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DECLARATION OF
COVENANTS, CONDITIONS, & RESTRICTIONS
OF
COURTYARD COVE
A PLANNED UNIT DEVELOPMENT
(An Expandable Planned Unit Development)

ENT. 198-11:2000 PG. 1 of 36
RANDALL A. COVINGTON
UTAH COUNTY RECORDER
2000 Mar 13 1:40 pm FEE 91.00 BY 55
RECORDED FOR COURTYARD COVE DEVELOPME

This Declaration is made by Courtyard Cove Development Limited Company, a Utah limited liability company, hereinafter referred to as "Declarant," this 16th day of June 1999.

We, the undersigned owners of that certain real property situated in the City of Lehi, County of Utah, State of Utah, more particularly described on Exhibit "A" attached hereto, do hereby make the following declarations as to limitations, restrictions and uses to which the lots and/or tracts constituting the said addition, may be put, hereby specifying that the said declaration shall constitute covenants to run with all of the land as provided by law and shall be binding upon all of the parties and all persons claiming under them, and for the benefit of and limitations upon all future owners in the said addition, this declaration of restrictions being designated for the purpose of keeping the said development desirable, uniform, and suitable in architectural and landscape design and use as herein specified.

RECITALS

WHEREAS, Declarant is the sole owner of the following described real property located in Lehi, County of Utah, State of Utah:

See Exhibit "A" attached hereto and made a part hereof and

WHEREAS, Declarant desires to preserve the value of the property which is the subject of this Declaration, and

WHEREAS, the real property subject to this Declaration is partially developed residential property which is being converted to a planned unit development to be known as Courtyard Cove Planned Unit Development, the Record of Survey Map thereof having been accepted by Lehi City and the same to be recorded in the office of the County Recorder of Utah County concurrently herewith.

NOW THEREFORE, Declarant hereby declares that all the Lots shown on the Record of Survey Map of Courtyard Cove Planned Unit Development shall be held, sold and conveyed subject to the following easements, covenants, conditions and restrictions which are for the purpose of protecting the value and desirability of and which shall run

with, the real property described above and shall be binding on all parties having any right, title or interest in the described properties of any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

Section 1. "Additional Land" shall mean all or any portion of the land set forth and described on Exhibit "B" attached hereto and made a part hereof.

Section 2. "Association" shall mean and refer to Courtyard Cove PUD Homeowner's Association, Inc., its successors and assigns

Section 3. "Board" shall mean the Board of Trustees of the Association.

Section 4. "Common Areas" shall mean all of the Property (including the improvements thereto) except the Lots and Units, and shall be owned by the Association for the common use and enjoyment of the Owners. The Common Areas to be owned by the Association at the time of the conveyance of the first Lot is set forth and designated as such on the Record of Survey Map.

Section 5. "Declarant" shall mean and refer to Courtyard Cove Limited Company, its successors and assigns.

Section 6. "Limited Common Areas" shall mean and refer to that portion of the Common Areas shown on the Record of Survey Map as "Limited Common Areas". Such Limited Common Areas are reserved for the exclusive use of the particular Lot to which the Limited Common Area is assigned as designated on the Record of Survey Map.

Section 7. "Lot" shall mean and refer to any plot of land designated by Lot number and shown as "Private Area" on the Record of Survey Map.

Section 8. "Map" or "Plat" shall mean and refer to the Record of Survey Map describing the property shown on Exhibit "A" attached hereto and entitled "Courtyard Cove Planned Unit Development, Plat "A", filed for record in the Utah County Recorder's Office concurrently with the Declaration. Such term shall also include any Record of Survey Map pertaining to all or any portion of the Additional Land if and when the same is annexed and added to the Properties.

Section 9. "Mortgage" shall mean and refer to a first mortgage or first deed of trust against a Lot, but shall not mean or refer to an executory contract of sale.

Section 10. "Mortgagee" shall mean and refer to a mortgagee under a first mortgage or a beneficiary under a first deed of trust against a Lot, but shall not mean or refer to a seller under an executory contract of sale.

Section 11. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, and installment contract purchasers of any such Lot or Lots, but excluding those having such fee interest merely as security for the performance of an obligation.

Section 12. "Project" shall mean and refer to Courtyard Cove Planned Unit Development, an expandable planned unit development.

Section 13. "Property" or "Properties" shall mean and refer to that certain real property described on Exhibit "A" attached hereto, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 14. "Unit" shall mean a structure located on a Lot which is designed and intended for use as a residential unit including, but not limited to, decks, appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, and exterior surfaces of a Unit, together with all improvements located on the same Lot and used in conjunction with such Unit, including anything located within or without said Unit and designated and designed to serve only that Unit.

ARTICLE II PROPERTY DESCRIPTION AND ANNEXATION

Section 1. Submission. The property which initially is and shall be held, transferred, sold, conveyed and occupied subject to the provisions of this Declaration consists of the following property located in Lehi City, Utah County, State of Utah.

(see Exhibit "A" attached hereto)

Together with all easements, rights-of-way, and other appurtenances and rights and incidents to, appurtenant to or accompanying the above described real property Reserving unto Declarant, however, such easements and right of ingress and egress over, across, through and under the said property and any improvement (other than buildings) now or hereafter constructed thereon as may be reasonable necessary for Declarant or for any assignee or successor of Declarant (in a manner which is reasonable and not inconsistent with the provisions of this Declaration)

(a) To construct and complete each of the buildings and Units and all of the other improvements described in this Declaration or in the Plat recorded concurrently herewith, and to do all things reasonable necessary or proper in connection therewith;

(b) To construct and complete on the additional Land or any portion thereof such improvements as Declarant (or said assignee or successor) shall determine to build in its sole discretion (and whether or not the Additional Land or any portion thereof has been or hereafter will be added to the Properties); and

(c) To improve portions of the said property with such other or additional improvements, facilities, or landscaping designs for the use and enjoyment of all of the Owners as Declarant (or such assignee or successor) may reasonably determine to be appropriate. If, pursuant to the foregoing reservations, the said property or any improvement thereon is traversed or partially occupied by a permanent improvement or utility line a perpetual easement for such improvement or utility line shall exist. With the exception of such perpetual easements, the reservations hereby effected shall, unless sooner terminated in accordance with their terms, expire twenty (20) years after the date on which this Declaration is filed for record in the office of the County Recorder of Utah County, Utah.

All of the foregoing is subject to all liens for current and future taxes, assessments, and charges imposed or levied by Governmental or Quasi-Government authorities. All patent reservations and exclusions, all mineral reservations of record and right incident thereto; all instruments of record which affect the above-described real property or any portion thereof, including, without limitations any mortgage (and nothing in this paragraph shall be deemed to modify or amend such mortgage); all visible easements and rights-of-way, all easements and rights-of-way, encroachments, or discrepancies shown or revealed by the Map, which easement and right-of-way shall be for the use and benefit of such owners, their families, guests, agents, lessees, successors and assigns and families, guests, agents and lessees of the owners lessees, successors and assigns, an easement for each and every pipe, line, cable, wire, utility line, or similar facility which traverses or partially occupies the said real property at such time as construction of all improvements to the Property is complete, and all easements necessary for ingress to, egress from, maintenance of, and replacement of all such pipes, lines, cables, wires, utilities lines, and similar facilities, and to each of the easements, covenants conditions, restrictions contained in this Declaration. Declarant shall execute such documents as may be necessary to effectuate the easements and/or rights of way described herein or on the Plat.

In the hammerhead backup in the open space next to Lot 1 and across from Lot 5 there will be "No Parking" signs and Parking restrictions for this area. Also the Homeowner's Association and/or their snow removal contractor shall not use this area for snow storage. The snow must be pushed to Courtyard Drive

Section 2. Annexation by Declarant. Declarant may from time to time, without the consent of the Owners, expand the Properties subject to this Declaration by the annexation of all or part of the lands constituting the Additional Land in one or more phases. Subject to compliance with the conditions imposed by the following Section 3, the annexation of such lands shall become effective upon the concurrent recordation in the Office of the County Recorder of Utah County, Utah, of a Plat of such Additional Land and a supplemental Declaration with respect to such Additional Land. When any such annexation becomes effective, the annexed land shall become part of the Properties and subject to the provisions of this Declaration and any amendments or supplements thereto.

Section 3. Limitations on Annexation. Declarant's right to annex land to the Properties shall be subject to the following limitations:

(a) The annexed land must be part of the additional Land set forth and described herein;

(b) Declarant shall not effectuate any annexation of land which would cause the total number of Lots existing on the Properties to exceed thirty-eight (38) and the maximum number of Lots per acre that may be created on any portion of the Additional Land added to the Project is four;

(c) The holder of each mortgage, deed of trust or other security devise affecting any part of the Additional Land being annexed into the project must subordinate, through appropriate instruments recorded in Utah County, Utah, the encumbrance held by such holder to the supplemental Declaration and to the Plat to which such supplemental Declaration relates; the additional Land added to the project Properties must be subdivided into Lots and Common Areas designed to be used for purposes similar to those contemplated by this Declaration, with all Units and Lots being similar in concept with that of such Units, and uses in Plat "A";

(d) All Common Areas covered by the supplemental Declaration designated on the Plat thereto shall be owned by the Association;

(e) All Lots that may be created on the Additional Land shall be used exclusively for residential purposes, and

(f) Declarant's right to annex land to the property shall expire seven (7) years after this Declaration is filed for record in the office of the County Recorder of Utah County, Utah.

Section 4. No Obligation to Annex or Develop. Declarant has no obligation hereunder to annex any Additional Land to the Properties or to develop or preserve any portion of the Additional Land in any particular way or according to any particular time schedule.

ARTICLE III
PROPERTY RIGHTS

Section 1. **Owner's Easements of Enjoyment.** Each Owner shall have a right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every Lot.

Section 2. **Easement for Ingress, Egress and Lateral Support.** Each Owner shall have the unrestricted right to ingress and egress upon and across the Common Areas designated for use in connection with his Lot, and each Owner shall have the right to the horizontal and lateral support of the Lot and such rights shall be appurtenant to and pass with the title to each Lot.

Section 3. **Easement for Encroachment.** If any part of the Common Areas encroaches or shall hereafter encroach upon a Lot or Lots, an easement for such encroachment and for the maintenance of the same, shall and does exist. If any part of a Lot encroaches or shall hereafter encroach upon the Common areas or upon an adjoining Lot or Lots, an easement for such encroachment and for maintenance shall and does exist. Such encroachments shall not be considered to be encumbrances either on the Common Areas or the Lots. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the building(s) on the Property, by error in the Map, by settling, raising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

Section 4. **Delegation of Use.** Any Owner may delegate, in accordance with the provisions hereof his right of enjoyment to the Common Areas and Facilities to his tenants or contract purchasers who occupy the property.

Section 5. **Form of Conveyancing.** Any deed, lease, mortgage, deed of trust, purchase contract or other instrument conveyed or encumbering title to a Lot shall describe the interest or estate conveyed or encumbered substantially as follows:

Lot No _____ Plat _____ Courtyard Cove Planned Unit Development, as identified in the Record of Survey Map recorded in the Office of the Utah County Recorder, as Entry No _____, in Book _____, at Page _____ and as identified and described in and subject to the Declaration of Covenants, Conditions and Restrictions of Courtyard Cove Planned Unit Development recorded in the Office of the Utah County Recorder as Entry No _____ in Book _____, at Pages _____ together with a right and easement of use and enjoyment in and to the Common Areas described, and as provided for, in said Declaration of Covenants, Conditions and Restrictions as said Declaration may have been amended or supplemented.

Regardless of the form of conveyance used, however, all provisions of this Declaration shall be binding upon and shall inure to the benefit of any party who acquires an interest in a Lot. Neither membership in the Association nor the exclusive use of Limited Common Areas shall be separated from the Lot to which it pertains, and even though not specifically mentioned in the instrument of transfer, such mandatory membership in the Association and such right of exclusive use shall automatically accompany the transfer of the Lot to which it relates.

Section 6. Transfer of Title to Common Areas. The recordation of this Declaration together with the Record of Survey Map shall constitute and shall be sufficient evidence of the conveyance of the Common Areas to the Association. The Common Areas may not be mortgaged or conveyed without the consent of 67% of the Lot Owners, excluding Declarant

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to this Declaration shall be an automatic member of the Association. Membership in the Association shall be mandatory and shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Voting Right. The Association shall have two classes of voting membership.

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

Class B. The Class B member shall be the Declarant and shall be entitled to three votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership upon the first to happen of any of the following events.

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) When 75% of the Lots are deeded to homeowners, or
- (c) On July 1, 2005, or

(d) Upon surrender of Declarant's Class B membership in writing to the Association.

Upon the first to occur of the foregoing events, Declarant shall become a Class A member entitled to one vote for each Lot owned.

Section 3. Records of Ownership. Every Owner shall promptly cause to be duly filed of record the conveyance document, or notice of interest in the case of a contract sale, to him of his Lot and shall file a copy of such conveyance document with the Secretary of the Association which shall maintain a record of ownership of the lots. Any Owner who mortgages his Lot or any interest therein shall notify the Secretary of the Association of the name and address of the Mortgagee and also of the release of such mortgage. The Secretary of the Association shall maintain all such information in the records of ownership. The association may at any time obtain and rely on information from the Utah County Recorder regarding the Owners and Mortgagees of Lots.

ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

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

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the occupants of the Properties and for the improvement and maintenance of the Common Areas.

Section 3. Maximum Monthly Assessment. The initial maximum monthly assessment shall be \$79.00 per Lot for Twin Homes and \$69.00 per Lot for Single Family.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum monthly assessment may be

increased each year not more than 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 monthly assessment may be increased above 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.

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

Section 4. Special Assessments for Capital Improvements. In addition to the monthly assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 above shall be sent to all members not less than 15 days and not more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. Not such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both monthly and special assessments must be fixed at a uniform rate for all Lots based on the pro-rata square footage of each Lot to the total square footage of all Lots included in the Properties as shown on Exhibit "C" attached hereto and incorporated herein, and may be collected on a monthly basis; provided, however, that until such time as a Lot has been fully improved with a Unit and a "occupancy permit" has been granted from Richfield City, such Lot shall be exempt from assessment hereunder, and that when an occupancy permit has been granted by Lehi City for such Unit, if Declarant is the owner thereof, Declarant shall be obligated to pay 60% of the assessment amount otherwise applicable to such Lot, and provided further that when such Unit is occupied for the first time for residential purposes or title thereto is no longer vested in the Declarant, such Lot shall then pay 100% of the amount which would otherwise be assessed to such Lot. During the period of time the

Declarant holds the Class B membership in the Association, if assessed fees collected by the Association fail to adequately meet Association expenses, then Declarant shall pay up to the otherwise full assessed amount of each Lot owned by Declarant, if necessary, to apply toward such expenses.

Section 7. Date of Commencement of Monthly Assessments; Due Dates. The monthly assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the first Lot to an Owner. The Board shall fix the amount of the monthly assessment against each Lot at least thirty (30) days in advance of each calendar year. Written notice of the monthly assessment shall be sent every Owner subject thereto. The due dates shall be established by the Board. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Reimbursement Assessment. In addition to the monthly assessment or any special assessment authorized pursuant to Sections 1-4 above, the Board may levy at any time reimbursement assessments:

(a) On every Lot especially benefited (i.e. benefited to a substantially greater degree than any other Lot) by any improvements to adjacent roads, sidewalks, planting areas or other portions of the Common Areas made on the written request of the Owner of the Lot to be charged;

(b) On every Lot of the Owner or occupant of which shall cause any damage to the Common Areas necessitating repairs; provided, however, that absolute liability is not imposed on Lot Owners for damage to Common Areas or Lots in the Project;

(c) On every Lot as to which the Association shall incur any expense for maintenance or repair work performed, or enforcement action taken pursuant to the provisions of this Declaration. The aggregate amount of any such reimbursement assessment shall be determined by the cost of such improvements, repairs, maintenance or enforcement action, including all overhead and administrative costs, and all attorney's fees and costs, and shall be allocated among the affected Lots according to the magnitude of special benefit or cause of damage or maintenance or repair work or enforcement action as the case may be. Such assessment may be made in advance of the performance of work. If a special benefit arises from any improvement which is part of the general maintenance or operation obligations of the Association, it shall not give rise to a reimbursement assessment against the Lots benefited.

Section 9. Certificate of Payment. Upon the request of an Owner or prospective purchaser or encumbrance of a Lot and upon the payment of a reasonable fee to the Association to cover administrative costs, the Association shall issue a certificate stating whether or not payments of all assessments respecting such Lot are current and, if not, the amount of the delinquency. Such certificates shall be conclusive in favor of all persons who rely thereon in good faith.

Section 10. Effect of Nonpayment of Assessments; Remedies of the Association
Any assessment not paid within ten (10) days after the due date shall bear interest from the due date at the rate of 12 percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise avoid liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 11. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinated to the lien of any first mortgage. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 12. Maintenance Responsibilities.

(a) All front yards and open side yards will be maintained by the Association, except that snow removal from sidewalks and front parking areas shall be the responsibility of the Lot Owners.

(b) All Unit exteriors including lights and roofs, must be well maintained and kept in good repair by the Owners.

(c) Landscaping, including trees, grass, shrubs, fencing and sprinkler systems (basic allowance plan), will be installed by the builder on the Common Areas. Said landscaping will be completed at the time of closing, or within thirty (30) days thereafter, or, in case of winter months, as soon as weather permits.

ARTICLE VI
ARCHITECTURAL CONTROL

Section 1 No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, heights, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to

surrounding structures and topography by the Board or by the architectural control committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this article will be deemed to have been fully complied with

Section 2. The initial architectural control committee shall consist of David K. Gardner, Martin R. Watt and Frank G. Brimhall.

Section 3. The Units built in the Project will be located on the tract above-described and all such improvements are described on the Map. The Map indicates the number of Units which are to be contained in the buildings and other significant facts relating to such buildings and Common Areas. The improvements to Plat "A" of the Project will be upon the land described on Exhibit "A" attached hereto. The building will be conventional wood-frame construction with stucco exterior with rock, brick and occasional vinyl siding accents. Roofing material to be consistent throughout the project using Capstone shingles. The building will consist of one and two stories above ground and no basement. Units will range from approximately 1000 square feet to approximately 2000 square feet of floor area. Additional parking spaces shall be designated as Common Areas

Section 4. Improvements included on any Additional Land added to the Project will be located on all or a portion of the Additional Land described on Exhibit "B" attached hereto. All structures erected on any portion of the Additional Land shall be compatible with the structures on the land originally within the Project in terms of quality of construction. Such structures will be built by a builder appointed by Declarant using plans which are approved by the Architectural Control Committee

ARTICLE VII USE OF LOTS

Section 1. Residential Use. Each of the lots in the Project shall be used solely for residential purposes and is intended to be used for single families. Occupancy of each Lot is restricted to one family as defined by Lehi City Zoning Ordinances. Each Lot may be rented or leased by the Lot owner for use and occupancy as herein stated. Any such lease must be in writing and be subject to the Declaration and to the Bylaws and rules and regulations adopted by the Association.

Section 2. Restrictions concerning Common Areas. There shall be no obstruction of the Common Areas by the Owners, their tenants, guests or invitees without the prior written consent of the Board. The Board may by rules and regulations prohibit or limit the use of the Common Areas as may be reasonably necessary for protecting the interests of all the Owners or protecting the Lots or the Common Areas. Nothing shall be

kept or stored on any part of the Common Areas without the prior written consent of the Board, except as specifically provided herein. Nothing shall be altered on, constructed in, or removed from the Common Areas, except upon consent of the Board.

Section 3. Miscellaneous Restrictions. Nothing shall be done or kept on any Lot or on the Common Areas or any part thereof which would result in the cancellation of the insurance of the project or any part thereof or increase the rate of the insurance on the project or any part thereof over what the Board, but for such activity, would pay, without the prior written consent of the Board. Nothing shall be done or kept on any Lot or on the Common Areas or any part thereof which would be a violation of any statute, rule or ordinance, regulation, permit or other validly imposed requirements of any governmental body. No damage to or waste of the Common Areas or any part thereof shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Board and the other Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees; provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee of any other Owner. No noxious, destructive or offensive activity shall be carried on in any Lot or in the Common Areas or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully occupying a Lot in the Project.

Section 4. Animals. No livestock or poultry of any kind shall be raised, bred, or kept on any Lot or on the Common Areas. Household pets may be kept on Lots subject to strict observance of rules and regulations adopted by the Board.

Section 5. No Violation of Rules and Regulation. No Owner shall violate the rules and regulations for the use of the Units and the Common Areas as adopted from the time to time by the Board.

Section 6. Declarant's Right to Sell Lots. Notwithstanding anything contained herein to the contrary, until the Declarant has completed and sold all of the Lots, neither the Lots Owners who have purchased Lots from the Declarant nor the Board or either of them, shall interfere with the completion of the contemplated improvements and sale of the remaining Lots. The Declarant may make such use of the unsold Lots and the Common Areas as may facilitate such completion and sale, including, but not limited to, the maintenance of a sales office, the showing of the Lots and the display of signs.

ARTICLE VIII PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall built or to be built as a part of the original construction of a Unit and placed substantially on a dividing line between Lots shall constitute a party wall and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for

damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The costs of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the Owner of another Lot thereafter makes use of the wall, such other Owner shall contribute to the cost of restoration in proportion to such use; the foregoing provisions shall not prejudice, however, the right of any Owner to call for a larger contribution from another Owner under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this article, an Owner who by his negligence or willful act causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with the Land. The right of any Owner to contribution from any other Owner under this article shall be appurtenant to the land and shall pass to Owner's successors in title.

ARTICLE IX INSURANCE

Section 1. Hazard Insurance. The Board shall procure and maintain a policy or policies of hazard insurance in an amount or amounts equal to or exceeding the full replacement value (exclusive of the value of land, foundations, excavations and other items normally excluded from coverage) of the Common Areas owned by the Association. The Lot Owners shall be responsible for obtaining hazard and liability insurance covering their respective Lots and Units. Such insurance policy or policies procured by the board shall name the Association as the insured for the benefit of the Owners and shall afford protection, to the extent applicable, against at least the following:

- (a) Loss or damage to the Common Areas by fire and other hazards covered by the standard extended coverage endorsement, and by vandalism, malicious mischief, windstorm and water damage.
- (b) Such other risks as shall customarily be covered with respect to facilities similar in construction, location and use.

Section 2. Liability Insurance. The Board shall procure and maintain a policy

or policies of public liability insurance to ensure the Association, the Board, the managing agent and employees of the Association and the Owners against claims for bodily injury and property damage arising out of the conditions of the Common Areas or activities thereon under a comprehensive general liability form. Such insurance shall be for such limits as the Board may decide, but not less than those limits customarily carried in connection with properties of comparable character and usage in Utah County, State of Utah, nor less than one-million dollars (\$1,000,000.00), for personal injury and property damage arising out a single occurrence, such coverage to include protection against water damage liability, liability for non-owned and hired automobiles, liability for the property of others and such other risks as shall customarily be covered with respect to property similar in construction, location and use. Such policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of any Owner because of negligent acts of the Association or other Owners in a cross-liability endorsement pursuant to which the rights of the named insureds as between themselves are not prejudiced. Such policies shall provide that the policy may not be canceled or substantially modified by the insurer unless it gives at least thirty days prior written notice thereof to each insured. Any such coverage procured by the Board shall be without prejudice to the right of the Owners to insure their personal liability for their own benefit at their own expense.

Section 3. Additional Insurance; Further General Requirements. The Board may also procure insurance which shall insure the Common Areas and the Association or the Owners and others against such additional risks as the Board may deem advisable. Insurance procured and maintained by the Board shall not require contribution from insurance held by any of the Owners or their mortgagees. Each policy of insurance obtained by the Board shall, if reasonable possible, provide:

(a) A waiver of the insurer's right of subrogation against the Association, the Owners and their respective directors, officers, agents employees, invitees and tenants.

(b) That it cannot be canceled, suspended or invalidated due to the conduct of any particular Owner or Owners;

(c) That it cannot be canceled, suspended or invalidated due to the conduct of the Association without a prior written demand that the defect be cured;

(d) That any "no other insurance" clause therein shall not apply with respect to insurance maintained individually by any of the Owners.

Section 4. Fidelity Coverage. The Association may elect to maintain fidelity coverage to protect against dishonest acts on the part of the officers, trustees, managing agents, directors and employees of the Association and all others (including volunteers) who handle, or are responsible for handling funds of the Association. In that event, such

fidelity bond shall:

- (a) name the Association as an obligee;
- (b) be written in an amount based upon the best business judgment of the Association and shall not be less than the estimated maximum of funds (including reserve funds) in the custody of the Association or the managing agent at any given time during the term of each bond, but in no event be less than a sum equal to three months assessment on all Lots plus reserve funds;
- (c) contain waivers of any defense based upon the exclusion of volunteers or persons who serve without compensation from any definition of "employee" or similar expression;
- (d) provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to the insured.

Section 5. Review of Insurance. The Board shall periodically, and whenever requested by Owners entitled to exercise at least twenty (20) percent of the outstanding votes in the Association, review the adequacy of the Association's insurance program and shall report in writing the conclusions and action taken on such review to the Owner of each Lot and to the holder of any mortgage on any Lot who shall have requested a copy of such report. Copies of every policy of insurance procured by the Board shall be available for inspection by any Owner and any mortgagee.

Section 6. Other Insurance Provisions. All insurance required pursuant to this article shall be written by insurers licensed in the State of Utah. Notwithstanding anything in this article to the contrary, any insurance required to be obtained by the Association by this article shall be required only to the extent that such coverage is reasonable obtainable at reasonable rates and is customarily obtained with respect to improvements or facilities having the same or similar characteristics as the Common Areas and the Lots and Units being insured.

ARTICLE X CONDEMNATION

If at any time or times an insubstantial or minor part of the Common Areas or any part thereof shall be taken or condemned by authority having the power of eminent domain, all compensation and damages shall be payable to the Association and shall be used by the Association to the extent necessary for restoring or replacing any improvements on the remainder of the Common Areas. In the event of any other taking or condemnation, the interest of the Association, the Owners and the Mortgagees shall be as they may appear.

ARTICLE XI
RIGHTS OF MORTGAGEES

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Notwithstanding any other provisions in this Declaration, the following provisions concerning the rights of Mortgagees shall be in effect:

Section 1. Title and Mortgage Protection. A breach of any of the covenants, provisions, or requirements of this Declaration shall not result in any forfeiture or reversion of title or of any other interest in a Lot or in any other portion of the property. A breach of any of the covenants, provisions, or requirements of this Declaration shall not defeat, impair or render invalid the lien of or other rights under any mortgage. Unless and until it enters into possession or acquires title pursuant to foreclosure or any arrangement or proceeding in lieu thereof, any Mortgagee interested under any mortgage affecting a Lot or any other portion of the property (including any such Mortgagee which is a signatory to this Declaration, or which consents thereto) shall have no obligation to take any action to comply with, and may not be compelled to take any action to comply with, any of the covenants, provisions, or requirements of this Declaration (other than those, if any, concerning a consent or approval to be given by a Mortgagee, in the event a Mortgagee's failure to give the same is wrongful). Mortgagees shall not be required to collect assessments. The failure of a Lot Owner to pay assessments does not constitute a default under a mortgagee. Except as otherwise provided in Article II for the expansion of the Project, amendments to the Declaration of a material nature must be agreed to by Lot Owners who represent at least 67% of the total allocated votes in the Association and by eligible mortgage holders who represent at least 51% of the votes of the Lots that are subject to mortgage that are held by eligible mortgagees. A change to any of the provisions governing the following would be considered as material: voting rights; increases in assessments that raise the previously assessed amount by more than 25%; assessment liens and priority of assessment liens; reductions in reserves for maintenance, repair and replacement of common elements; responsibility for replacement and repairs; redefinition of any Lot boundaries or the exclusive annexation or withdrawal of property to or from the Project except as to the annexation of the Additional Lands as set forth in Article II hereof; hazard or fidelity insurance requirements; imposition of any restrictions on the leasing of any Lots; imposition of any restrictions on a Lot Owner's ability to transfer or sell his or her Lot; a decision by the Association to establish self management if professional management has been required previously; restoration or repair of the Project (after damage or partial condemnation) in the manner other than that specified in the Declaration, or any provisions that expressly benefit mortgage holders, insurers, or guarantors. As used in this section, "eligible mortgage holder" or "eligible mortgagee" shall mean a holder, insurer or guarantor of the first mortgage on a Lot which has requested notice in accordance with the provisions of this Article. An eligible mortgage holder shall be deemed to have approved an amendment to the Declaration if such eligible mortgage holder fails to submit a response to any written proposal for an amendment within 30 days after it receives property notice of the proposal, provided the notice was delivered by certified or registered mail with a return receipt requested. Neither this

Declaration nor any amendment thereto shall in any way effect the rights of any Mortgagee interest under a mortgage which is in effect at the time of the recordation of this Declaration or any amendment thereto, or the rights of any successor in interest or title to such Mortgagee either before or after such Mortgagee or its successor enters into possession or acquires title pursuant to foreclosure or any arrangement or proceeding in lieu thereof, unless such mortgagee has consented in writing to this Declaration or any amendment thereto.

Section 2. Preservation of Common Areas. The Common Areas shall remain substantially of the same character, type and configuration as when such Common Areas became part of the project. Unless the Association shall receive the prior written approval of (a) all first Mortgagees of Lots and (b) the Owners of all Lots, the Association shall not be entitled by act or omission to abandon, petition, subdivide, encumber, sell, transfer or materially modify the Common Areas, except to grant reasonable easements for utilities and similar or related purposes.

Section 3. Notice of Matters Affecting Security. The Association shall give written notice of the following to any Mortgagee requesting such notice:

- (a) Any proposed amendment of the Declaration effecting a change of a material nature as described in Section 1 above;
- (b) Any proposed termination of the Planned Unit Development;
- (c) Any condemnation loss or any casualty loss which affects a material portion of the Project or which affects any Lots on which there is a first mortgage held, insured or guaranteed by an eligible mortgage holder;
- (d) There is any material default by the Owner of the Lot subject to the mortgage and performance of any obligation under this Declaration or the Articles of Incorporation and Bylaws of the Association which is not cured within 60 days after default occurs; or
- (e) Any lapse, cancellation or material modification of any insurance policy maintained by the Association insuring against fire and other hazards.

Section 4. Notice of Meetings. The Board shall give to any Mortgagee of a Lot requesting the same, notice of all meetings of the Association; and such Mortgagee shall have the right to designate in writing a representative to attend all such meetings.

Section 5. Right to Examine Association Records. Any Mortgagee shall, upon request, have the right to inspect the books and records of the Association and receive financial statements as would the Owner of the Lot securing the Mortgage.

Section 6. Right to Pay Taxes and Charges. Mortgagees may jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any portion of the Common Areas and may pay overdue premiums on insurance policies pertaining to the Common Areas or secure new insurance coverage pertaining to the Common Areas on the lapse of a policy; and Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

Section 7. No Priority Accorded. No provision of this Declaration gives or may give a Lot Owner or any other party priority over any rights of the Mortgagees pursuant to their respective mortgages in the case of a distribution to Lot Owners of insurance proceeds or condemnation awards for loss to or taking of Lots and/or the Common Areas.

Section 8. Construction. In the event another provision or clause of this Declaration addresses the same subject matter addressed in any provision or clause of this Article XI, the provision or clause which results in the greatest protection and security for a Mortgagee shall control the rights, obligations, or limits of authority, as the case may be, applicable to the Association with respect to the subject concerned.

ARTICLE XII GENERAL PROVISION

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so after

Section 2. Severability. An invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect

Section 3. Covenants Run With Land. This Declaration and all the provisions hereof shall constitute covenants which run with and bind the land and shall be binding upon and shall inure to the benefit of Declarant, all parties who heretofore acquired or hereafter acquire any interest in a Lot or in the Common Areas, the respective grantees, transferees, heirs, devisees, personal representatives, successors and assigns. Each Owner or occupant of a Lot or Unit shall comply with, and all interests in all Lots or in the Common Areas shall be subject to, the terms of this Declaration and the provisions of any rules, regulations, agreements, instruments, and termination's 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.

Section 4. Amendment. Except as otherwise provided in Article II for expansion of the Project, this Declaration may be amended by, and only by, an instrument recorded in the Utah County Recorders Office, which is executed by Owners (including Declarant), who collectively hold at least 67% of the total outstanding votes in the Association. Such right of amendment shall be subject to the following qualifications: No amendment to any provision of this Declaration which is a materiel amendment, as described in Section 1 of Article XI hereof. Notwithstanding any provision herein to the contrary, the annexation of additional properties, dedication of Common Areas, and amendment of the Declaration, requires the prior approval of HUD/VA as long as there is a Class B membership in the Association.

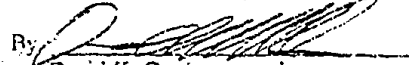
Section 5. Consent Equivalent to Vote. In those cases in which this Declaration requires a vote of a stated percentage of the outstanding votes in the Association for the authorization or approval of a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Lot Owners, including Declarant, who collectively hold at least the necessary percentage of outstanding votes in the Association.

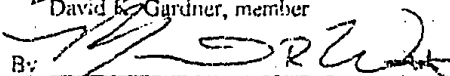
Section 6. Duration. This Declaration shall remain in effect until such time as there is recorded in the Utah County Recorder's Office, an instrument of termination which is executed by all of the Lot Owners and the Mortgagees of each and every Lot.

Section 7. The City. The City shall be considered a beneficiary of said restrictive covenants and is hereby authorized to enforce the terms and provisions of the covenants through whatever means available and to the extent determined appropriate by the City. However, this shall not be construed as placing a responsibility upon the City to enforce any of the restrictive covenants or requirements contained therein. Such enforcement shall be at the sole discretion of the City.

IN WITNESS WHEREOF, the undersigned, being the Declarant, has caused this instrument to be executed on the 13 day of March, 2000

DECLARANT:
Courtyard Cove Development Limited Company

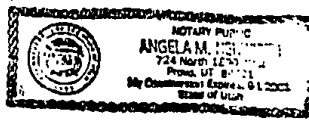
By: 
David K. Gardner, member

By: 
Marvin R. Watt, member

ACKNOWLEDGMENT

STATE OF UTAH)
)ss
COUNTY OF UTAH)

On the 13 day of March, 2000, personally appeared before me David K. Gardner and Marvin R. Watt, who being by me duly sworn, did say that they are members of Courtyard Cove Development Limited Liability Company and that said instrument was signed in behalf of said company by authority of its operating agreement and they acknowledged to me that said company executed the same.



Angela M. Newish
Notary Public

EXHIBIT "A"

PHASE I

COMMENCING AT THE NORTH 1/4 CORNER OF SECTION 8, TOWNSHIP 5 SOUTH, RANGE 1 EAST, SALT LAKE BASE MERIDIAN; THENCE S.89°56'53"W. 161.69 FEET ALONG THE SECTION LINE; THENCE SOUTH 1275.30 FEET TO THE REAL POINT OF BEGINNING;

THENCE N.35°55'46"E. 37.51 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT CURVE TO THE LEFT; THENCE SOUTHEASTERLY 65.40 FEET ALONG THE ARC OF A 168.00-FOOT RADIUS CURVE, HAVING A CENTRAL ANGLE OF 34°41'39", SUBTENDED BY A CHORD THAT BEARS S. 71°25'03" E. 64.40 FEET; THENCE S.88°45'53"E. 11.55 FEET; THENCE N.10°22'16"E. 98.58 FEET; THENCE N.79°34'43"W. 46.54 FEET; THENCE N.36°42'12"E. 101.05 FEET; THENCE S.53°32'10"E. 41.10 FEET; THENCE N.38°17'33" E. 48.02 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT TO THE RIGHT; THENCE SOUTHEASTERLY 26.02 FEET ALONG THE ARC OF A 174.00-FOOT RADIUS CURVE, HAVING A CENTRAL ANGLE OF 8°34'09", SUBTENDED BY A CHORD THAT BEARS S.48°44'44"E. 26.00 FEET; THENCE N.61°23'07"E. 58.93 FEET; THENCE N.44°33'29"E. 42.48 FEET; THENCE N.35°06'09"E. 106.85 FEET; THENCE S.44°41'18"E. 70.38 FEET; THENCE S.88°52'07"E. 129.49 FEET; THENCE S.01°44'11"W. 177.53 FEET; THENCE N.88°55'01"W. 121.11 FEET; THENCE N.54°43'52"W. 112.04 FEET; THENCE N.83°44'23"W. 44.70 FEET; THENCE S.01°09'28"W. 221.18 FEET; THENCE S.00°30'33"E. 85.93 FEET; THENCE N.88°45'53"W. 266.12 FEET; THENCE N.00°30'40"E. 125.37 FEET TO THE REAL POINT OF BEGINNING. CONTAINING 2.511 ACRES.

EXHIBIT "B"

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PHASE 2

COMMENCING AT THE NORTH 1/4 CORNER OF SECTION 8, TOWNSHIP 5 SOUTH, RANGE 1 EAST, SALT LAKE BASE MERIDIAN; THENCE S.89°56'53"W. 374.97 FEET ALONG THE SECTION LINE; THENCE SOUTH 1184.71 FEET TO THE REAL POINT OF BEGINNING;

THENCE S.83°27'11"E. 51.18 FEET; THENCE N.72°24'38"E. 102.28 FEET; THENCE N.24°01'48"E. 92.68 FEET; THENCE N.36°27'50"E. 68.59 FEET; THENCE N.38°04'18"E. 71.03 FEET; THENCE S.53°32'10"E. 35.89 FEET; THENCE N.44°33'29"E. 222.36 FEET; THENCE S.44°41'18"E. 156.51 FEET; THENCE S.35°06'09"W. 106.85 FEET; THENCE S.44°33'29"W. 42.48 FEET; THENCE S.61°23'07"W. 58.93 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENT TO THE LEFT; THENCE NORTHWESTERLY 26.02 FEET ALONG THE ARC OF A 174.00-FOOT RADIUS CURVE, HAVING A CENTRAL ANGLE OF 8°34'09". SUBTENDED BY A CHORD THAT BEARS N.48°44'44"W. 26.00 FEET; THENCE S.38°17'33"W. 48.02 FEET; THENCE N.53°32'10"W. 41.10 FEET; THENCE S.36°42'12"W. 101.05 FEET; THENCE S.79°34'43"E. 46.54 FEET; THENCE S.10°22'16"W. 98.58 FEET; THENCE N.88°45'53"W. 11.55 FEET TO A POINT OF CURVATURE OF A 108.00-FOOT RADIUS CURVE TO THE RIGHT; THENCE NORTHWESTERLY 65.40 FEET ALONG THE ARC OF SAID CURVE, HAVING A CENTRAL ANGLE OF 34°41'39", SUBTENDED BY A CHORD THAT BEARS N.71°25'03"W. 64.40 FEET; THENCE S.35°55'46"W. 37.51 FEET; THENCE N.38°14'02"W. 215.29 FEET; THENCE N.01°17'16"E. 84.70 FEET TO THE REAL POINT OF BEGINNING, CONTAINING 2.135 ACRES.

PHASE 3

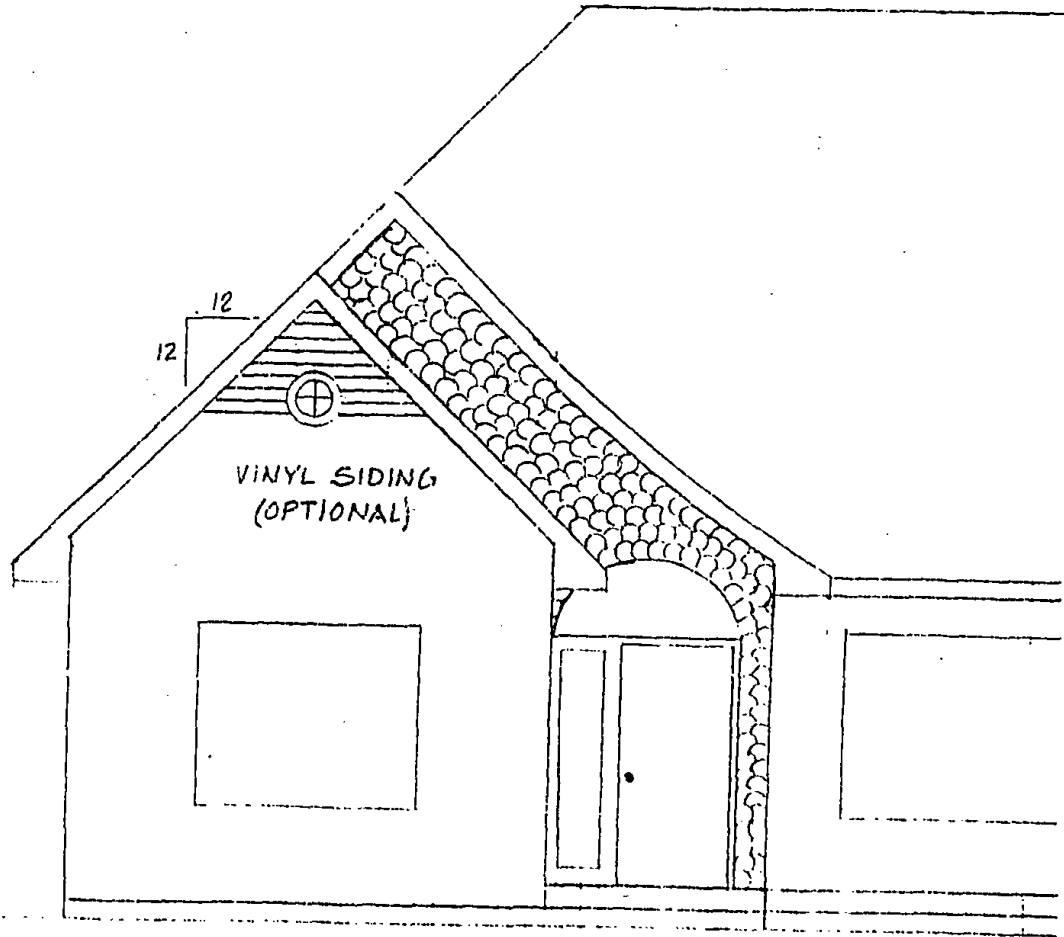
COMMENCING AT THE NORTH 1/4 CORNER OF SECTION 8, TOWNSHIP 5 SOUTH, RANGE 1 EAST, SALT LAKE BASE MERIDIAN; THENCE S.89°56'53"W. 774.52 FEET ALONG THE SECTION LINE; THENCE SOUTH 764.20 FEET TO THE REAL POINT OF BEGINNING;

THENCE N.88°36'57"E. 41.205 FEET; THENCE N.43°52'46"E. 123.39 FEET; THENCE N.00°00'00"E. 136.03 FEET; THENCE S.45°17'44"E. 302.47 FEET; THENCE S.00°12'49"E. 8.37 FEET; THENCE N.89°05'36"E. 66.38 FEET; THENCE S.44°41'18"E. 108.41 FEET; THENCE S.44°33'29"W. 222.36 FEET; THENCE N.53°32'10"W. 35.89 FEET; THENCE S.38°04'18"W. 71.03 FEET; THENCE S.36°27'50"W. 68.59 FEET; THENCE S.24°01'48"W. 92.68 FEET; THENCE S.72°24'38"W. 102.28 FEET; THENCE N.83°27'11"W. 51.18 FEET; THENCE N.88°42'44"W. 131.68 FEET; THENCE N.01°28'49"E. 151.59 FEET; THENCE S.89°55'14"W. 44.43 FEET; THENCE N.82°46'29"W. 33.16 FEET; THENCE N.37°05'14"W. 121.28 FEET; THENCE N.39°18'03"W. 112.03 FEET; THENCE N.32°50'11"W. 92.95 FEET TO THE REAL POINT OF BEGINNING. CONTAINING 5.932 ACRES.

K:\99-034-00\Legal Descriptions\EXHIBIT B.dwg

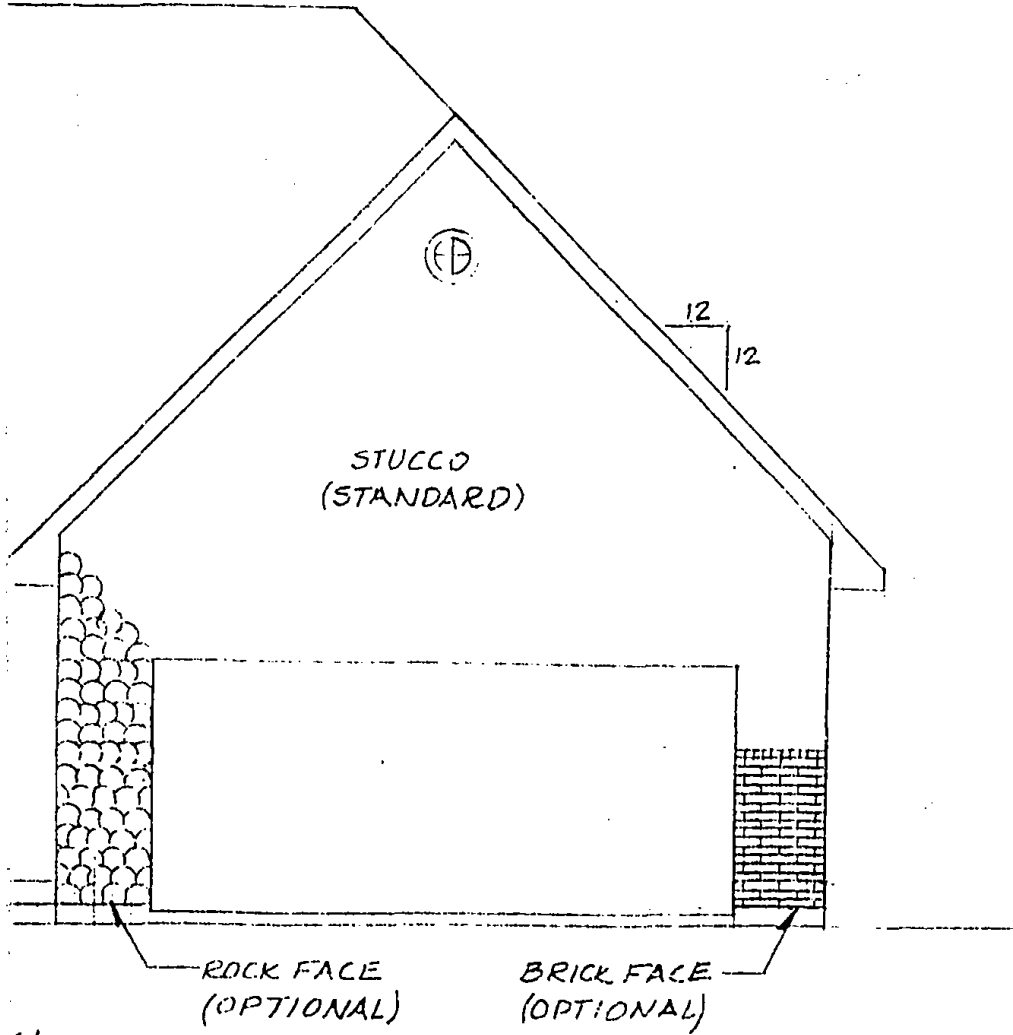
EXHIBIT "C"

Class A1	\$79.00
Class A2	\$69.00

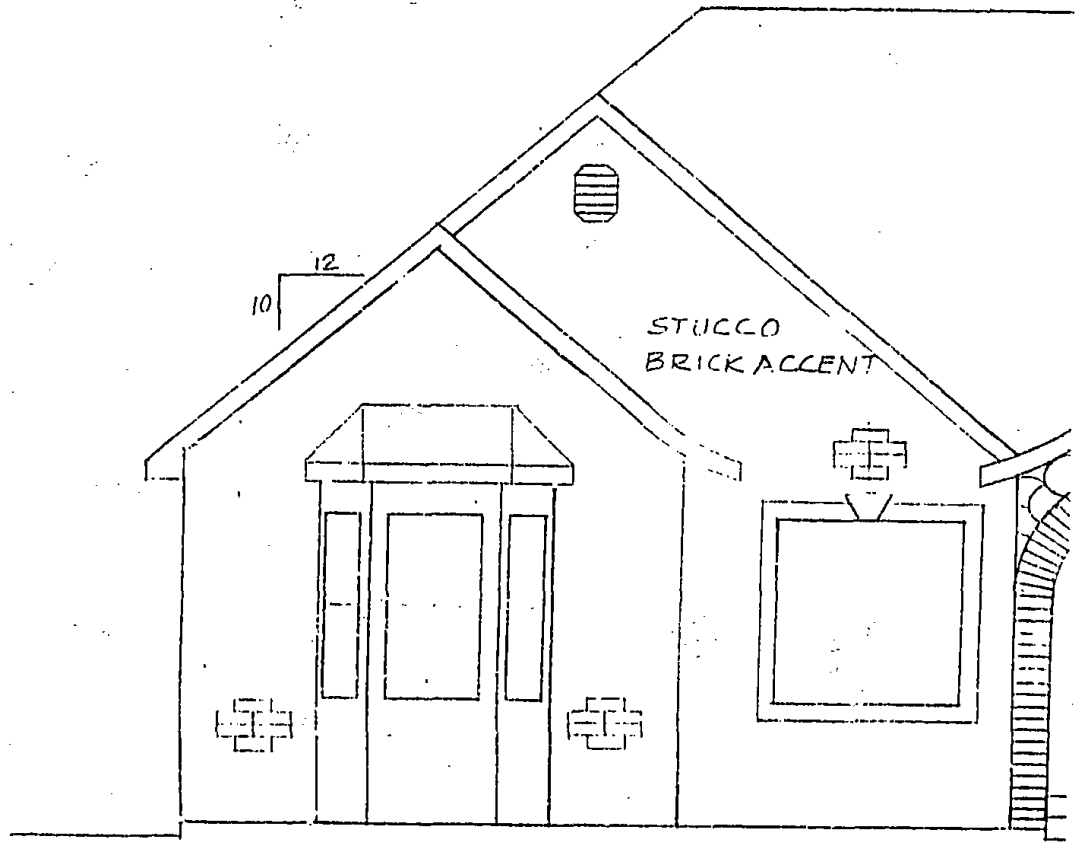


14-25 1/4'

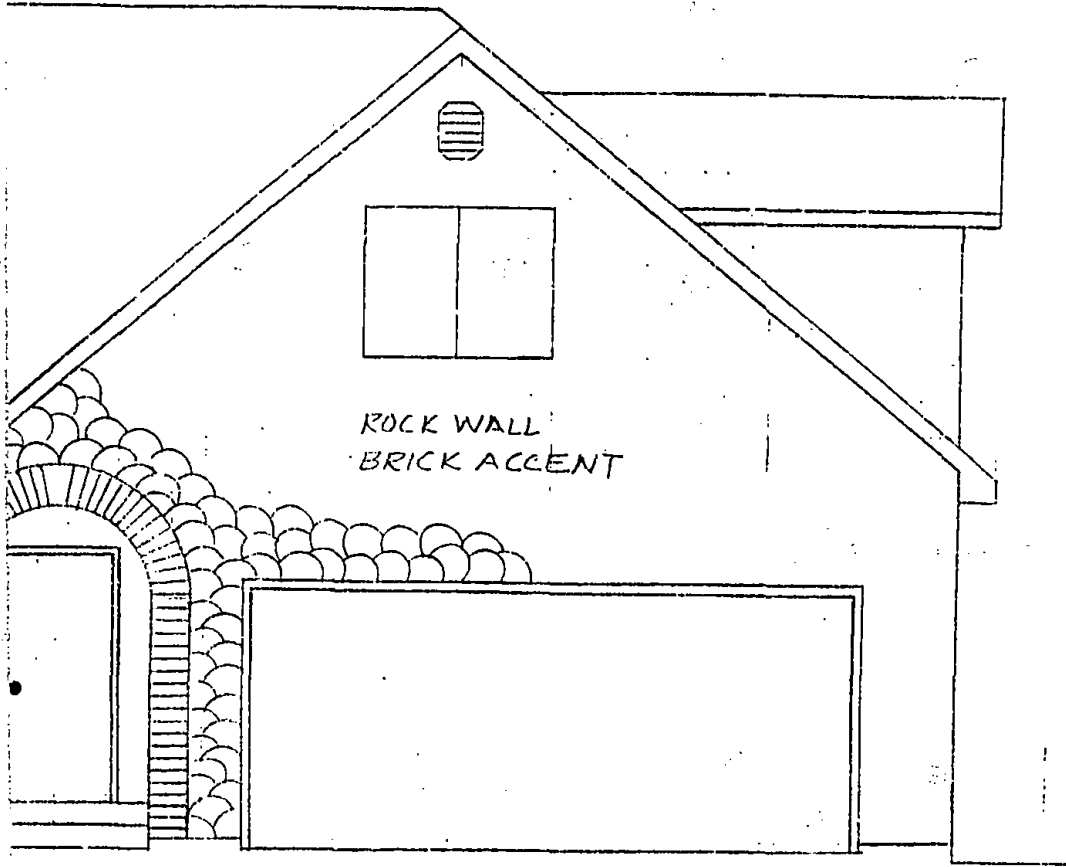
FRONT VIEW
SCALE 1/4" = 1'



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2"

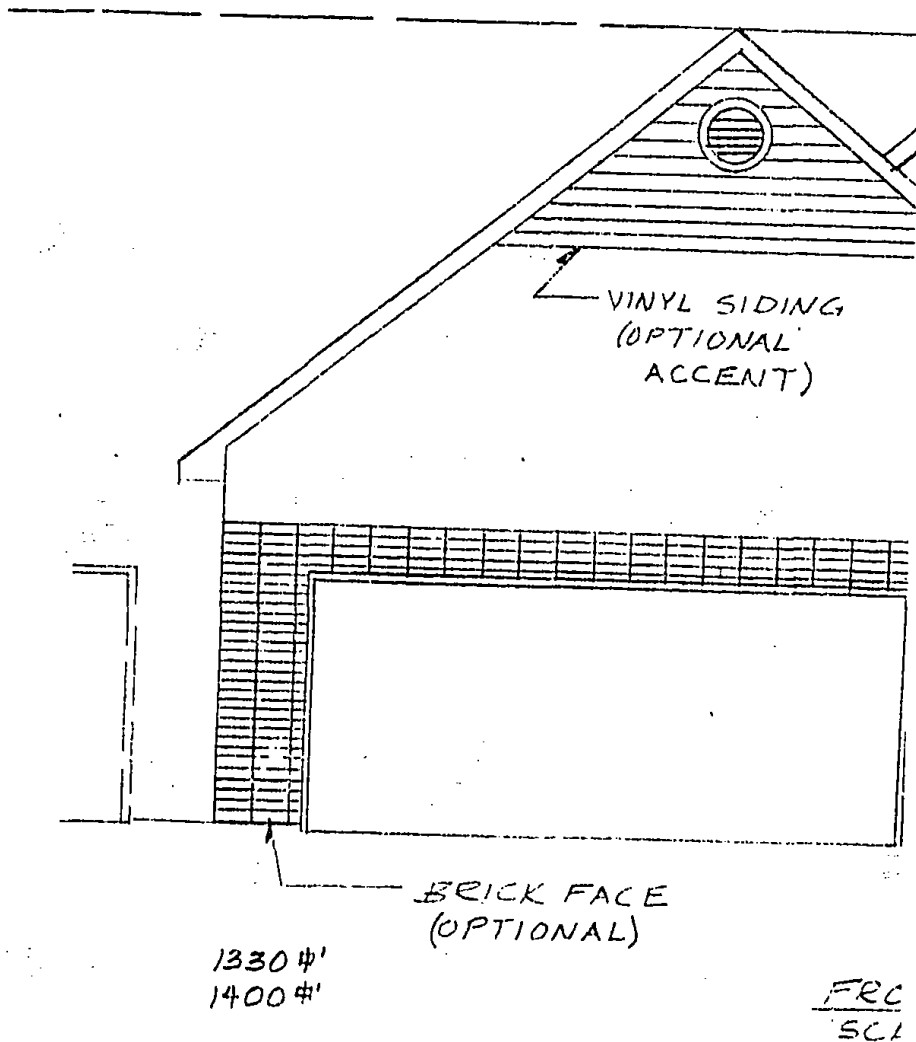


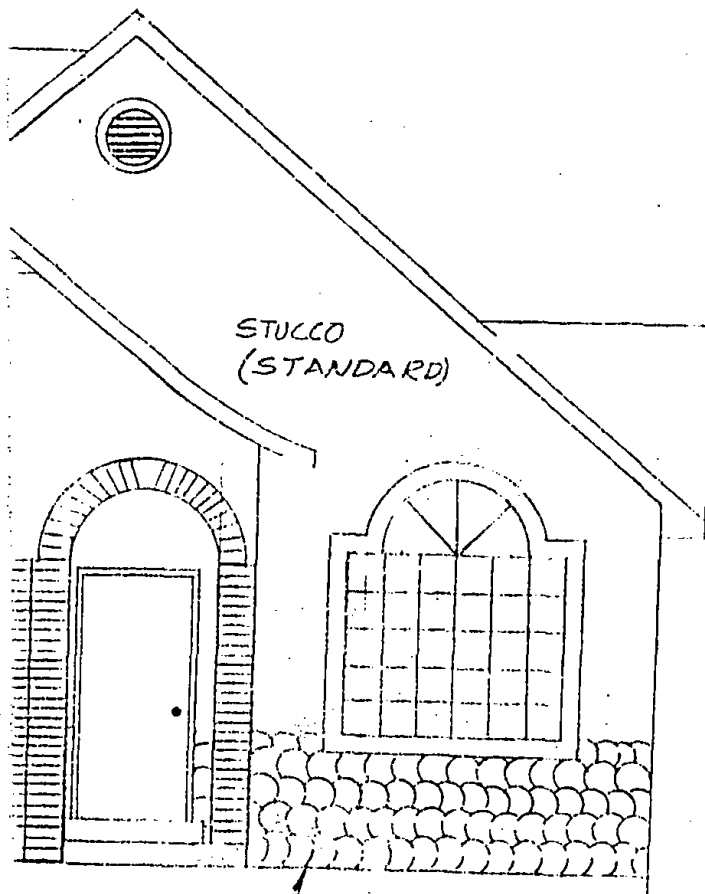
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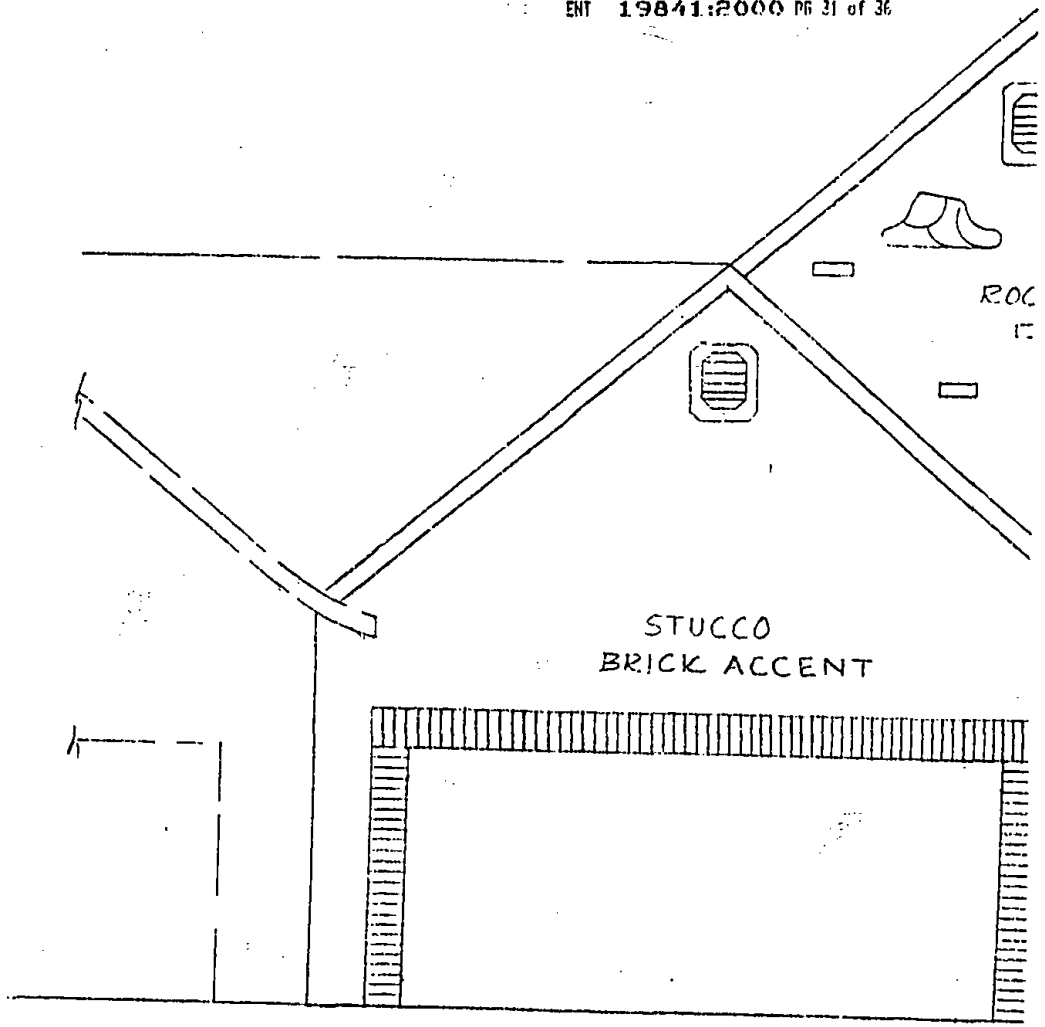
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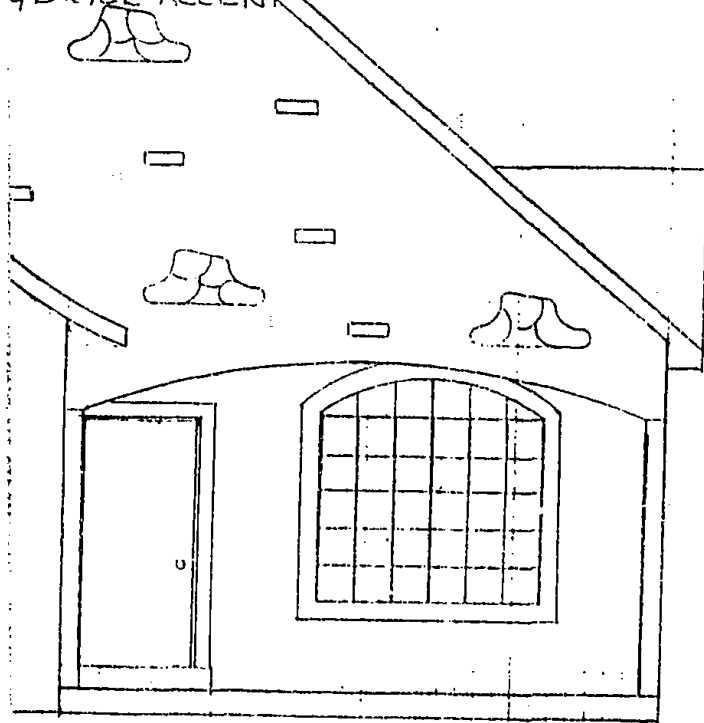
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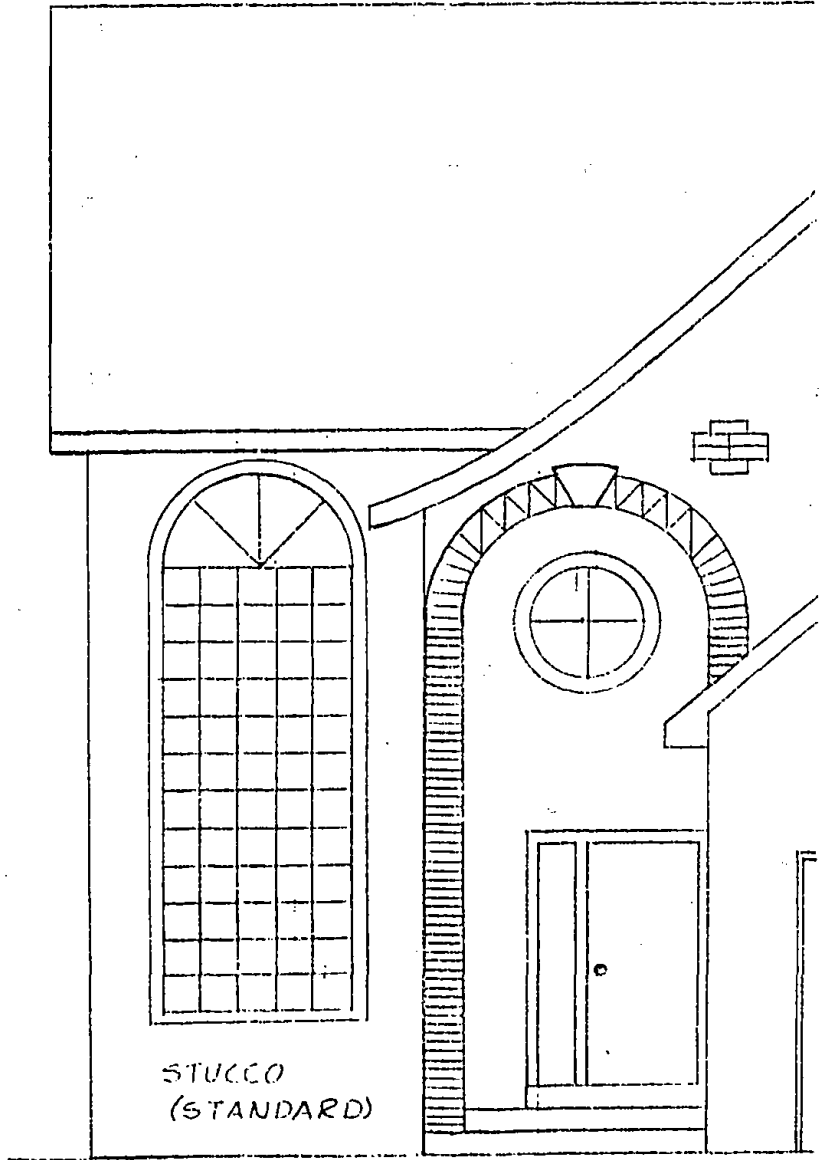
14-80ψ'

FRONT
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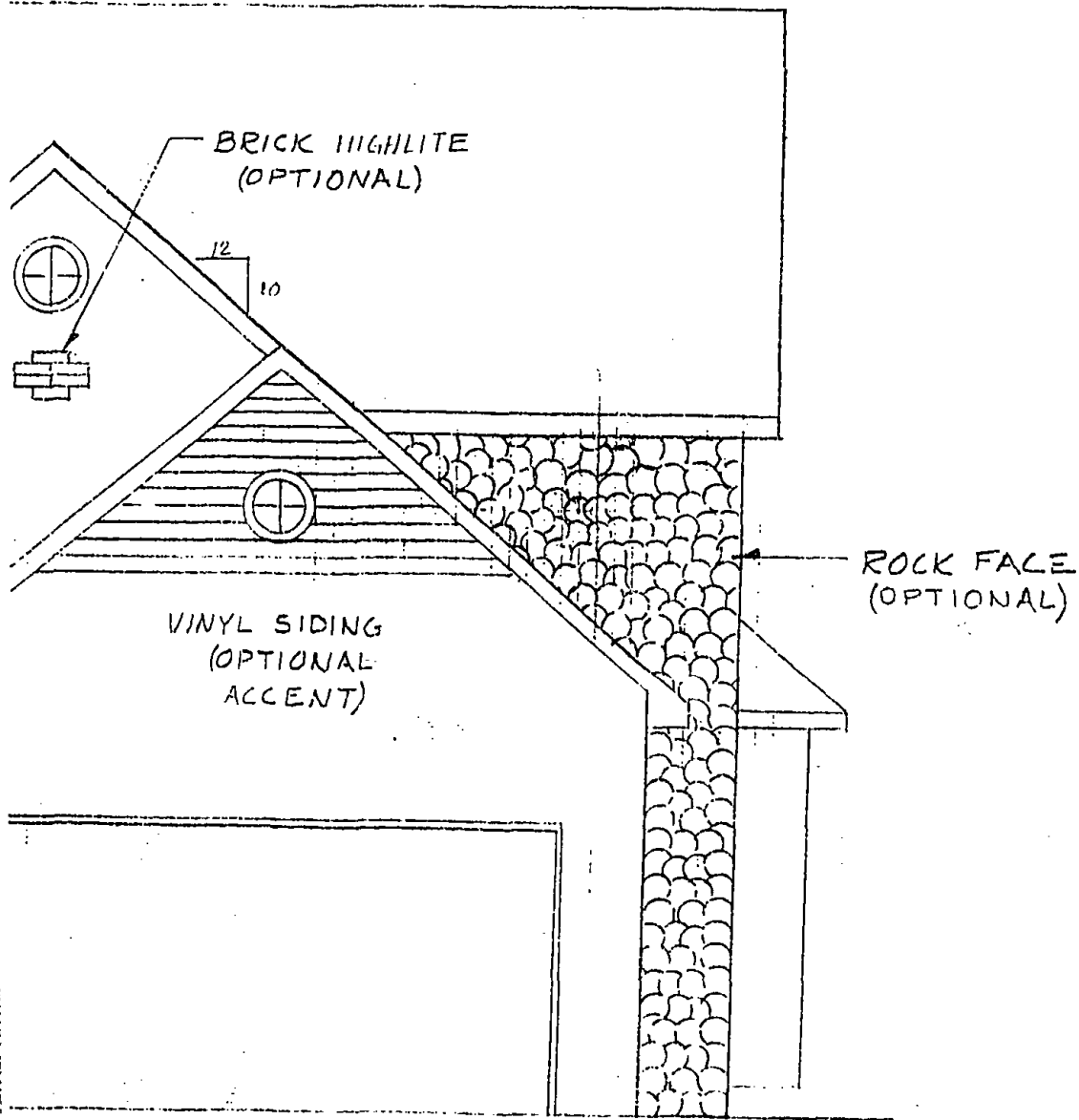


VIEW
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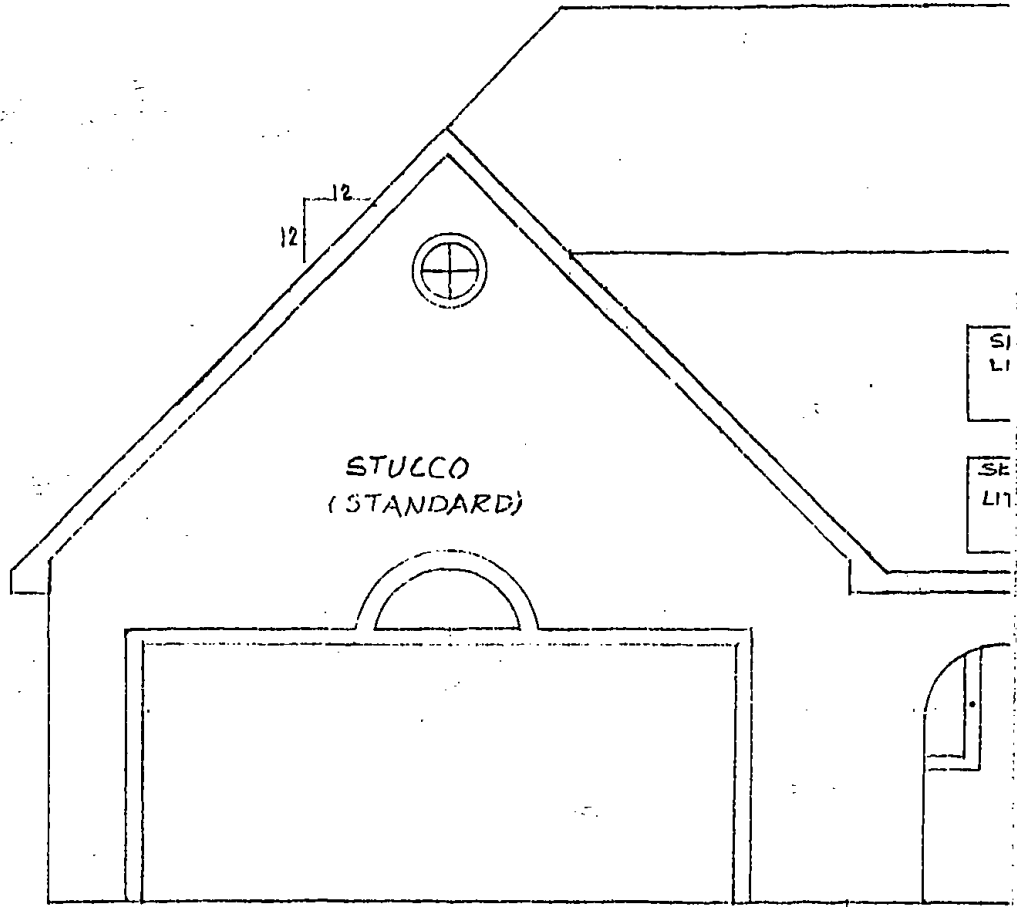


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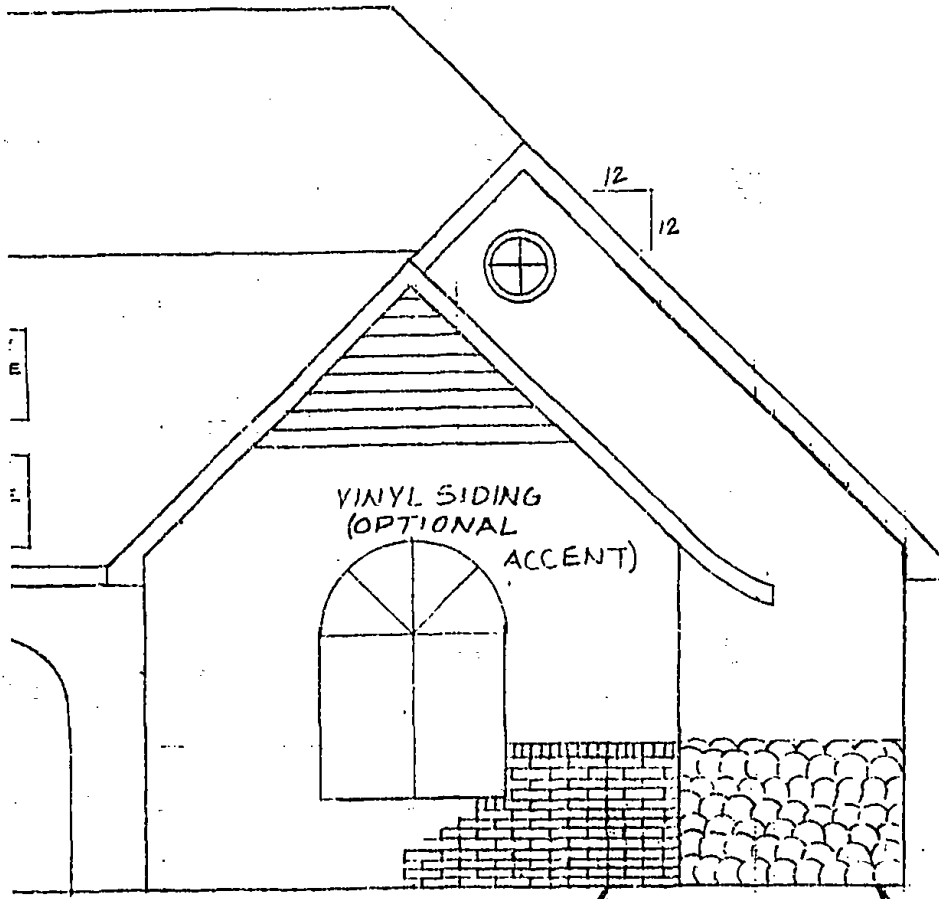
FL
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QNT VIEW
FLOORS
ALE 1/4" = 1'-0"



FRONT
SCALE 1/4"



BRICK FACE
(OPTIONAL)

ROCK FACE
(OPTIONAL)

VIEW
= 1'-0"