. Enforcement. The Association, and any aggrieved Lot Owner shall have a right of action either, at law or in equity, against the Association, or any Lot Owner for any failure by such person or entity to comply with this Declaration, the Plats, the Articles, or the provisions of any rules, regulations, agreements, instruments, supplements, amendments, or determinations contemplated by this Declaration, the Plats, or the Articles, and shall be entitled to recover attorneys fees and costs in any action if deemed a prevailing party. Failure by the Association, or any Lot Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

2. Notices. Any notice required or permitted to be given to any Owner or Member under the provisions of this Declaration or the Articles shall be deemed to have been properly furnished if mailed postage prepaid to the person or entity which appears as the Owner of the Lot or Mortgage concerned, at the latest address for such person or entity appearing, in the applicable lists of the Association at the time of mailing.

3. Rules and Regulations. The Association shall have authority to promulgate and enforce such reasonable rules,



regulations, and procedures as any be necessary or desirable to aid the Association in carrying out any of its functions or to insure that the Property is maintained and used in a manner consistent with the interests of the Owners.

4. Unanimous Written Consent in Lieu of Vote. In any case in which the Declaration required for authorization or approval of a transaction or matter the assent or affirmative vote of a stated percentage of the votes of the Association, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from every Member entitled to cast a vote. The following additional provisions shall govern any application of this Section 4:

(a) All necessary consents must be obtained prior to the expiration of one hundred eighty (180) days after the first consent is given by any Member.

(b) Any change in ownership of a Lot which occurs after consent has been obtained from the Member having an interest therein shall not be considered or taken into account for any purpose.

5. Amendment. Except as provided in and/or subject to the terms of items (a) through (b) below, a majority of the votes which Members present in person or represented by proxy are entitled to cast at a meeting of the Members of the Association shall be required and shall be sufficient to amend this Declaration, the Plats, or the Articles. Written notice setting forth the purpose of such meeting and the substance of the proposed amendment shall be sent to all Members at least ten (10) but not more than fifty (50) days prior to the meeting date. The quorum required at such meeting shall be as set forth in Section 5 of Article IV of this Declaration. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Association. In such instrument the Association shall certify that the vote required by this Section for amendment has occurred. The foregoing right of amendment shall, however, be subject to the following:

(a) The vote of at least sixty-seven percent (67%) of the total votes in the Association shall be required to any amendment which would terminate the legal status of the Project as a planned unit development.

(b) The vote of at least sixty-seven percent (67%) of the total votes in the Association shall be

required to add to or amend any material provision of this Declaration, Plats, or the Articles which establishes, provides for, governs, or regulates any of the following: (i) voting; (ii) assessments, assessment liens, or subordination of liens; (iii) reserves for maintenance, repair, and replacement of the Common Areas and Facilities; (iv) insurance of fidelity bonds; (v) rights to use the Common Areas and Facilities; (vi) responsibility for maintenance and repair of the several portions of the Project; (vii) expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project; (viii) the boundaries of any Lot; (ix) the interest in the Common Areas and Facilities; (x) convertibility of Lots into Common Areas or of Common Areas into Lots; (xi) leasing of Lots or Living Units; (xii) imposition of any rights of first refusal or similar restrictions on the right of a Lot Owner to sell, transfer, or otherwise convey his or her Lot; and, (xiii) the requirement that the Project be professionally managed rather than self-managed. An addition or amendment shall not be considered material for purposes of this Paragraph (b) if it is for the purpose of correcting technical errors, or for clarification only.

The vote and consent requirements set forth in the foregoing Paragraph (b) of this Section shall not be applicable to additions or amendments to this Declaration, the Plats, or the Articles which implement a decision concerning whether or not restoration of the Common Areas should be undertaken or concerning the nature of such restoration in the event of destruction or condemnation. In addition, the granting by the Association of any permit, license or easement for utility or similar purposes pursuant to the right and authority of the Association set forth in Paragraph (b) of Section 3 of Article V hereof shall not require an addition or amendment to this Declaration, the Plats, or the Articles and shall not be restricted in any way by the provisions and requirements of this Section 5.

6. Mortgagee Protection. The lien or claim against a Lot for unpaid assessments or charges levied by the Association pursuant to this Declaration shall be subordinate to any Mortgage recorded on or before the date such assessments or charges become due. In the event that the State of Utah should enact the Uniform Planned Community Act or any other statute applicable to planned unit developments with a provision that would allow such

assessments or charges to survive foreclosure or exercise of a power of sale, all such assessments or charges shall after the date of such enactment be made due and payable to the Association on a monthly basis and the lien for any attorneys fees, late charges, fines, or interest that may be levied by the Association in connection with such unpaid assessments or charges shall be deemed subordinate to the Mortgage on the Lot upon which such assessment or charges are levied.

The lien or claim against a Lot for such unpaid assessments or charges shall not be affected by any sale or transfer of such Lot. Any unpaid assessments or charges may be reallocated and assessed to all Lots as common expenses of the Association. Any such sale or transfer pursuant to a foreclosure or power of sale shall not relieve the purchaser or transferee of such Lot from liability for, nor such Lot from the lien of, any assessments or charges becoming due thereafter.

The Association shall make available to Lot Owners, to lenders, and to holders, insurers, or guarantors of any Mortgage current copies of this Declaration, the Plats, the Articles, any rules concerning the Project, and the books, records, and financial statements of the Association. "Available," as used in this Paragraph, shall mean available for inspection upon request during normal business hours or under other reasonable circumstances.

The right of a Lot Owner to sell, transfer, or otherwise convey his or her Lot shall not be subject to any right of first refusal or similar restriction.

All leases or rental agreements for Lots shall be in writing and specifically subject to the provisions, restrictions and requirements of this Declaration, the Plats, and the Articles. No Lot or Living Unit may be leased or rented for a period of less than thirty (30) days. The Association shall not create or enforce any other restriction relating to the term of a lease or rental agreement of any Lot or Living Unit in the Project.

7. Indemnification.

(a) The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the

fact that he is or was a Trustee or officer of the Association against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, if he acted in good faith and in a manner he believed to be in and not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by an adverse judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he believed to be in and not opposed to the best interest of the Association and, with respect to any criminal action or proceeding, shall not, of itself, create a presumption that the person had reasonable cause to believe that his conduct was unlawful.

(b) The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that said person is or was a Trustee or officer of the Association against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he believed to be in and not opposed to the best interests of the Association; provided, however, that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for gross negligence or misconduct in the performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses which such court shall deem proper.

(c) The following provisions shall govern and apply to the right of indemnification set forth in this Section 7:

(i) Any person seeking indemnification from the Association under Paragraph (a) of this Section as a result of being made a party to any action, suit, or proceeding shall, within a reasonable time and before taking any 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 Sub-paragraph (i) shall bar any claim of such person for indemnification by the Association.

(ii) To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Paragraph (a) or (b) of this Section, or in defense of any claim, issue, or other matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith. Any other indemnification under Paragraph (a) and (b) shall be made by the Association only upon a determination that indemnification of the person is proper in the circumstances because he has met the applicable standard of conduct set forth respectively in Paragraph (a) or (b). 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 at least a majority of the total votes of the Association at any meeting duly called for such purposes.

(iii) Expenses incurred in defending a civil or criminal action, suit, or proceeding as contemplated in Paragraphs (a) and (b) may be paid by the Association in advance of the final disposition of such

action, suit or proceeding upon a determination by the Board of Trustees of the Association by the affirmative vote of at least a majority of the disinterested Trustees and upon receipt of an undertaking by or on behalf of the person to repay such amount or amounts unless it ultimately be determined that he is entitled to be indemnified by the Association as authorized by Paragraphs (a) and (b).

(iv) The indemnification provided for by Paragraphs (a) and (b) shall not be deemed exclusive of any other rights to which those persons indemnified may be entitled under any agreements, by a vote of disinterested Members or Trustees, or otherwise, as to action in such persons' official capacity. The indemnification authorized by Paragraphs (a) and (b) shall apply to all present and future Trustees and officers of the Associations and shall continue as to such persons who cease to be Trustees or officers of the Association and shall inure to the benefit of the heirs and personal representatives of all such persons and shall be in addition to all other rights to which such persons may be entitled as a matter of law.

(v) The Association may purchase and maintain insurance on behalf of any person who was or is a Trustee or officer of the Association against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, whether to indemnify him against such liability under the laws of the State of Utah, and the same may hereafter be amended or modified.

8. Protection of Storm Water Retention Areas and Structures. Owners or Mortgagees shall not have the authority to change, by any vote, or by alienation, transfer, sale, or otherwise, the use of currently existing areas and structures, or if no such areas or structures currently exist, areas and structures which may hereafter be, designed to control or retain

storm water runoff unless the consent of the Flood Control Division of Salt Lake County has first been obtained in writing.

9. Right of Salt Lake County to Enforce this Declaration. Salt Lake County is hereby made a party to the covenants established by this Declaration for the sole purpose of protecting and preserving the use of the storm water retention areas and structures in the Project by enforcing the provisions of this Declaration related thereto. Said county shall not be a Member and shall have no vote.

10. Interpretation. The captions which precede the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both other genders. This invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof.

11. Covenants to Run with Land. This Declaration and all the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be and shall be binding upon and shall inure to the benefit of all parties who hereafter acquire any interest in a Lot or in the Common Areas, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. Each Owner or occupant of a Lot or Living Unit shall comply with, and all interests in all Lots and in Common Areas shall be subject to, the terms of this Declaration and the provisions of any rules, regulations, agreements, instruments, amendments, and determinations contemplated by this Declaration. By acquiring any interest in a Lot or in the Common Areas, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

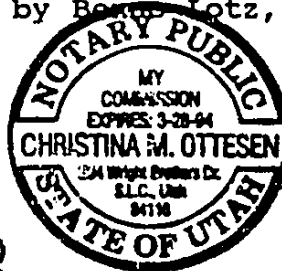
12. Effective Date. This Declaration, any amendment or supplement hereto, and any amendment to the Flat shall take affect upon its being filed for recording in the Office of the County Recorder of Salt Lake County, Utah.

VERIFIED on this 20th day of June, 1990.

Bernard A. Lotz  
President  
Sallee Middlekauf  
Secretary

STATE OF UTAH )  
 ) ss.  
COUNTY OF )

The foregoing instrument was acknowledged before me this \_ day of June, 1990, by Bernard Lotz, President of Eastridge Owners Association.



Christina M. Ottesen  
Notary Public  
My Commission Expires: 3-28-94

STATE OF UTAH )  
 ) ss.  
COUNTY OF )

The foregoing instrument was acknowledged before me this \_ day of June, 1990, by Sallee Middlekauf, Secretary of Eastridge Owners Association.

Johnna Freeman  
Notary Public

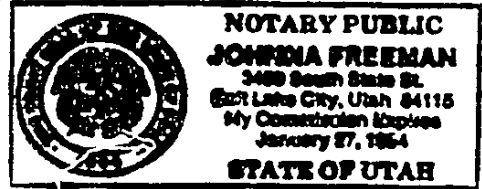




EXHIBIT "A"  
TO  
DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
THE EASTRIDGE OWNERS ASSOCIATION  
A Planned Unit Development

The following-described real property situated in Salt Lake County, State of Utah:

Beginning on the west corner of Oakcliff Park No. 2 Subdivision according to the official plat on file with the Salt Lake County Recorder at a point which lies 226.46 feet south 800.40 feet east from the north quarter corner of Section 11, T. 2 S., R. 1 E., Salt Lake Base and Meridian; said point being on a 100.00 foot radius curve to the right; and running thence along the arc of said 100.00 foot radius curve to the right 79.97 feet (long chord bears S. 2°05'30" E., 77.85 feet); to the point of curvature of a 150.00 foot radius curve to the left; thence along the arc of said 150.00 foot radius curve to the left 236.45 feet (long chord bears S. 24°20'30" E., 212.72 feet); thence S. 20°30' W., 78.00 feet; thence S. 57°30' E., 66.66 feet; thence S. 7°30' E., 122.01 feet; thence S. 82°30'00" W., 117.72 feet; thence W. 37°00' E., 131.26 feet; thence N. 85°51'00" W., 148.69 feet; thence N. 4°09' E., 438.00 feet; thence N. 37°00' E., 131.26 feet to a point of curvature of a 20.00 foot radius curve to the right; thence along the arc of said 20.00 foot radius curve to the right 41.39 feet (long chord bears S. 84°00'00" E., 34.29 feet); thence S. 25°00' E., 34.43 feet to the point of beginning.

LESS AND EXCEPTING THE FOLLOWING:

Beginning 40 rods South from the Northeast corner of the Southwest Quarter of the Northeast Quarter of Section 11, T2S, R1E, Salt Lake Base and Meridian at a point which lies 1,999.94 feet South and 1,332.72 feet East, more or less, from the North quarter corner of said Section 11; and running thence N. 88°16'12" W., 250.00 feet; thence N. 0°09'00" W. 500.00 feet; thence S. 88°16'12" E., 250 feet; thence S. 0°09'00" E., 500 feet to the point of beginning.

Covenant