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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
NORMANDY LANE SUBDIVISION

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**DECLARATION OF
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FOR
NORMANDY LANE SUBDIVISION**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration") is made and executed by the undersigned property owner effective as of the 15th day of November, 1996 (hereinafter the "Declarant").

RECITALS:

WHEREAS, Declarant is the sole owner of certain real property together with associated improvements more specifically described upon Exhibit "A" attached hereto and incorporated herein by reference (the "Property") located in Salt Lake County, State of Utah.

WHEREAS, Declarant has subdivided and improved the Property for residential use. In conjunction with such development the Declarant has recorded a subdivision plat with the Salt Lake County Recorders Office as in Book 96-9P, Page 313 (the "Plat") thereby creating seven (7) lots (the "Lots") and now desires to submit the Property to the restrictions and encumbrances set forth in this Declaration, as amended from time to time.

WHEREAS, The covenants, conditions and restrictions contained in this Declaration and in the exhibits hereto shall be enforceable equitable servitudes and shall run with the land.

WHEREAS, Declarant has deemed it desirable for the efficient preservation of the values and amenities relative to the subdivision to create a Home Owners Association (the "Association") which will be assigned and delegated the powers of maintaining and administering various aspects of the Subdivision and enforcing the covenants and restrictions within this Declaration.

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

1 Dedication.

1.1 Declarant, by the filing and recordation of this Declaration, and the Plat, submits the Property and the buildings and improvements to be constructed thereon to the provisions of this Declaration. Declarant desires and intends to sell fee title to each Lot within the Subdivision, as well as an interest in the Association to future residential owners of the Property (the "Owners"). All of the Property shall be subject to the covenants, limitations and restrictions contained herein.

1.2 The administration of the Association and the Property shall be governed by Articles of Incorporation and Bylaws which are embodied in separate instruments. The Declarant shall make available to Owners, lenders and mortgagees copies of the Declaration, Articles of Incorporation and Bylaws of the Association and any other books, records, rules and regulations, as well as copies of financial reports for the Association, as prepared. All terms used in this Declaration and the Articles of Incorporation and Bylaws shall have the same definition as provided herein unless the context or other statutory regulation shall require otherwise.

1.3 The Association does not own, nor shall it be conveyed any interest in the Property. There are no common areas, limited common areas or facilities within the Subdivision. The easements, right of ways, roadways, limitations and restrictions created hereunder shall be automatically granted and reserved for the benefit and burden of the respective Lots upon the Declarant's initial conveyance of a Lot to an Owner without further notification or recordation except as provided herein. The acceptance of the terms and conditions of this Declaration shall be a condition of ownership of a Lot.

2 **Definitions.** The terms used herein shall have the following meanings.

2.1 The "Home Owners Association" or the "Association" shall mean and refer to the Normandy Lane Homeowners Association, a nonprofit corporation. The Association is charged with and shall have the responsibility and authority to make and to enforce all the reasonable rules and regulations for the operation and maintenance of the Subdivision.

2.2 "Common Expenses" shall mean and refer to all expenses of administration, insurance, maintenance, repair or replacement incurred by the Association in fulfilling its responsibilities under this Declaration including an adequate reserve fund for items that must be replaced on a periodic basis and such other expenses incurred pursuant to agreements lawfully made and/or entered into by the Association.

2.3 The "Declarant" is Olsen ^{Traditional} ~~Traditional~~ ^{MOV} Homes, Inc., a Utah corporation, which has made this Declaration and/or any successor to or assignee of the Declarant which, either by operation of law or through a voluntary conveyance, transfer or assignment, comes to stand in the same relation to the Subdivision as did its predecessor.

2.4 The "Expansion Property" is that certain real property which may be subsequently included as part of the Subdivision which is located directly adjacent to the Property and is more specifically identified upon Exhibit "B" of this Declaration.

2.5 The "Option Parcel" is that certain real property currently within Lot 7 upon the Plat and which generally lies directly south of the private street entitled Normandywoods Court upon the Plat which must be combined with the Expansion Property to satisfy governmental zoning requires for the development thereof.

2.6 An "Owner" shall mean the entity, person or persons including contract sellers owning a Lot within the Subdivision. An Owner shall not include a mortgagee or a beneficiary or trustee

under a deed of trust unless and until such a party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

2.7 The "Roadway" is that certain parcel of real property, as more specifically set forth upon Exhibit "C" of this Declaration which will be known as Normandywoods Court upon the Plat and that shall be used for common access to the Lots within the Subdivision. For purposes of the Association's upkeep and maintenance responsibilities as provided herein, the "Roadway" shall include landscape trees surrounding the actual Roadway, the Entrance and Gateway (including opening mechanism) located at the southeast corner of the Subdivision, regardless of fee ownership and the Option Parcel. The Roadway will be enlarged in the event the Expansion Property is annexed into the Subdivision.

2.8 The "Subdivision" shall mean and refer to the entire residential development which is created and covered by the Plat as amended from time to time.

3 **Construction Requirements.** No home, building, residence or other structure including associated landscaping and other improvements (collectively, a "Structure") shall be constructed, altered or modified upon a Lot within the Subdivision except in strict compliance with the following requirements.

3.1 The construction, modification, alteration or replacement of any Structure shall not commence until complete plans and specifications thereof shall have been first submitted and improved by the Architectural Control Committee pursuant to Article 13 hereof.

3.2 No building shall be constructed within forty (40) feet of the Roadway as measured from the top of the adjacent curb.

3.3 No building shall be constructed within the lesser of: (i) fifteen (15) feet of a side boundary line of a Lot; or (ii) 10 feet of the side boundary line if the dwelling or building located on the adjacent Lot is in excess of thirty-seven (37) feet from the side of the proposed building. For purposes of this covenant, eaves, steps and open porches shall be considered as part of the building.

3.4 Exterior building surfaces, exclusive of windows and roofs, shall be finished with brick or rock covering 90% of the exterior surface. Chimneys shall only be constructed of brick or other masonry materials or copper. Exposed metal flues are not acceptable with the exception of copper. All exterior building materials, colors and textures must be approved by the Architectural Control Committee prior to installation or replacement.

3.5 No home or residence constructed upon a Lot shall be smaller than 3,200 square feet nor larger than 8,000 square feet, in each instance exclusive of basement area, as determined by the Architectural Control Committee. Multiple story dwellings shall have a minimum of 2,000 square feet on the main floor. No home or dwelling shall have a vertical height of less than twenty-five (25) feet as measured from average, existing grade to the mid-plane of the roof. The roof pitch must be 10/12 or greater. Outbuildings shall not be subject to, nor credited against the square footage requirements of this paragraph.

3.6 Side yard fences shall be constructed to match the existing backyard masonry fences upon the Property or shall be constructed of wrought iron. No side yard fence shall extend to within fifty (50) feet of the Roadway as measured back from the top of the curb. Fences running between the side boundary fence and a Structure which are otherwise generally perpendicular to the Roadway shall be made of wrought iron.

3.7 Landscaping along the side yard boundary line within thirty (30) feet of the Roadway, as measured from the top of the curb, shall consist exclusively of a grass strip at least 5 feet in width. No flower beds, shrubs, driveway or other ornamental decoration shall be constructed or installed: i) within five (5) feet of a side boundary line; and ii) within thirty (30) feet of the Roadway.

3.8 All driveways, walkways, porches and patios shall be constructed of brick or stamped, colored concrete and approved by the Architectural Control Committee.

3.9 Garages must be fully enclosed, accommodate a minimum of two cars, and be equipped with an automatic garage door opener. Homes and garages shall be constructed so that the garage doors do not face the Roadway.

3.10 Pools, spas, fountains and gamecourts shall be located to avoid impacting adjacent properties with other than minimal light or sound. No game court shall be located in front or side yards. Pool heaters and pumps must be screened from view and sound insulated from neighboring houses.

4 Use Restrictions. No portion of the Property, or a Lot therein shall be used except in strict compliance with the following requirements.

4.1 All Lots shall be restricted to residential purposes only. However Owners may conduct a home business, provided; i) all materials, inventory and equipment utilized in the business are stored or housed inside the dwelling or outbuilding and concealed from sight; ii) no outdoor signs are displayed relative to the business; iii) no more than four (4) business guests, employees or invitees shall come to the Lot on any day and all business guests and employees shall park their vehicle's on the Lot's driveway as opposed to the Roadway; and, iv) No Structure shall be used or occupied, nor shall anything be stored on the Lot that would cause a nuisance or hazardous condition for the other Owners within the Subdivision.

4.2 No overnight parking of any vehicle shall be allowed on the Roadway. No vehicle of any type may be parked on any driveway or other exterior portion of any Lot, exclusive of the Roadway, for more than 72 hours. Boats, trailers, large trucks and other recreational vehicles may be stored upon a Lot provided they are kept within an enclosed garage or outbuilding. Except for emergency repairs, no motor vehicles of any kind shall be repaired, constructed or reconstructed upon any Lot or the Roadway except within an enclosed garage.

4.3 An Owner shall keep his Lot and associated Structures clean and sightly at all times and shall not use his yard, patio and/or balcony for storage except with the express written approval of the Association.

4.4 Without the prior written consent of the Association or its designee, an Owner shall not permit anything to be done or kept in his Lot that would result in an increase in the cost or cancellation of insurance on all or a portion of the Property, or that would be in violation of any governmental law, ordinance, or regulation.

4.5 No animals other than household pets shall be kept or allowed on any Lot. All pets shall be kept inside the dwelling or in a fenced in area located in the backyard of the dwelling. Otherwise, all pets shall be kept on a leash or in a cage. No animals may be bred for commercial purposes. No pet shall be allowed to make an unreasonable amount of noise, emit offensive odors, become a nuisance or pose a health or safety threat to the Owners of the Subdivision and their family members and guests. The exterior structure for the care, housing or confinement of any pet shall be maintained by the Owner and approved by the Architectural Control Committee and shall be located in the garage or backyard of the Lot. Any Owner or resident who violates this section shall be subject to such penalties or fines as the Association by resolution or regulation may provide.

4.6 An Owner shall not violate any of the rules and regulations for the use of his Lot which are adopted by the Association and furnished in writing to the Owners.

4.7 During the course of actual construction of any structures or improvements which are permitted to be located on the Property or upon the Expansion Property, the provisions, covenants, conditions and restrictions contained in this Declaration shall be deemed waived as to the Declarant, its employees, subcontractors, successors or assigns to the extent necessary or convenient to permit such construction; provided, however, that during the course of such construction, nothing shall be done which would result in a continuing violation of any said provisions, covenants, conditions or restrictions following the completion of such construction upon the Property or the Expansion Property.

5 Roadway Easement.

5.1 The Declarant and the Owners, and each of them, as a condition of ownership and acceptance of title to a Lot in the Subdivision, on behalf of themselves, their successors and assigns, hereby grant, convey, assign and transfer unto each of the other Owners of the Property and their successors and assigns, and every person, partnership, limited liability company, corporation and any other entity now or hereafter having an ownership interest in a Lot, a mutual, non-exclusive easement and right of way over and upon that portion of the Roadway located upon their respective Lots for the purpose of providing vehicular and pedestrian access to the Lots and for the general use and enjoyment of each of the Owners within the Subdivision (the "Roadway Easement"). 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 their right in the Roadway Easement to any family member, guest, invitee, tenant, lessee or contract purchaser who resides at the Owner's Lot. Each Owner agrees not to build any type of improvement or obstruction upon that portion of their Lot located within eight (8) feet of the Roadway or to do anything that will obstruct or interfere with the use and free flow of pedestrian and vehicular traffic upon the Roadway as intended in this Declaration.

5.2 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 in the Normandy Lane Subdivision as the same is identified in the plat recorded in Book No. 96-9P, at Page 313, and in the "Declaration of Covenants, Conditions and Restrictions for Normandy Lane Subdivision" as recorded in Book No. _____, at Page _____, of the official records of the Salt Lake County Recorder, together with a right and easement of use and enjoyment in and to the private Roadway described and provided for in said Declaration of Covenants, Conditions and Restrictions.

Whether or not the description employed in any such instrument is in the above-specified form, however, all provisions of this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Lot.

5.3 An Owner's right to utilize the Roadway Easement shall be subject to the following:

5.3.1 The right of the Architectural Control Committee to approve and designate the point of access from a Lot to the Roadway in accordance with the requirements of Article 13.

5.3.2 The right of the County of Salt Lake and other governmental or quasi-governmental body having jurisdiction over the Property to access and rights of ingress and egress over and across the Roadway servicing the Subdivision for the purposes of providing police and fire protection transporting school children, and providing other governmental or municipal services.

5.3.3 The right of the Association to dedicate or transfer all or part of the Roadway servicing the Subdivision and any sewer, water, gas, electric or storm drain trunk lines to any public agency or authority for such purposes and subject to any conditions as may be agreed upon by the Association.

6 Utility Easements.

6.1 For the benefit of the Lots within the Subdivision, the Declarant and the Association shall have the power to grant and convey to any third party a general utility easement within the Roadway and the area extending seven (7) feet immediately beyond the perimeter of the Roadway and along 2100 East Street. Such easement shall provide for the construction, installation, maintenance, operation, replacement and repair of utility lines servicing the one or more of the Lots including but not limited to natural gas, electric, sewer, water, storm drainage, telephone and cable transmission lines. The Declarant and the Association may execute one or more documents setting forth the specific location and terms of each utility easement within the Subdivision.

6.2 The Association shall have power to grant and convey to any third party and the Declarant hereby reserve unto itself, easements and rights of way, including but not limited to rights of ingress and egress, in, on, over and/or under the Lots for the purposes of ingress and egress and for constructing, erecting, operating or maintaining lines, cables, wires, conduits or other devices for electricity, cable television, power, telephone and other purposes, public sewers, storm drains and pipe, water systems, sprinkling systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities to provide common utility services to the Lots and the

Expansion Property, regardless whether the Expansion Property is subsequently annexed into the Subdivision. Further, Declarant reserves unto itself, its tenants, assignees, and invitees, whether relative to this Subdivision or Declarant's adjacent projects a transferable easement over and upon the Lots, the Roadway or similar property within the Subdivision (including Expansion Property) for the purpose of constructing, developing, maintaining, improving or expanding the Subdivision, the Expansion Property or any real property directly adjacent to the Property which may be subsequently developed by the Declarant, its successors or assigns together with a perpetual easement of ingress and egress and enjoyment including the right to connect private roads upon the Property, the Expansion Property or adjacent projects should such roads be constructed and connected. Such easement shall entitle Declarant the use of all access roads within the Subdivision and to tie into all utility lines, sewage and drainage systems within or transversing the Property and/or the Expansion Property.

6.3 The Association is hereby granted the right to reasonably relocate upon the Property any utility easement together with associated improvements, provided that such relocation shall be performed only after thirty (30) days notice of the Association's intention to relocate utility easements is given to affected Lot Owners, and such relocation: (i) shall not, following construction, interfere or diminish ingress or egress to the affected Lots; (ii) shall not materially reduce or unreasonably impair the usefulness or function of such easement; (iii) shall be performed without cost or expense to the affected Lot Owners(s); (iv) shall not impair any mortgage or financial encumbrance against the affect Lot; and (v) shall be in accordance and subject to municipal ordinances, building codes, regulatory review, etc.

7 Expansion Property.

7.1 The Declarant hereby reserves unto itself the right to amend this Declaration as necessary to provide for the inclusion of the Expansion Property within the Subdivision with all rights, privileges and obligations associated with this Declaration. The Declarant's reserved right to expand the Subdivision is fully assignable by the Declarant to any party having an interest in the Expansion Property. In conjunction with such expansion of the Subdivision, the Declarant shall have the following rights and privileges.

7.1.1 The right to amend the Plat to provide for the annexation of the Expansion Property into the Subdivision including the right to alter the boundary lines of Lot 7 to provide general access to the Expansion Property and to adjust the Expansion Property as necessary to satisfy applicable lot size and zoning requirements in anticipation of annexation. The Declarant as the Owner of Lot 7 hereby consents to the amendment of the Plat and the conveyance of the Option Parcel, strictly for purposes of expansion of the Subdivision, without further consent or notification.

7.1.2 The right to extend the Roadway upon the Expansion Property to provide the Expansion Property Lot Owners with general access, use and enjoyment privileges the same as if the Expansion Property had been originally included as part of the Subdivision. Once the expansion of the Subdivision and the construction of the roadway upon the Expansion Property has been completed, such roadway shall be considered as part of the "Roadway" for purposes of this Declaration.

7.1.3 To amend this Declaration as necessary to extend all rights, privileges, duties and obligations provided herein to the Expansion Property Lot Owners including but not limited to membership in the Association and the obligation to pay a proportionate share of Association dues and obligations. The required amendment of this Declaration shall: (a) be duly executed and acknowledged by the Declarant and by all other Owners and lessees of the Expansion Property to be annexed to the Subdivision; (b) contain a metes and bounds description of the Expansion Property to be annexed; and (c) shall reallocate on an equitable basis the benefits and burdens of membership within the Association. There are no other limitations upon Declarant's right to expand the Subdivision. The Declarant is under no obligation, if it in fact proceeds to develop the Expansion Property, to annex the developed property into the Subdivision.

7.1.4 In conjunction with rights and privileges reserved herein unto the Declarant, as a condition of conveyance and ownership of a Lot to an Owner, each Owner hereby appoints the Declarant as its attorney-in-fact for the limited purpose of executing on behalf of the Owner all plats, declarations, easements, amendments, dedications and such other documentation as necessary to annex the Expansion Property in to the Subdivision without the further consent or approval of the Owners. The foregoing power of attorney is coupled with an interest with such interest being the Owner's continued interest in the Subdivision and the Declarant's continued interest in the Expansion Property. The Owners and Declarant agree to execute such additional documentation as necessary to effectuate the purposes of the section.

8 Home Owners Association: Management Committee.

8.1 The management of the Association shall be governed by the Articles of Incorporation and Bylaws of the Association. The Association shall be entitled to choose a Management Committee or Board of Directors as such is referred to in the Articles of Incorporation and By-laws, consisting of three (3) persons who need not be Owners who shall be elected as provided in the Bylaws. All agreements and determinations with respect to the Property lawfully made or entered into by the Association shall be binding upon all the Owners, their successors and assigns. All rights and powers referred to in this Declaration as belonging to the Association, unless specifically provided for otherwise, shall belong to the Association and shall be carried out by the Association's Management Committee. The Management Committee is authorized and empowered to take all actions necessary on behalf of the Association unless specifically provided for otherwise in this Declaration.

8.2 The Association and the Management Committee shall have all the powers, duties and responsibilities as are now or may hereafter be provided by this Declaration, the Articles of Incorporation and Bylaws, including but not limited to the following:

8.2.1 To make and enforce all Association rules and administrative regulations covering the operation and maintenance of the Property.

8.2.2 To engage the services of a manager or managing company, accountants, attorneys or other employees or agents and to pay to said persons a reasonable compensation therefore; provided, however, that any management agreement may be terminable by the Association for cause upon thirty (30) days written notice and without cause with sixty (60)

days prior written notice without any penalty, cost or fee, and that the term of any said management agreement may not exceed one (1) year, renewable by agreement for successive one-year periods.

8.2.3 To determine and pay the Common Expenses.

8.2.4 To assess and collect the proportionate share of Common Expenses from the Owners.

8.2.5 To enter into contracts, deeds, leases and/or other written instruments or documents and to authorize the execution and delivery thereof by the appropriate officers.

8.2.6 To open bank accounts on behalf of the Association and to designate the signatures therefor.

8.2.7 To purchase, hold, sell, convey, mortgage or lease any one or more Lots held in the name of the Association or its designee.

8.2.8 To bring, prosecute and settle litigation for itself, the Association and the Property, provided that it shall make no settlement which results in a liability against the Association, or the Property in excess of \$5,000.00 without prior approval of a majority of Owners.

8.2.9 To obtain insurance for the Association with respect to the Roadway and the activities conducted by the Association on behalf of the Owners including but not limited to workman's compensation insurance.

8.2.10 To repair, restore and maintain the Roadway together with: i) the trees and streetlights surrounding the Roadway; ii) the Gateway and associated mechanism; iii) the Option Parcel; and, iv) the entranceway and the property generally east of the Gateway along 2100 East Street, regardless of actual ownership. Such maintenance shall include landscaping, snow removal, irrigation and the payment of associated expenses including utilities.

8.2.11 To own, purchase or lease, hold and sell or otherwise dispose of, on behalf of the Owners, items of personal property necessary to or convenient in the management of the business and affairs of the Association and in the operation of the Property.

8.2.12 To keep adequate books and records.

8.2.13 To do all other acts necessary for the operation and maintenance of the Property, including the right but not the obligation, to maintain and repair of any Lot as the same is necessary to protect or preserve the Property.

8.3 The Roadway is conveniently accessible only through the Lots. Further, the Association is responsible for the upkeep and maintenance of Roadway as well as for the landscaping and maintenance of certain real property associated with the Roadway. The Association shall have

the irrevocable right to have access to each Lot and to the Roadway from time to time during normal business hours or upon giving notice to the Owner and during such reasonable hours as may be necessary for the maintenance, landscaping, upkeep, mowing, cleaning, repair or replacement thereof or for making emergency repairs at any time herein necessary to prevent damage to the Roadway and associated facilities, or to any Lot or as necessary for the Association to fulfill its obligations under this Declaration. In addition, upon giving notice to the Owner and during such reasonable hours as may be necessary, the Association or its agents may enter any Lot when necessary in connection with any cleaning, maintenance, repair, replacement, landscaping, construction or reconstruction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Association and paid as a Common Expense.

8.4 The Declarant shall have a transferable easement over and on the Roadway and the Lots for the purpose of completing construction of the Subdivision and improvements therein as shown on the Plat including the construction and improvements upon the Expansion Property that may be added to the Subdivision, or upon real property directly or proximately adjacent to the Subdivision regardless whether such adjacent property is annexed into the Subdivision and for the purpose of doing all things reasonably necessary or appropriate in connection therewith. Further, Declarant shall have the right to use or to tie into, and an easement for the construction, connection and use of all utility service lines and any private road within the Subdivision should the Declarant elect to connect into such utility lines or the private road with other public and/or private roads within the area. To the extent that damage is inflicted on any part of the Subdivision by any person utilizing said easement, the Declarant or the person causing the damage, as applicable, shall be liable for the prompt repair of such damage.

8.5 All conveyances of Lots within the Subdivision hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as are provided herein, even though no specific reference to such easements appears in any such conveyance.

8.6 The Association may delegate to a manager or management company all of its foregoing powers, duties and responsibilities referred to in paragraph 8.2 above subject to the provisions of paragraphs 8.2.2, except; the final determination of Common Expenses, budgets and assessments based thereon; the promulgation of house rules and administrative rules and regulations; the power to enter into any contract involving more than \$5,000.00 in any one fiscal year; the opening of bank accounts; the power to purchase, hold, sell, convey, mortgage or lease any Lots in the name of the Association or to bring, prosecute and settle litigation. The foregoing powers shall be maintained by the Association or the Management Committee at all times.

8.7 Members of the Management Committee, the officers and any assistant officer, agents and employees of the Association (i) shall not be liable to the Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith; (ii) shall have no personal liability in contract to a Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such; (iii) shall have no personal, direct or imputed liability in tort to any Owner or any person or entity, by virtue of acts performed by them, except for their own willful misconduct or bad faith, or acts performed for them in their capacity as such; and (iv) shall have no personal liability

arising out of the use, misuse or condition of the Property, which might in any way be assessed against or imputed to them as a result or by virtue of their capacity as such.

8.8 The Association shall indemnify and hold harmless, any person, his heirs, and personal representatives, from and against all personal liability and all expenses including counsel fees, incurred or imposed, or arising out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative instituted by any one or more Owners, or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Management Committee or an officer or assistant officer, agent or employee of the Association, other than to the extent, if any, that such liability or expense shall be attributable to his willful misconduct or bad faith, provided, in the case of any settlement, that the Management Committee shall have approved the settlement, which approval shall not to be unreasonably withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or vote of Owners or of the Management Committee or otherwise. The indemnification by the Owners as contained herein shall be paid by the Association on behalf of the Owners and shall constitute a Common Expense and shall be assessed and collectible as such.

9 **Home Owners Association: Membership and Voting.**

9.1 Each Owner shall be entitled and required to be a member of the Association; membership shall begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Lot is held by more than one person, the membership appurtenant to the Lot shall be shared by all such persons in the same proportionate interests and by the same type of tenancy in which title to the Lot is held. An Owner shall be entitled to one membership for each Lot owned by him. Each membership shall be appurtenant to the Lot to which it relates and shall be transferred automatically by conveyance of that Lot. Ownership of a Lot within the Subdivision cannot be separated from membership in the Association appurtenant thereto, and any devise, encumbrance, conveyance or other disposition of a Lot shall be construed to be a devise, encumbrance, conveyance or other disposition, respectively, of the Owner's membership in the Association, and the rights appurtenant thereto. No person or entity other than an Owner may be a member of the Association, and membership in the Association may not be transferred except in connection with the transfer of a Lot.

9.2 Except as provided in paragraph 9.3, each Owner shall have one (1) vote for each Lot owned as set forth upon Exhibit D hereto.

9.3 Notwithstanding any other provision in this Declaration, the Declarant, or such other person or persons selected by the Declarant may; i) vote all membership interests owned the Owners; ii) appoint and/or remove all members of the Management Committee and all officers of the Association; iii) amend this Declaration and the Plat; and/or, iv) exercise all powers and authority otherwise assigned by the Declaration, the Bylaws and the Articles of Incorporation to the Association or the Management Committee from the date of recordation of this Declaration until construction has been completed upon all of the Lots and the Expansion Property has annexed into Subdivision and construction on the Expansion Property Lots has been completed.

10 Maintenance, Alteration and Improvement.

10.1 The maintenance, alteration, replacement and repair of the Roadway and associated improvements shall be the responsibility of the Association, and the cost thereof shall be a Common Expense. All incidental damages caused to a Lot by the maintenance, alteration, replacement and repair of the Roadway or the fulfillment of the Association's duties hereunder shall be repaired promptly at the expense of the Association.

10.2 The Owners shall have the responsibility to maintain, repair, replace and keep in a clean and sanitary condition, at the Owner's expense, all portions of the Owner's Lot. The Owners shall keep their Lot in a clean and sanitary condition.

11 Insurance.

11.1 The Association shall obtain and maintain at all times insurance of the type and kind as provided herein including insurance for such other risks, of a similar or dissimilar nature, covering the Roadway as is or shall hereafter customarily be covered with respect to other properties similar to the property in construction, design and use. The Association shall obtain insurance with the following provisions or endorsements:

11.1.1 Exclusive authority to adjust losses shall be vested in the Association and/or the Management Committee as insurance trustee or any successor trustee as designate by the Association;

11.1.2 The insurance coverage shall not be brought into contribution with insurance purchased by individual Owners or their respective mortgages;

11.1.3 Each Owner may obtain additional insurance covering his real property interest at his own expense.

11.1.4 The insurer waives its right of subrogation as to any and all claims against the Association, each Owner, and/or their respective agents, employees or tenants, and of all defenses based upon co-insurance or upon invalidity arising from the acts of the insured;

11.1.5 The insurance coverage cannot be canceled, invalidated or suspended because of the conduct of any one or more individual Owners or their respective lessees, employees, agents, contractors, and guests;

11.1.6 The insurance coverage cannot be canceled, invalidated or suspended because of the conduct of any officer or employee of the Management Committee or Association or their employees, agents, or contractors, without prior demand in writing that the Association cure the defect and then only if the defect is not cured within thirty (30) days;

11.1.7 Such policies shall provide that coverage shall not be prejudiced by (a) any act or neglect of the individual Owners or their respective lessees, employees, agents, contractors or guests; or (b) by failure of the Association to comply with any warranty or

condition with regard to any portion of the premises over which the Association has no control; and

11.1.8 The insurance coverage shall provide that coverage may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notice to any and all insureds named thereon, including all mortgagees of the Lots.

11.2 The Association shall purchase such property insurance including but not limited to fire and all risk insurance for the full replacement cost of the Roadway together with such other insurance and coverages as it deems appropriate. The named insured shall show "Normandy Lane Homeowners Association" for the use and benefit of the individual Owners or its insurance trustee. The loss payable clause shall show the Association or its insurance trustee as trustee for each Owner and the mortgage holder of each mortgaged.

11.3 The Association shall obtain a policy or policies of insurance insuring the Association, the Owners and their respective lessees, servants, agents or guests against any liability to the public or to the owners of Lots, members of the households of Owners and their respective invitees or tenants, incident to the ownership and/or use of the property, and including the personal liability exposure to the Owners, incident to the ownership and/or use of the Property, including but not limited to the operation and use of the Roadway and associated improvements and any other area under its supervision. Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000.00) for any one person injured in any one occurrence, and shall not be less than One Million Dollars (\$1,000,000.00) for property damage in each occurrence. The limits in coverage of said liability policy or policies shall be reviewed at least annually by the Association and increased at its discretion. Said policy or policies shall be issued on a comprehensive liability basis and, if possible, shall provide cross-liability endorsements for possible claims of any one or more or group of insureds, without prejudice to the right of a named insured under the policies to maintain the action against another named insured. To the extent possible, such coverage will include protection against water damage liability, liability for non-owned and hired automobile, liability for property of others, garage-keeper's liability, host liquor liability, legal liability from claims and lawsuits related to employment contracts in which the Association is a party, and such other risks as shall customarily be covered with respect to projects similar in construction, location, and use.

11.4 No Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount that the Association and/or the other Owners, on behalf of all of the Owners, may realize under any insurance policy that the Association may have in force covering the Property or any part thereof at any time.

11.5 There may be obtained a blanket fidelity bond for anyone who handles or is responsible for funds held or administered by the Association. The amount of the bond shall not be less than the greater of (a) the sum of three months assessments on all units plus the Associations reserve funds; or (b) the maximum funds that will be in the Associations hands; (c) 150% of the estimated annual operating expense of the planned unit development, including reserves. The bond must state that at least ten (10) days written notice will be given to the Association or its insurance

trustee to each mortgagee and mortgage servicer prior the cancellation or substantial modification for any reason.

11.6 The Management Committee shall review all policies of insurance obtained pursuant to this article on no less than an annual basis.

12 Eminent Domain.

12.1 Whenever any proceeding is instituted that could result in the temporary or permanent taking, injury or destruction of all or part of the Roadway on one or more Lots or portions thereof by the exercise of the power in the nature of eminent domain or by an action or deed in lieu of condemnation (all of which shall be defined as "eminent domain"), the Association, each Owner and every holder of all liens affecting the Lots, shall be entitled to timely written notice thereof and the Association shall, and the Owners at their respective expense, may participate in the proceedings incident thereto.

12.2 Any awards by reason of eminent domain or in proceedings in lieu thereof affecting the Roadway, shall be equitably distributed to the Owners affected by the eminent domain; provided that the priority of any mortgagee's lien shall remain undisturbed.

13 Architectural Control.

13.1 The Architectural Control Committee shall be Mark Olsen so long as Declarant retains control of the Association pursuant to paragraph 9.3 hereof. If Mark Olsen is unable to fulfill his responsibilities, the Architectural Control Committee shall be Norm Olsen. Once the Declarant has resigned or relinquished control of the Association pursuant to paragraph 9.3, the Architectural Control Committee shall be the Management Committee of the Association. The purpose of Architectural Control Committee shall be to insure that all structures, improvements and landscaping within the Subdivision are in compliance with this Declaration and harmonize with existing surroundings and structures. The Committee need not be composed of Owners.

13.2 No living unit, accessory or addition to a living unit and no landscape additions and changes shall be constructed or maintained, and no alteration, repainting, or refurbishing of the exterior of any living unit, nor of any court enclosure, except as herein otherwise mentioned, shall be performed, unless complete plans and specifications therefor have first been submitted to and approved by the Architectural Control Committee. All such plans and specifications shall be consistent with Architectural Guidelines which shall be from time to time adopted by the Architectural Control Committee.

13.3 In deciding whether to approve or disapprove plans and specifications submitted to it, the Architectural Control Committee shall use its best judgment to insure that all improvements, construction, landscaping and alterations on lots within the Subdivision conform to and harmonize with existing surroundings and structures and that such proposed improvements enhance the value and aesthetics of the Subdivision.

13.4 Any plans and specifications submitted to the Architectural Control Committee shall be submitted on a form provided by the Architectural Control Committee and in triplicate. A preliminary review of design drawings will be required with a final review to be made of working drawings. Upon completion of each review, one set of plans will be retained by the Association, one set will be retained by the reviewing architect (if any) and the remaining set of plans will be returned to the Owner.

The following architectural review fees (made payable to the Architectural Control Committee) maybe required with the submittal of plans and specifications: \$150.00 for architectural, landscaping, fencing and lighting drawings.

All plans and specifications shall be approved or disapproved by the Architectural Control Committee in writing within fifteen (15) days after submission. In the event the Committee fails to take any action within such period it shall be deemed to have approved the material submitted.

13.5 Plans and specifications for the construction and installation of any and all improvements with Normandy Lane Subdivision shall be submitted and approved by the Architectural Control Committee (prior to submittal to any required governmental agency) at the following address:

Mark Olsen
1581 Bridlebrook Circle
Salt Lake City, Utah 84117

The Association has the authority to change the address for the submittal of plans and specifications.

14 Mortgage Protection.

14.1 The term "mortgage" as used in this Declaration shall mean any recorded mortgage and shall include a recorded deed of trust. The term "mortgagee" shall mean the owner and holder of a mortgage and shall include a beneficiary under a deed of trust.

14.2 The Association shall maintain a roster of Owners from the evidence of change of ownership furnished to the Association, which roster shall include the mailing addresses of Owners. If the Association has been given notice of the necessary information, the Association shall maintain another roster which shall contain the name and address of each mortgagee of a Lot. Each notice shall consist of a certified copy of the recorded instrument evidencing the title of the mortgagee. The mortgagee shall be stricken from the roster upon receipt by the Association of a request from the mortgagee or of a certified copy of a recorded release or satisfaction of the mortgage. Notice of such removal shall be given to the mortgagee unless the removal is requested by the mortgagee.

14.3 Any mortgage on any Lot is entitled to written notification if so requested from the Association of any default by the mortgagor of such Lot in the performance of such mortgagor's obligation under the Declaration which is not cured within thirty (30) days.

14.4 Any mortgagee upon written request shall have the right to examine the books and records of the Association during normal business hours and shall be entitled to receive copies of annual reports and other financial data within ninety (90) days following the end of any fiscal year and shall be entitled to receive notice of all meetings of the Association and may designate a representative to attend all such meetings.

14.5 A mortgagee of any Lot who comes into possession of the Lot pursuant to the remedies provided in the mortgage, foreclosure of mortgage, or deed (or assignment) in lieu of foreclosure, shall take the property free of any claims of unpaid assessments or charges against the mortgaged Lot which accrued prior to the time such mortgagee comes into the possession of the Lot (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Lots, including the mortgaged Lot).

14.6 The liens created pursuant to this Declaration, the Articles or Bylaws, upon any Lot shall be subordinate to, and shall not affect the rights of a mortgagee whose interest was recorded prior to the recordation of the Notice of Lien, provided such mortgagee's interest would have priority, by law, over subsequently recorded encumbrances, or liens arising from tax and special assessment liens in favor of the assessing unit or special improvement district.

14.7 Except with respect to Lot 7 in conjunction with the annexation of the Expansion Property, no Lot may be partitioned or subdivided without the prior written approval of the mortgagee of the affected Lot.

14.8 No amendment to this paragraph shall affect the rights of a mortgagee recorded prior to the recordation of any such amendment not otherwise entitled thereto.

14.9 Notices of Action. A holder, insurer or guarantor of a first mortgage, upon written request to the Association, (such request to state the name and address of such holder, insurer or guarantor and the Lot number), will be entitled to timely written notice of:

14.9.1 Any proposed amendment to the Declaration effecting a change in (a) the boundaries of any Lot, except with respect to Lot as provided in paragraph 7.1.1 hereof, or the exclusive easement rights appertaining thereto, (b) the interests in the Roadway or the liability for Common Expenses appertaining thereto; (c) the number or votes in the Association appertaining to any Lot or (d) the purposes to which any Lot or Roadway are restricted;

14.9.2 Any casualty loss which affects a material portion of the Roadway of the Subdivision;

14.9.3 Any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to the mortgage of such eligible holder, insurer or guarantor, where such delinquency has continued for a period of 60 days;

14.9.4 Any lapse, cancellation or material modification of any insurance policy maintained by the Association;

NOTE: As used in this section, the term "eligible holder, insurer or guarantor" shall mean a holder, insurer or guarantor of a first mortgage upon the Lot.

15 Leasing of Lots.

15.1 All leases of Lots shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, the Articles and Bylaws and that failure of the lessee to comply with the terms of said documents shall be a default under the lease.

15.2 No Owner shall be permitted to lease his Lot for transient or hotel purposes, nor for a period of less than thirty days.

15.3 No Owner shall lease less than the entire Lot.

15.4 The provisions of this paragraph shall not apply to a lender in possession of a Lot following a default in a first mortgage.

16 Encroachments.

16.1 None of the rights and obligations of any Owners created by this Declaration or by any deed conveying a Lot shall be affected in any way by an encroachment: (a) by any portion of the Roadway upon any Lot; (b) by any Lot upon any portion of the Roadway, or (c) by any Lot upon another Lot due to error in construction, settling or shifting of the building or other structure, provided such encroachment does not exceed two (2) feet in width, including the rebuilding of the building and other structure after fire or other casualty or an eminent domain taking or delivery of a deed in lieu of condemnation, unless there occurs an encroachment that results from the willful act or omission of the Owner of the encroaching Lot, or of the Owners of the Lots to which the use of the encroaching Roadway is appurtenant, or of the Association in the event of an encroachment by any portion of the Roadway.

16.2 There are hereby created valid easements for the maintenance of any encroachments permitted by this Declaration so long as such encroachments exist.

17 Amendment.

17.1 Except as otherwise provided in this Declaration, the provisions of this Declaration may be amended by an instrument in writing signed and acknowledged by Owners who constitute 67% of the Owners in the Association, for each class, which amendment shall be effective upon recording, and upon approval of 67% of mortgagees of Lots in the Subdivision, but only if the nature of the amendment materially affects mortgagees interest in the Property.

18 Assessments.

18.1 The Association and/or the Management Committee shall have the power and authority as forth herein to make and collect regular and special assessments from the Owners for their share

of Common Expenses pursuant to the Articles and Bylaws and as further set forth below. All rights, powers and authority conferred hereunder to the Association shall also apply to the Management Committee as provided herein.

18.2 Declarant, for each Lot owned by it upon which construction of a residence has been completed, covenants and agrees, and each purchaser of a Lot by his acceptance of a deed, covenants and agrees, for each Lot so owned to pay to the Association regular assessments and special assessments, such assessments to be established, made and collected as provided in this Declaration. Each Owner shall be liable for a proportionate share of the Common Expenses as set forth upon Exhibit D hereof. Such assessments shall accrue from the date the first Lot is conveyed to a purchaser and will be due and payable in advance.

18.3 Each assessment or installment, together with any interest, collection costs and reasonable attorney's fees, shall be the personal obligation of the person or entity who was an Owner at the time such assessment, or installment, became due and payable. If more than one person or entity was the Owner of a Lot, the personal obligation to pay such assessment, or installment, respecting such Lot shall be both joint and several. The voluntary grantee of a Lot, by his acceptance of a Deed subject to the terms and conditions of this Declaration, including personal liability for assessments but shall not be liable for previous unpaid assessments unless expressly assumed by him. Any lien as provided hereunder shall continue to encumber the Lot despite the Lot's conveyance. No Owner may exempt himself from payment of assessments, or installments, by waiver of the use or enjoyment of all or any portion of the Roadway or by waiver of the use or enjoyment of, or by abandonment of his Lot.

18.4 The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Members of the Association, the improvement, replacement, repair, operation and maintenance of the Roadway and associated facilities and the performance of the duties of the Association as set forth in this Declaration. The regular assessments shall include adequate reserve funds for contingencies and for maintenance, repairs, and replacement of the Roadway and associated facilities. This limitation shall not affect the liability of any supplier or manufacturer of any product included in the Subdivision. Unless the Association is exempt from federal or state taxes, all reserves shall be accounted from as contributions to the capital of the Association and as trust funds segregated from the regular income of the Association or in any other manner authorized by law or regulations of the Internal Revenue Service and the Utah State Tax Commission that will prevent such funds from being taxed as income of the Association. Each Lot's share of the working capital fund should be collected at the time the sale of the Lot is closed and then transferred to the Association for deposit to a segregated fund.

18.5 Determination of Amount of Assessments.

18.5.1 Each Owner shall pay the Association his allocated portion of the cash requirement, as determine in accordance with paragraph 18.2, required to manage in the manner herein provided without any deduction on account of any set-off or claim which the Owner may have against the Association. If the Owner shall fail to pay any installment within thirty (30) days of the time when the same becomes due, the Owner shall pay interest thereon

at the rate of ten percent (10%) per annum from the date when such installment shall become due to the date of the payment thereof.

18.5.2 The cash requirements above referred to for each year, or portion of the year, are hereby defined and shall be deemed to include an adequate reserve fund for maintenance, repairs and replacement of those common areas and facilities that must be replaced on a periodic basis, plus such aggregate sum as the Association or the Management Committee from time to time shall determine, in its judgment, is to be paid by all the Owners of the Subdivision then in existence to enable the Association to pay all estimated expenses and outlays of the Association to the close of such year, growing out of or in connection with the maintenance and operation of such land, buildings, and improvements; which sum may include, among other things, the cost of management, special assessments, fire, casualty, flood, fidelity, public liability and other insurance premiums, common lighting, landscaping and the care of the grounds, repairs and renovations to the Roadway and associated facilities, snow removal, wages, water charges, natural gas charges and all other utility services (except telephone, electricity and other services which are separately billed or metered to the individual Lots by the utility or party furnishing such service), legal and accounting fees, management fees, expenses and liabilities incurred by the Association under or by reason of this Declaration, the payment of any deficit remaining from the previous period, the creation of a reasonable contingency or other necessary reserve or surplus fund, as well as all other costs and expenses relating to the Subdivision. Subject to the limitations set forth in paragraph 18.5.5, the Association or the Management Committee may, from time to time, up to the close of the year for which such cash requirements have been so fixed or determined, increase or diminish the amount previously fixed or determined for such year. It may include in the cash requirements for any year, any liabilities or items of expense which accrued or became payable in the previous year, or which might have been included in the cash requirements for a previous year, but were not included therein; and also any sums which the Association may deem necessary or prudent to provide a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

18.5.3 The portion payable with respect to each Lot in and for each year or for a portion of a year shall be multiplied by the fraction as determined in accordance with paragraph 18.2. Such assessments, together with any additional sums accruing under this Declaration, shall be payable monthly in advance, or in such payments and installments as shall be provided by the Association or the Management Committee.

18.5.4 The Association through the Management Committee shall have discretionary powers to prescribe the manner of maintaining and operating the Subdivision to the extent provided herein and to determine the cash requirements of the Association to be paid as aforesaid by the Owners under this Declaration. Except as provided in paragraph 18.5.5 below, every such reasonable determination by the Association within the bounds of this Declaration shall be final and conclusive as to the Owners, and any expenditures made by the Association, within the bounds of this Declaration shall as against the Owner be deemed necessary and properly made for such purpose.

18.5.5 Notwithstanding the foregoing, any increase or modification of the regular annual assessment shall be subject to the following limitations: (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year by not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership; (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above ten percent (10%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose; and (c) the Management Committee may fix the annual assessment at an amount not in excess of the maximum.

18.6 In addition to the annual regular assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Roadway and associated facilities including fixtures and personal property related thereto, or additional common facilities and amenities (i.e. tennis courts, swimming pools, etc.), but not during the development stage provided that any such assessment shall have the vote or written assent of 2/3rds of each class of Members of the Association; provided, however, that following the Declarant relinquishment of control of the Association, any such assessment shall have the vote or written assent of (a) holders of a majority of the voting power of the Association, and (b) holders of a majority of the voting power of the Association excluding the Declarant. All proceeds from any special assessment shall be segregated and deposited into a special account and shall be used solely for the purpose or purposes for which it was levied or it shall be otherwise handled and used in a manner authorized by law or regulations of the Internal Revenue Service and the Utah State Tax Commission in order to avoid, if possible, its taxation as income of the Association.

18.7 Any action authorized under Section 18.5 above requiring membership approval shall be taken at a meeting called for that purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. A quorum for such meeting shall be fifty-one percent (51%) of each class of members of the Association. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum for the preceding meeting. If the proposed action is favored by a two thirds (2/3) majority of the votes cast at such meeting, but such vote is less than required, members who were not present in person or by proxy may give their assent in writing, provided the same is obtained by the appropriate officers of the Association not later than thirty (30) days from the date of such meeting.

18.8 The initial assessment period for all Lots, including those owned by Declarant, (other than those upon which residences have not yet been constructed or for which a Certificate of Occupancy has not been obtained) shall commence on the first day of the calendar month following the date on which the first sale of a Lot to a purchaser is closed and recorded (the "initiation date") and shall terminate on December 31 of the year in which the initial sale is closed and recorded. Thereafter, the regular assessment period shall commence on January 1 of each year and shall terminate on December 31 of such year, and regular assessments shall be payable in equal monthly installments unless the Management Committee adopts some other basis for collection.

18.9 A single thirty (30) day prior written notice of each annual regular assessment and each special assessment shall be given to any Owner of every Lot subject to assessment in which the due dates for the payments of installments shall be specified. The due dates for the payment of installments normally shall be the first day of each month unless some other due date is established by the Management Committee. Each installment, regular assessment and special assessment shall become delinquent if not paid within thirty (30) days after its due date. There shall accrue with each delinquent installment a late charge which shall include any late charge previously assessed and unpaid, and which shall be computed on the outstanding balance from month to month as follows: three quarters of a percent (.75%) per month of any delinquent assessments.

18.10 The Association or the Management Committee, on not less than twenty (20) days' prior written request and upon the payment of a handling fee not exceeding \$50.00 per certificate, shall execute, acknowledge and deliver to the party making such request a statement in writing stating whether or not to the knowledge of the Association, a particular Owner is in default as to his Lot assessments under the provisions of this Declaration and further stating the dates to which installments of assessments, regular or special, have been paid as to such unit. Any such certificate delivered pursuant to this Section may be relied on by any prospective purchaser or mortgagee of the Lot. The Estoppel Certificate shall not supersede any default in the payment of regular or special assessments of which the requesting party had actual knowledge.

18.11 All sums assessed to any Lot pursuant to this Declaration, together with interest, collection costs and attorney's fees as provided herein, shall be secured by a lien on such Lot in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Lot, except only for: (a) valid tax and special assessment liens on the Lot in favor of any governmental assessing authority; and (b) a lien for all sums unpaid on a first Mortgage, or any Mortgage to Declarant, duly recorded in the Official Records of Salt Lake County, Utah, including all unpaid obligatory advances to be made pursuant to such Mortgage and all amounts advanced pursuant to such Mortgage and secured by the lien thereof in accordance with the terms of such instrument. All other lienors acquiring liens on any Lot after this Declaration shall have been recorded in said records shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

To evidence a lien for sums assessed hereunder, the Association may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Lot and a description of the Lot. Such a notice shall be signed by the Association, or its designee, and may be recorded in the office of the County Recorder of Salt Lake County, Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property may be foreclosed in Utah. In the event foreclosure or any method of collection other than foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of filing the notice of lien and all reasonable attorneys fees. All such costs, expenses and fees shall be secured by the lien being foreclosed. The Owner shall also be required to pay the Association any assessments against the Lot which shall become due during the period of foreclosure. The Association shall have the right and power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof.

A release of notice of lien shall be executed by the Association and recorded in the Office of the County Recorder of Salt Lake County, Utah, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of lien.

Any encumbrancer holding a lien on a Lot may pay, but shall not be required to pay, any amounts secured by the lien created hereunder, and upon such payment such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

The Association shall report to any encumbrancer of a Lot any unpaid assessments remaining unpaid for thirty days after the same shall have become due; provided, however, that such encumbrancer first shall have furnished to the Association written notice of such encumbrance and shall request such notice of delinquency in writing.

18.12 In any foreclosure of a lien for assessments, the Lot Owner subject to the lien shall be required to pay a reasonable rental for the Lot, and the Association shall be entitled to the appointment of a receiver to collect the same.

18.13 The Association may include in the monthly assessments amounts representing contributions to the capital of the Association to be used for the replacement of or additions to capital items or improvements in the property, or for reserves for improvements to or replacement of capital items or improvements in or to the property. Said amounts shall be set up as capital accounts for each unit. In the event of transfer of a unit, the capital account shall be deemed transferred to the unit transferee.

18.14 In assessing the Owners for capital improvements to the Roadway and associated facilities, for which there are not sufficient amounts in the respective capital accounts, there shall be no single improvement exceeding the sum of Five Thousand Dollars (\$5,000.00) made by the Association or the Management Committee without the same having been first voted on and approved by a majority of those present in person or by proxy of the Association at a meeting duly called for that purpose. The foregoing shall not apply in connection with damage or destruction covered by insurance proceeds or to such structural alterations, capital additions to or capital improvements of the Roadway and associated facilities as are necessary in the Association's reasonable judgment to preserve or maintain the integrity of the Roadway and associated facilities of the Property.

18.15 If an Owner shall, at any time, let or sublet his Lot and shall default for a period of one month in the payment of assessments, the Association may, at its option, so long as such default shall continue, demand and receive from any tenant or subtenant of the owner the rent due or becoming due and the payment of such rent to the Association shall be sufficient payment and discharge of such tenant or subtenant and the owner to the extent of the amount so paid. The Owner does hereby assign to the Association any such rent in the event of a default by Owner in paying an assessment.

19 Notices.

Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to be delivered twenty-four (24) hours after a copy of the same has been deposited in the U.S. postal service, postage prepaid, return receipt requested. Notice to Owners shall be addressed to each Owner at the address given by such Owner to the Association for the purpose of service of such notice or to the Lot of such Owner if no such address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association. Notice to the Association shall be addressed to Mark Olsen 1581 Bridlebrook Circle Salt Lake City, Utah 84117.

20 No Waiver.

The failure of the Declarant, Association, Management Committee or any of their contractors to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions, or restrictions of this Declaration or the Bylaws, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment, for the future, of such term, covenant, condition or restriction; but such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Association or its contractor of the payment of any assessment from a Owner, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Association or the Management Committee of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Association.

21 Enforcement.

Each Owner shall strictly comply with the provisions of the Declaration, the Articles, the Bylaws, the administrative rules and regulations and decisions issued pursuant thereto. Failure to so comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Association or its designee on behalf of the Owners, or in an appropriate case, by an aggrieved Owner. Each Owner shall be entitled to separately enforce the provisions of this Declaration, at its own expense.

22 Declarant's Sales Program.

22.1 Notwithstanding any other provisions of this Declaration, until Declarant, or one or more of its principals, ceases to be a Owner (hereinafter referred to as the "Occurrence"), Declarant, its successors or assigns shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish or facilitate the sale of all Lots owned by Declarant.

22.1.1 Declarant, its successor or assigns shall have the right to maintain a sales office and/or model within the Subdivision. Such office and/or model may be the Lot (at any location) owned by Declarant.

22.1.2 Declarant, its successor or assigns shall have the right to maintain a reasonable number of promotional, advertising and/or directional signs, banners or similar

devices at any place or places on the Subdivision, or upon real property directly adjacent to the Subdivision owned by the Declarant, but any such device shall be of a size and in a location as is reasonable and customary.

22.1.3 Declarant shall have the right to use the Roadway and associated facilities of the Subdivision to entertain prospective purchasers or to otherwise facilitate Lot sales, provided said use is reasonable as to both time and manner.

22.1.4 Declarant shall have the right from time to time to locate or relocate its sales office and/or signs, banners or similar devices, but in connection with each such location or relocation shall observe the limitations imposed by the preceding portion of this Article. Within a reasonable period of time after the happening of the Occurrence, Declarant shall have the right to remove from the Property any signs, banners or similar devices.

23 Miscellaneous.

23.1 Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision of portion hereof shall not affect the validity or enforceability of any other provision hereof.

23.2 Captions. The captions in this Declaration are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

23.3 Law Controlling. This Declaration, the Plat, the Articles and the Bylaws shall be construed and controlled by and under the laws of the State of Utah.

23.4 Effective Date. This Declaration shall be effective as of the date of its recording.

23.5 Declarant's Rights Assignable. All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment. Any mortgage covering all Lots in the Subdivision, title to which is vested in the Declarant, shall, at any given point in time and whether or not such Mortgage does so by its terms, automatically cover, encumber, and include all of the then unexercised or then unused rights, powers, authority, privileges, protections and controls which are accorded to Declarant (in its capacity as Declarant herein).

23.6 Covenants to Run with Land. This Declaration and all provision hereof shall constituted covenants that run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of the Declarant, and all parties who hereafter acquire any interest in a Lot shall be subject to the terms of this Declaration and the provision of any rules, regulations, agreements, instruments, and determination contemplated by this Declaration; and failure to comply with any of the foregoing shall be grounds for an action by the Association or any aggrieved Owner for the recovery of damages, or for injunctive relief, or both. By acquiring any interest in a

Lot , the party acquiring such interest consent to, and agrees to be bound by, each and every provision of this Declaration.

24 Agent for Service of Process.

The name and address of the person in Salt Lake County, State of Utah, appointed as first agent to receive service of process in matters pertaining to the Association is: Mark Olsen, whose address is: 1581 Bridlebrook Circle, Salt Lake City, Utah 84117.

IN WITNESS WHEREOF, the undersigned has executed this instrument on this 15th day of Nov, 1996.

OLSEN TRADITIONAL HOMES, INC.,
a Utah corporation

BY: Mark Olsen
MARK OLSEN
ITS: President

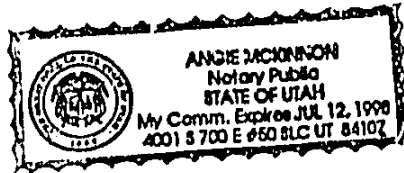
STATE OF UTAH)
: ss (Corporate acknowledgement)
COUNTY OF SALT LAKE)

This day, before me, a Notary Public of the State and County aforesaid, personally appeared Mark Olsen, who being by me duly sworn, did say that he is the President of Olsen Traditional Homes, Inc. a Utah corporation, and that said instrument was signed in behalf of said corporation by authority of its bylaws and said Mark Olsen acknowledged to me that said corporation executed the same.

Witness my hand and official seal this 15th day of Nov, 1996.

[Signature]
NOTARY PUBLIC

(Seal)
(td/rmb/olsen.ccr)



BK7536PG0479

EXHIBIT "A"

PROPERTY DESCRIPTION

Beginning at a point North 959.91 feet and West 175.28 feet and North 1°32'20" East 100.00 feet and South 79°40'00" East 400.535 feet from the Southwest Corner of Section 10, T2S, R1E, SLB&M (said section corner being North 34°22'20" East 434.58 feet and West 34.79 feet and South 5.50 feet from a brass cap monument at the intersection of Walker Lane, and running thence North 105.464 feet; thence North 79°40'00" West 397.67 feet; thence North 01°32'20" East 10.00 feet to the southerly line of the Shelley Subdivision as recorded in Book 93-10, Page 291, Salt Lake County Recorder's Office; thence South 79°40'00" East 397.50 feet along said southerly line; thence North 200.00 feet along said easterly line of said subdivision to the Northeast Corner of said subdivision; thence South 79°40'00" East 402.00 feet; thence South 17°19'00" West 169.50 feet; thence South 79°40'00" East 251.40 feet; thence South 43°44'00" West 158.90 feet; thence South 20°53'00" West 79.05 feet; thence North 79°39'15" West 52.45 feet; thence West 288.65 feet; thence North 78°10'00" West 116.67 feet; thence North 118.86 feet to the point of beginning.

Containing 4.366 acres - 7 lots

EXHIBIT "B"

THE EXPANSION PROPERTY DESCRIPTION

Commencing 849.56 feet North and 270 feet East from the Sandstone Monument at the Southwest Corner of Section 10, Township 2 South, Range 1 East of the Salt Lake Base and Meridian, thence South $78^{\circ}10'00''$ East 27 feet; thence 288.65 feet; thence Southeasterly 54.5 feet more or less to the Southeast corner of the Greenwood Tract; thence South $20^{\circ}54'00''$ West 144.2 feet; thence North $75^{\circ}30'00''$ West 343.15 feet; thence North $11^{\circ}50'00''$ East 95 feet to the point of beginning.

BK 7536PG0481

EXHIBIT "C"

THE ROADWAY PROPERTY DESCRIPTION

BEGINNING at the Southeasterly most corner of Lot 7, NORMANDY LANE SUBDIVISION, said point being North 959.91 feet and West 175.28 feet and North 1 degree 32'20" East 100.00 feet and South 79 degrees 40'00" East 400.535 feet and South 118.86 feet and South 78 degrees 10' East 116.666 feet and East 288.65 feet and South 79 degrees 39'15" East 31.72 feet from the Southwest corner of Section 10, Township 2 South, Range 1 East, Salt Lake Base and Meridian (said section corner being North 34 degrees 22'20" East 434.58 feet and West 34.79 feet and South 5.50 feet from a Brass Cap Monument at the intersection of Walker Lane and Highland Drive), and running thence along a curve to the left whose radius is 25.000 feet a distance of 40.322 feet; thence North 80 degrees 25'25" West 16.86 feet; thence along a curve to the left whose radius is 50.000 feet a distance of 19.531 feet; thence South 77 degrees 11'43" West 77.00 feet; thence along a curve to the right whose radius is 75.000 feet a distance of 148.403 feet; thence along a curve to the left whose radius is 130.000 feet a distance of 66.333 feet; thence along a curve to the left whose radius is 28.000 feet a distance of 29.807 feet; thence along a curve to the right whose radius is 48.000 feet a distance of 247.586 feet; thence along a curve to the left whose radius is 28.000 feet a distance of 21.059 feet; thence along a curve to the left whose radius is 28.000 feet a distance of 6.292 feet; thence along a curve to the right whose radius is 155.000 feet a distance of 82.955 feet; thence along a curve to the left whose radius is 50.000 feet a distance of 98.935 feet; thence North 77 degrees 11'43" East 56.59 feet; thence along a curve to the right whose radius is 75.000 feet a distance of 29.297 feet; thence South 80 degrees 25'25" East 52.82 feet; thence along a curve to the left whose radius is 25.000 feet a distance of 31.071 feet; thence South 28 degrees 21'57" West 66.56 feet; thence North 79 degrees 39'15" West 1.07 feet to the point of Beginning.

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EXHIBIT "D"

OWNERSHIP OF ASSOCIATION

<u>Lot #</u>	<u>% of Interest</u>	<u># of Votes</u>
1	.1429	1
2	.1429	1
3	.1429	1
4	.1429	1
5	.1429	1
6	.1429	1
7	.1429	1
TOTAL	<u>100%</u>	<u>7</u>

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