

Parcel No. 40-432-0101 thru 0128

**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, AND EASEMENTS
FOR
THE GARDENS AT IVORY RIDGE**

LOCATED IN UTAH COUNTY, UTAH

AFTER RECORDING PLEASE RETURN TO:

**Ivory Development, LLC
Christopher P. Gamvroulas
978 East Woodoak Lane
Salt Lake City, Utah 84117
(801) 747-7440**

**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR
THE GARDENS AT IVORY RIDGE,
a part of the Ivory Ridge Planned Community Development**

This Declaration of Covenants, Conditions, Restrictions, and Easements for The Gardens at Ivory Ridge (the "Declaration") is executed by Ivory Development, LLC, a Utah limited liability company, of 978 East Woodoak Lane, Salt Lake City, Utah 84117 (the "Declarant").

RECITALS

- A. The Tract is an area featuring unique and distinctive terrain;
- B. By subjecting the Tract to this Declaration, it is the desire, intent and purpose of Declarant to create a residential development in which beauty shall be substantially preserved, which will enhance the desirability of living on or visiting real estate subject to this Declaration, and which will increase and preserve the utility, attractiveness, quality and value of the lands and improvements therein.
- C. This Declaration affects that certain real property located in the City of Lehi in Utah County, Utah described with particularity in Article II below (hereinafter referred to as the "Tract").
- D. Declarant is the Owner of the Tract.
- E. The Tract is subject to and bound by the Master Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for Ivory Ridge Properties, a part of the Ivory Ridge Planned Mixed Use Development, recorded in the official records of the County Recorder of Utah County, Utah on November 14, 2006 as Entry No. 152736:2006, as amended, restated and supplemented (the "Master Declaration").
- F. Declarant has constructed or is in the process of constructing upon the Tract a planned residential development which shall include certain Lots, detached single family homes, Common Areas and Facilities, and other improvements. The construction will be completed in accordance with the plans contained in the Final Plat to be recorded concurrently herewith.
- G. Declarant intends to sell to various purchasers the fee title to the individual Lots contained in the Tract, together with an appurtenant undivided ownership interest in community associations and the non-exclusive right to use and enjoy certain Common Area and Facilities, subject to the Master Declaration, Master Final Plat, this Declaration and the Final Plat.

H Declarant desires, by filing this Declaration and Final Plat, to submit the property and all improvements now or hereafter constructed thereon to the provisions, covenants, conditions, restrictions and easements set forth herein and in the Master Declaration.

I. The Tract is to be known as "The Gardens at Ivory Ridge."

J. Since the completion of the Tract may be in phases, the completed Project will consist of the original phase and all subsequent phases.

COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

NOW, THEREFORE, for the reasons recited above and subject to the covenants, conditions, restrictions and easements set forth below and the Master Declaration, Declarant hereby make s the following declaration:

I. DEFINITIONS

When used in this Declaration (including in that portion hereof entitled "Recitals"), each of the following terms shall have the meaning indicated. Terms defined in the Master Declaration shall have the same meaning as set forth therein unless the context clearly requires otherwise. In the event of any conflict between the definitions set forth in the Master Declaration and the definitions set forth herein, the former shall in all respects govern and control.

1. The term Accessory Building shall mean and refer to any structure which in the opinion of the Architectural Review Committee is not the preliminary structure on a Lot.

2. The term Activity Card shall mean and refer to those authorized cards which confer upon the holder rights of access to and use of the Swim and Tennis Club and other recreational facilities and amenities within Ivory Ridge. Admission or other user fees may be charged.

3. The term Additional Charges shall mean and refer cumulatively to all collection and administrative costs, including but not limited to all attorneys fees, late charges, accruing interest, fines, penalties, service fees, filing and recordation fees, and other expenditures incurred or charged by the Association.

4. The term Additional Land shall mean and refer to any real property added or annexed to the Tract by the Declarant.

5. The term Architectural Review Committee shall mean the person or persons appointed to review the designs, plans, specifications, homes, architecture, fencing, and landscaping within the Tract (the "ARC").

6. The term Area of Common Responsibility shall mean and refer to the area which the Association is responsible to maintain.

7. The term Area of Personal Responsibility shall mean and refer to the private property which each Owner is responsible to maintain.

8. The term Articles of Incorporation shall mean and refer to the Articles of Incorporation of The Gardens at Ivory Ridge Association on file or to be filed with the Utah Department of Commerce.

9. The term Assessment shall mean and refer to any amount imposed upon, assessed or charged an Owner or Permittee.

10. The term Association shall mean and refer to the association of Owners at The Gardens at Ivory Ridge Neighborhood taken or acting as a group in accordance with this Declaration.

11. The term Board of Delegates shall mean and refer to the governing board and managing directors of the MHOA.

12. The term Board of Directors shall mean and refer to the governing board of the Association. The Board of Directors may also be referred to as the "Management Committee".

13. The term Builder shall mean an Owner, Declarant or contractor who obtains a construction or occupancy permit for one or more Lots.

14. The term Building shall mean and refer to any of the structures constructed in the Tract.

15. The term Bylaws shall mean and refer to the Bylaws of the Association, a copy of which is attached hereto, marked Exhibit "C", and incorporated herein by this reference.

16. The term Capital Improvement or Addition shall mean and refer to a permanent addition to or the betterment of real property that enhances its capital value and improves the expenditure of labor or money and is designed to make the property more useful or valuable as distinguished from ordinary repairs.

17. The term City shall mean and refer to the City of Lehi in Utah County, Utah.

18. Common Area and Facilities shall mean and refer to all real property in the Ivory Ridge development owned by the MHOA or the Association for the common benefit of the Owners including but not limited to the following items:

(a) The real property and interests in real property submitted hereby, including the entirety of the Tract and all improvements constructed thereon, excluding the individual Lots.

(b) All Common Areas and Facilities designated as such in the Master Final Plat;

(c) Any Common Areas designated as such in the Final Plat for the exclusive use of a Lot or Lots;

(d) All utility installations and all equipment connected with or in any way related to the furnishing of utilities to the Project and intended for the common use of all Lot Owners, such as telephone, electricity, gas, water, cable television, and sewer;

(e) The Project's outdoor grounds including landscaping, open and green space, entry and monument;

(f) All portions of the Tract not specifically designated as private ownership; and

(g) All other parts of the Project normally in common use or necessary or convenient to the use, existence, maintenance, safety, operation or management of the Property owned by the Association for the common benefit of its Members.

Provided, however, utility installations such as telephone, electricity, gas, water, and sewer may be dedicated to the City and, if so, this definition shall not be construed to allow the Association to exclude the City from the ownership and control of the utility systems so dedicated.

19. The term Common Expense shall mean and refer to:

(a) All sums lawfully assessed against the Owners;

(b) Expenses of administration of the MHOA;

(c) Expenses of administration of the Association;

(d) Cost of the maintenance, repair or replacement of the Common Area and Facilities;

(e) Cost of maintenance, repair and replacement of the Exclusive Common Area (if any);

(f) Cost of maintenance of the Park Strips;

(g) Expenses allocated by either the MHOA or Association among the Owners;

(h) Expenses agreed upon as common expenses by the MHOA or the Association;

(i) Expenses declared as “common expenses” by either the Master Declaration or this Declaration;

(j) The Association’s share of the Master Operating Expenses; and

(k) The pressurized irrigation bill to the City.

20. The term Community shall mean and refer to The Gardens at Ivory Ridge Neighborhood or if the context clearly requires the Tract.

21. The term Community Standard shall mean and refer to the standard of conduct, maintenance, or other activity generally prevailing in The Gardens at Ivory Ridge Neighborhood, as determined by the Board of Directors from time to time.

22. The term Community Wide Standard shall mean and refer to the standard of conduct, maintenance, or other activity generally prevailing at Ivory Ridge as determined by the Board of Delegates from time to time.

23. The term Covenant to Share Costs shall mean and refer to any contract, agreement, declaration of easements, licenses and/or covenant to share costs which creates easements for the benefit of the MHOA, Association or the Owners and/or which obligates the MHOA, Association or the Owners to share the costs of maintaining certain real, personal or mixed property described therein.

24. The term Declarant shall mean and include Ivory Development, LLC and any person or persons who might acquire title from it to all or some of the unsold Lots or Memberships through purchase, assignment or other transfer including foreclosure or deed in lieu of foreclosure; or, in the situation where, any person purchases all, or some of the remaining Lots or Memberships in a sale in the nature of a bulk sale. The person acquiring any of such property from the Declarant shall be considered a Declarant with respect to that portion of the property so acquired and shall have the right to develop the property and/or sell such property in accordance with the terms and provisions of this Master Declaration and this Master Declaration; provided, however, a notice of succession shall be recorded in the Office of the County Recorder signed by both the current Declarant and by its successor in interest as the new Declarant.

25. The term Declaration shall mean and refer to this Declaration of Covenants, Conditions, Restrictions, and Easements for The Gardens at Ivory Ridge.

26. The term Dedicated Streets shall mean and refer to those streets and cul-de-sacs within The Gardens at Ivory Ridge Neighborhood formally dedicated to the City or any other municipal or governmental body politic, entity or agency.

27. The term Delegate shall mean and refer to the voting representative of each Member of the Association, which may include the representative of The Gardens at Ivory Ridge Neighborhood.

28. The term Design Guidelines shall mean and refer to the City and/or Declarant requirements for the improvement of the Tract and/or the construction of homes.

29. The term Developmental Rights shall mean and refer to the right granted hereunder to the Declarant, its agents, representatives, employees, successors and assigns, to develop and improve the Tract.

30. The term Dwelling or Dwelling Lot shall mean and refer to a dwelling, home or living unit constructed upon a Lot.

31. The term Eligible Guarantor shall mean and refer to a governmental guarantor of a mortgage or trust deed who has requested notice in writing of certain matters from the Association in accordance with the Declaration.

32. The term Eligible Insurer shall mean and refer to an insurer of a mortgage or trust deed who has requested notice in writing of certain matters from the Association in accordance with this Declaration.

33. The term Eligible Mortgagee shall mean and refer to a mortgagee, beneficiary under a trust deed, or lender who has requested notice in writing of certain matters from the Association in accordance with this Declaration.

34. The term Eligible Votes shall mean and refer to those votes available to be cast on any issue before the Association or the Board of Directors. A vote which is for any reason suspended is not an "eligible vote".

35. The term Exclusive Common Area shall mean and refer to that portion of the Common Area and Facilities (if any) intended for the exclusive use or primary benefit of The Gardens at Ivory Ridge.

36. The term Final Plat shall mean and refer to the Final Plat for The Gardens at Ivory Ridge recorded in the Office of the County Recorder.

37. The term The Gardens at Ivory Ridge shall collectively and severally refer to the Tract as shown on the Final Plat, as it may be amended from time to time.

38. The term Guest shall mean and refer to a guest, visitor, invitee, licensee, and/or any Person who is visiting on a temporary basis a Lot or a Lot Owner or other permanent resident, including family members.

39. The term Improvement shall mean and refer to any physical change or addition to the Land to make it more valuable.

40. The term Individual Charge shall mean and refer to a charge levied against an Owner, Guest or Permittee for all expenses resulting from the act or omission of such Person, excepting the Owner's failure to pay any Assessment. Individual Charges shall include, by way of illustration but not limitation, any expense resulting from the act or omission of any Owner, Guest or Permittee including:

- a. The cost of individual services, lessons and/or training, such as tennis lessons;
- b. The cost to repair any damage to the property caused by such Person; or
- c. The cost to satisfy any expense caused by the intentional or negligent act or omission or resulting from a breach of the Project Documents; and
- d. Any transient occupancy tax, sales tax, use tax or other tax levied pursuant to the laws of the State of Utah, although this subsection is not considered an acknowledgment that any such tax may be levied.

While Individual Charges are not Assessments, they are secured by a lien in the same manner as Assessments, as set forth below. The Association also shall have all other remedies, both legal and equitable, described in the Project Documents available against any Owner for nonpayment.

41. The term Land shall mean and refer to all of the real property subject to this Declaration or, if the context clearly requires, the Master Declaration.

42. The term Landscaping shall mean and refer to the grass, trees, shrubs, bushes, flowers, plants, and like improvements located within the Tract, as well as the appurtenant sprinkling and irrigation systems.

43. The term Lender shall mean and refer to a Mortgagee.

44. The term Lot shall mean and refer to a separate physical part of the Property intended for independent use, identified herein and on the Final Plat. Each Lot shall be assigned a separate "parcel" or tax identification number by the appropriate governmental agency.

45. The term Lot Number shall mean and refer to the number, letter or combination thereof designating a particular Lot, identified on the Final Plat as a "Lot Number."

46. The term Majority shall mean and refer to those eligible votes of Owners or other groups as the context may indicate totaling more than fifty (50%) percent of the total eligible number.

47. The term Management Committee shall mean and refer to the Board of Directors.

48. The term Manager shall mean and refer to the professional Person appointed or hired by the MHOA to manage and operate Ivory Ridge, including the Tract, and/or assist in the administration of the MHOA and Association.

49. The term Map shall mean and refer to the Final Plat or, where the context clearly requires, the Master Final Plat.

50. The term Master Assessment shall mean and refer to the Assessment assessed by the MHOA.

51. The term Master Association (the "MHOA") shall mean and refer to the Master Association.

52. The term Master Declaration shall mean and refer to the Master Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for the Ivory Ridge Properties.

53. The term Master Operating Expenses shall mean and refer to the Common Expenses incurred by the MHOA.

54. The term Master Final Plat shall mean and refer to the Final Plat for the entire Ivory Ridge development.

55. The term Member shall mean and refer to an Owner unless the context clearly requires otherwise. The term "Member" shall not include any Mortgagee unless such Mortgagee has acquired title for other than security purposes.

56. The term Membership shall mean and refer to a membership in the Swim and Tennis Club of any kind or nature.

57. The term Mortgage shall mean and refer to any mortgage, deed of trust or other security instrument (including the seller's rights under a contract for deed) by which a Lot or any part thereof or interest therein is encumbered. A First Mortgage is a Mortgage having priority as to all other Mortgages encumbering a Lot, or any part thereof or interest therein.

58. The term Mortgagee shall mean and refer to any person or entity named as the mortgagee, beneficiary or holder of the seller's interest (so long as a copy of the contract for deed is given to the MHOA) under any Mortgage by which the interest of any Owner is encumbered, or any successor to the interest of such person under such Mortgage. A First Mortgagee shall mean and refer to any person or entity holding a First Mortgage including any insurer or guarantor of a First Mortgage. Any and all Mortgagee protections contained in the Declaration shall also protect the Declarant as the holder of a First Mortgage of a Lot, or any interest therein.

59. The term Neighborhood shall mean and refer to any residential, commercial or recreational area within Ivory Ridge which is designated as a Neighborhood, whether or not governed by a Neighborhood Association. In addition, a parcel of land intended for development as any of the above may constitute a Neighborhood, subject to division into more than one Neighborhood upon development. Where the context requires it the Neighborhood Association acting as a group in accordance with its declaration may be considered a Neighborhood.

60. The term Neighborhood Association shall mean and refer to an association of property Owners having jurisdiction, in whole or in part, over a specific Neighborhood concurrent with, but subordinate to, the MHOA or where the context requires the Club Advisory Committee.

61. The term Office of the County Recorder or County Recorder shall mean and refer to the Office of the County Recorder of Utah County, Utah.

62. The term Owner shall mean and refer to a Person who is the Owner of a fee or an undivided fee interest in a Lot or Unit, excluding a mortgagee or a beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

63. The term Park Strip shall mean and refer to the public park strip or strips dedicated to the City located adjacent to the Tract, including the irrigation system.

64. The term Period of Declarant's Control shall mean and refer to the period of time during which there is Class B voting and the Declarant is entitled to appoint all of the directors.

65. The term Permittee shall mean a Guest or the tenant, renter, lessee, and/or non-owner occupant of a Lot in the Tract, including family members.

66. The term Person shall mean and refer to a natural person, corporation, partnership, trust, limited liability company, or other legal entity.

67. The term Plans and Specifications shall mean and refer to any and all documents designed to guide or control the construction of an Improvement, or

alterations, modifications, changes, additions and the like thereto, including without limitation all documents indicating the size, shape, configuration and/or materials, to be incorporated; all site plans, excavation and grading plans, elevation drawings, floor plans, techniques, samples of exterior colors, plans for utility services, and all other documentation or information relevant to the improvement or proposal in question.

68. The term Plat Map shall mean and refer to Final Plat.

69. The term Private Amenity shall mean and refer to certain real, personal or mixed property located adjacent to, in the vicinity of, or within the Tract, which is privately owned and operated by Persons other than the MHOA for recreational and related purposes, on a club membership basis, or otherwise. For example by way of illustration and not limitation, a swim and tennis club, or related and supporting facilities or improvements which are owned and operated by Persons other than the MHOA may be considered a Private Amenity. Any property constituting a Lot, Lot, or Common Area and Facilities, as those terms are defined herein or on the Final Plat shall not be considered a Private Amenity.

70. The term Private Street, Road, Cul-de-sac, Way or Drive shall mean and refer to those streets, roads, cul-de-sacs, ways, drives or turnabouts within The Gardens at Ivory Ridge Neighborhood not dedicated to the City or any county, state, or other governmental body politic, entity or agency.

71. The term Project shall mean and refer to all of the real property as shown on the Master Final Plat, unless the context clearly requires otherwise, including The Gardens at Ivory Ridge.

72. The term Project Documents shall mean and refer to the Master Declaration, Bylaws, Rules, Articles of Incorporation and Master Final Plat as well as this Declaration, Bylaws, Articles of Incorporation, Rules and Final Plat.

73. The term Property shall mean and refer to all of the land or real estate, improvements and appurtenances comprising The Gardens at Ivory Ridge submitted to this Declaration.

74. The term Qualified Person shall mean and refer to an Owner of a Lot in the Tract.

75. The term Recreational, Oversized, or Commercial Vehicle shall mean and refer to any recreational, commercial or oversized vehicle, motor home, commercial vehicle, tractor, golf cart, mobile home or trailer (either with or without wheels), camper, camper trailer, boat or other watercraft, boat trailer, jacked-up trucks of any kind, or (in the sole discretion of the Board of Directors) any other recreational or commercial transportation device of any kind.

76. The term Repair shall mean and refer to merely correcting the damage done sometimes by accident or fire or other cause, but more often due to the ravages of

time and the deterioration resulting from ordinary wear and tear, by substituting for the damage, decayed or worn-out parts, new material, usually similar to that replaced, and so restoring the structure to its original sound condition.

77. The term Resident shall mean and refer to any person residing, living or staying at a home in the Tract.

78. The term Single Family shall mean and refer to one of the following: (a) a single person, (b) a group of natural persons related to each other by blood or legally related to each other by marriage or adoption, and an additional person or persons as a caretaker or as domestic help, or (c) a group of not more than three unrelated persons who maintain a common household to be distinguished from a group occupying a boarding house, club, fraternity or hotel.

79. The term Single Family Residence shall mean and refer to (a) both the architectural style of a Dwelling Unit and the nature of the residential use permitted; and (b) a Lot at The Gardens at Ivory Ridge as shown on the Final Plat.

80. The term Special Assessments shall mean and refer to a special assessment approved by the Board of Directors or Owners.

81. The term Swim and Tennis Club shall mean and refer to Ivory Ridge Swim and Tennis Club.

82. The term Total Votes of the Association shall mean and refer to the total number of votes appertaining to all Lots at the Tract.

83. The term Tract shall mean and refer to all of the real estate submitted to this Declaration. .

84. The term Use Restrictions shall mean and refer to the rules, regulations and use restrictions described with particularity in Article 8 below and the Membership contract or agreement, as they may be modified, amended, repealed, canceled, limited, withdrawn or expanded from time to time.

85. The term Visible From a Neighboring Property shall mean with respect to any object, that such object is or would be visible to an individual six feet (6') tall, standing at ground level on any portion of the neighboring property.

2. Submission to Ownership in Planned Community Development.

(a) The Declarant hereby submits the Tract, together with all appurtenances thereto to this Declaration and the Master Declaration. Declarant hereby declares that the Tract and every part thereof is and shall be held, conveyed, devised, leased, granted, encumbered, used, occupied, and otherwise transferred in any manner, subject to the provisions of this Declaration and the Master Declaration. Each and all of the provisions hereof are hereby declared to be in furtherance of the general plan and scheme of

ownership, and are further declared to be for the benefit of the property and every part thereof, and for the benefit of each Owner. All provisions hereof shall be considered as covenants running with the land or as an equitable servitude, and shall bind all Persons owning, using or visiting a Lot or the Tract.

(b) All present and future Owners, tenants, visitors, Mortgagees, and occupants of Lots shall be subject to, and shall comply with the provisions of this Declaration.

(c) Acceptance of a deed of conveyance or the entering into a lease or other rental agreement or occupying or visiting any Lot or the Tract or accepting a mortgage on one of the Lots, shall constitute an agreement that the provisions of the Project Documents are accepted and ratified by such Person, and all of such provisions shall be deemed and taken to be covenants running with the land or equitable servitudes and shall bind any person having at any time any interest or estate in such Lot, as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage, or lease thereof.

3. The Buildings and Facilities.

(a) The number of Lots intended for the first phase of construction in this Tract is twenty-two (22), numbered 101 through 122 inclusive, although this number is subject to change. The Tract may contain other improvements of a less significant nature. The location and configuration of the improvements referred to in the foregoing sentences are depicted on the Final Plat.

(b) All details involving the description and location of the Lots and other like improvements are shown on the Final Plat.

(c) Common Areas consist or will consist of landscaped areas, common parking spaces and driving lanes, and all other common elements as denoted on the Final Plat.

(d) All building exterior maintenance and upkeep costs are the responsibility of the Owner.

4. Nature and Incidents of Ownership.

(a) In addition to a fee simple interest in a Lot, each Owner owns an equal undivided ownership interest in the Common Areas and Facilities and/or the Association. Such undivided interests are hereby declared to be appurtenant to the Lots, respectively. The percentage of ownership shall be used for all purposes, including but not limited to voting and the allocation of Common Expenses.

(b) Title to a Lot may be held or owned by any entity and in any manner in which title to any other real property may be held or owned in the State of Utah.

(c) No part of the Common Areas associated with a Lot or of the legal rights comprising ownership in Common Areas and/or the Association may be separated from any other part thereof. Each Lot and the appurtenant undivided interest shall always be conveyed, devised, encumbered, and otherwise affected only together and may never be separated from one another.

(d) Common Area and Facilities shall be owned in common by all the Owners in the Project or by a community association for and in behalf of the Owners, and no Owner may bring any action for partition thereof.

(e) Subject to the limitations contained in this Declaration, any Owner shall have the non-exclusive right to use and enjoy the Common Area and Facilities.

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

(g) Each Owner hereby appoints the Board of Directors as his agent, to have access to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Areas making emergency repairs therein necessary to prevent damage to the Common Areas or to another Lot. The Board of Directors shall also have such right independent of any agency relationship. Damage to a Lot resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Areas or as a result of emergency repairs at the insistence of the Board of Directors or an Owner shall be a Common Expense; provided however, that if such damage is the result of negligence of the Owner of a Lot, then such Owner shall be financially responsible for all of such damage. Such damage shall be repaired and the Property shall be restored substantially to the same condition as existed prior to damage. Amounts owing by Owners pursuant hereto shall be collected by the Board of Directors by Assessment as provided herein.

(h) Each Owner shall have a right of ingress and egress over, upon and across the Common Areas necessary for access to his/her Lot. Each Owner shall have a right to the horizontal and lateral support of a Lot, and such rights shall be pertinent to and pass with the title to each Lot.

(i) The Board of Directors shall have a non-exclusive easement to make such use of the Common Areas as may be necessary or appropriate to perform the duties and

functions which it is obligated or permitted to perform pursuant to this Declaration, including the right to construct and maintain storage and maintenance facilities in Common Areas for use by the Board of Directors.

(j) Easements are reserved throughout the Property as may be required for utility services and for the roof overhang of approximately 1-2'.

(k) All conveyances of a Lot hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as shall give effect to this Declaration, even though no specific reference to such easements appears in any such conveyance.

5. Description and Conveyance of a Lot.

(a) Every conveyance or contract for the sale of a Lot and every other instrument affecting title to a Lot may describe that Lot by the number shown on the Map, in substantially the following fashion:

LOT NO. _____, as shown in the Declaration and on the Final Plat for "THE GARDENS AT IVORY RIDGE," PHASE _____, appearing in the records of the County Recorder of Utah County, Utah, together with an undivided interest in and to the Common Area and Facilities, as the same are established and identified in the Declaration and Map referred to above.

SUBJECT TO: The Master Declaration and Master Final Plat; all liens for current and future Assessments and charges imposed or levied pursuant to the Declaration of Covenants, Conditions, Restrictions, and Easements for The Gardens at Ivory Ridge; mineral reservations of record and rights incident thereto; all instruments of record which affect the above-described tract or any portion thereof, including, without limitation, any mortgage or deed of trust; all visible easements and rights-of-way; and all easements and rights-of-way of record; all easements, rights-of-way, encroachments, or discrepancies shown on or revealed by the Final Plat or otherwise existing; an easement for every pipe, line, cable, wire, utility line, or similar facility which traverses or partially occupies the above-described tract; and all easements necessary for ingress to, egress from, maintenance of, and replacement of all such pipes, lines, cables, wires, utility lines, and similar facilities.

Such description shall be construed to describe the Lot, together with the appurtenant undivided interest in the Common Area and Facilities, and to incorporate all the rights and limitations incident to such ownership contained in the Project Documents.

(a) Title to each Lot is hereby made subject to the terms and conditions hereof which bind the Declarant and all subsequent Owners, whether or not it be so expressed in the deed by which any Owner acquired a Lot.

(b) All fencing must be uniform. No exceptions. Tan vinyl fencing is the approved material and color.

(c) Fencing along the Lot line and fencing parallel to the Lot lines is prohibited. All fencing must extend perpendicular from one house to the adjacent house.

(d) From the front plane of the home to the back of the foundation, there will be a space between homes on either side of the property line that will require landscaping, decks, and/or patios. Each home will reserve a cross access easement across this area to access and landscape the property line extending from home foundation to the adjacent foundation. Each home will be allowed the use of one side of the home. If the home is situated on the property line the home will be allowed the use of the opposite side yard and extending across the property line to the adjacent foundation.

(e) Landscaping must be strictly in accordance with the landscaping guidelines adopted by the Declarant.

(f) The Declarant will provide the irrigation point of connection, which shall be maintained by the Association.

(g) No Accessory Buildings or outbuildings, sheds or secondary structures of any kind or nature are allowed.

6. Board of Directors' Rights and Obligations.

(a) The property and affairs of the Association shall be managed by a Board of Directors composed of three (3) individuals. Until the first regular meeting of the Association is held pursuant after the termination of the Declarant's Period of Control, the Declarant alone shall be entitled to select the three (3) members of the Board of Directors. In the event a Director seat which was filled by Declarant becomes vacant, Declarant shall have the right to select a replacement member to sit on the Board for the balance of the term associated with the vacated seat. In all other cases of vacancy the remaining Board members shall elect a replacement as provided in the By-Laws.

(b) The Board of Directors may exercise any right or privilege given to it expressly by this Declaration, or by law, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

(c) The Board of Directors shall have the rights and obligations set forth in the By-Laws.

(d) The Board of Directors shall be responsible for the exclusive management, governing and control of the Common Area and Facilities, and all improvements thereon (including furnishings and equipment related thereto), and shall keep the same in good, clean, attractive and sanitary condition, order and repair. The Board of Directors shall be responsible for maintenance, repair or replacement of Area of Common Responsibility and shall have the exclusive right to contract for all goods, services, and insurance payments which are made for such maintenance, repair or replacements. The cost of such management, operation, maintenance, repair and replacement by the Board of Directors shall be a Common Expense.

(e) The Board of Directors may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Board of Directors shall determine to be necessary or desirable for the proper operation of the Property, whether such personnel are furnished or employed directly by the Board of Directors or by any person or entity with whom or which it contracts. The Board of Directors may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Property; the enforcement of this Declaration, the By-Laws, or any Rules and Regulations. The Board of Directors may arrange with others to furnish lighting, water, snow removal, grounds maintenance and other common services. The cost of such services shall be borne as provided in paragraph 7 of this Declaration and in the By-Laws.

(f) The Board of Directors may acquire and hold, for the use and benefit of all Owners, tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interests in the Association.

(g) The Board of Directors may make Rules and Regulations governing the use of the Units and of the Common Area and Facilities, which Rules and Regulations shall be consistent with the rights and duties established in this Declaration.

(h) The Board of Directors may suspend an Owner's voting rights for the period during which such Owner fails to comply with the Governing Documents. Notice of non-compliance will be sent to an Owner at least ten (10) days prior to any meeting at which action may be taken by the Board of Directors. The Board of Directors may also take judicial action against any Owner to enforce compliance with the Governing Documents, with other obligations, or to obtain damages for non-compliance, all to the extent permitted by law.

(i) The Board of Directors may fine or otherwise sanction an Owner or Permittee for a violation of the Governing Documents.

(j) During the Period of Declarant's Control, the Board of Directors shall have a Managing Member. The initial Managing Member shall be Christopher P. Gamvroulas who shall serve in this capacity until his successor is appointed by the Declarant. The Managing Member is hereby appointed as the agent of and attorney-in-fact for the Board of Directors, and is hereby granted the right, power and authority to act unilaterally on its behalf and in behalf of the Association, anything to the contrary notwithstanding. This office and agency shall expire automatically upon the termination of the Period of Declarant's Control.

7. Assessments.

(a) Each Owner hereby covenants and shall pay his share of the Common Expenses. Each Owner hereby covenants and shall pay his Assessments; provided, however, the Declarant for each Declarant owned Lot within the Property is not obligated to pay Assessments. The obligation to make said payments is independent of the MHOA's and Association's duty to maintain.

(b) The total annual Assessments against all Lots shall be based upon advance estimates of cash requirements by the Board of Directors to provide for the payment of each Owner's share of the Common Expenses and all estimated expenses growing out of or connected with the maintenance and operation of the Common Area and Facilities or furnishings, among other things, expenses of management; grounds maintenance; pressurized irrigation bill to the City, taxes and Special Assessments levied by governmental authorities until the Lots are separately assessed as provided herein; premiums for all insurance which the Board of Directors is required or permitted to maintain; common lighting and heating; water charges; trash collection; sewer service charges; repairs and maintenance; wages for Board of Directors employees; legal and accounting fees; any deficit remaining from a previous period; the creation of a reasonable contingency reserve, surplus and/or sinking fund; and any other expenses and liabilities which may be incurred by the Board of Directors for the benefit of the Owners under or by reason of this Declaration.

(c) Each Lot shall be separately metered for gas and electricity. Costs of gas and electric service shall be paid by the individual Owners. Water and sewer for individual Lots shall be separately metered and costs shall be paid by the individual Owners. Water, garbage, and electricity for Common Area and Facilities may be metered separately or in combination with individual Lots.

(d) Expenses attributable to the Common Areas and Facilities as a whole shall be apportioned among all Lots equally. The Declarant is not obligated to pay Assessments.

(e) Annual Assessments shall be made on a calendar year basis. The Board of Directors shall give each Owner written notice of each annual Assessment with respect to a Lot not less than thirty (30) days nor more than sixty (60) days prior to the beginning of

the next calendar year. The first annual Assessment shall be for the balance of the calendar year remaining after the date fixed by the Board of Directors. Each annual Assessment shall be due and payable in monthly installments on the first day of each and every month and no separate notices of such monthly installment shall be required. Each monthly Assessment, if not paid within thirty (30) days after such date, shall bear interest at the rate of eighteen (18%) percent per annum from the date it becomes due and payable. The Board of Directors may also charge a reasonable late fee.

(f) In addition to annual Assessments, the Board of Directors may levy in any Assessment year a Special Assessment, payable over such a period as the Board of Directors may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Property or any part thereof, or for any other expense incurred or to be incurred as provided in this Declaration. This paragraph shall not be construed as an independent source of authority for the Board of Directors to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other paragraphs of this Declaration. Any amounts assessed pursuant hereto shall be assessed to the Owners in proportion to their respective undivided interest in Common Areas. Notice in writing of the amount of such Special Assessments and the time for their payment shall be given promptly to the Owners. Payment shall be due on the dates and in the manner provided in the notice. Any Special Assessment or part thereof shall bear interest at the rate of eighteen (18) percent per annum from the date it becomes due and payable if not paid within thirty (30) days after such date.

(g) All sums assessed to any Lot pursuant to this section, together with interest thereon as provided herein shall be secured by a lien on such Lot in favor of the Association. Such lien shall have such priorities as established by law.

(h) To establish a lien for any unpaid Assessment, the Board of Directors shall prepare a written notice of lien as set forth by statute. 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 Board of Directors as provided by law. The lien shall also secure, and the Owner shall also be required to pay to the Board of Directors any Assessments against the Lot which shall become due during the period of foreclosure sale or other legal sale. The Board of Directors may bid on the Lot at foreclosure or other sale and may acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof.

(i) A release of lien shall be executed by the Board of Directors and recorded in the office of the County Recorder of Utah County, Utah, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of lien.

(j) An encumbrancer holding a lien on a Lot may pay, but shall not be required to pay, any amounts secured by the lien created by this Section, and upon such payment such encumbrancer shall be subrogated to all rights of the Board of Directors with respect to such lien, including priority.

(k) The Board of Directors shall report to any encumbrancer of a Lot any unpaid Assessments remaining unpaid for longer than ninety (90) days after the same shall have become due; provided however, that such encumbrancer first shall have furnished to the Board of Directors written notice of such encumbrance.

(l) The amount of any annual or Special Assessment against any Lot shall be the personal obligation of the Owner thereof to the Association. Suit to recover a judgment of such personal obligation shall be maintainable by the Board of Directors without foreclosing or waiving the lien securing the same. No Owner may void or diminish any personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of a Lot.

(m) Upon payment of a reasonable fee not to exceed fifteen dollars (\$15) and upon written request of any Owner, or any Mortgagee, prospective Mortgagee or prospective purchaser of a Lot, the Board of Directors shall issue a written statement setting forth the amount of unpaid Assessments, if any, with respect to such Lot; the amount of the current yearly Assessment and the portion thereof which has theretofore been paid; and credit for advanced payments or prepaid items. Such statement shall be conclusive upon the Board of Directors in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within ten (10) days, all unpaid Assessments which become due prior to the making of such request shall be subordinate to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such a request, both the lien and unpaid Assessments and the personal obligations of the purchaser shall be released automatically if the statement is not furnished within ten (10) days, and that purchaser subsequently acquires the Lot.

(n) Subject to the provisions of subparagraph (m), a purchaser of a Lot shall be jointly and severally liable with the seller for all unpaid Assessments against the Lot up to the time of the conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such Assessments.

(o) The Board of Directors may elect to (a) terminate utilities and the right to use amenities for non-payment of Assessments and/or (b) collect rents directly from a renter if the Lot Owner who is renting the Lot fails to pay any Assessment for a period of more than 60 days after it is due and payable,

(p) Anything to the contrary notwithstanding, any first mortgagee who obtains title to a Lot pursuant to the remedies in the mortgage or trust deed or through foreclosure will not be liable for more than six (6) months of the unpaid regularly budgeted Assessments, dues or charges accrued before acquisition of the title to the property by the mortgage, although the first mortgagee will also be liable for any reasonable attorneys fees or costs related to the collection of the unpaid dues. All other grantees who obtain title to a Lot in a voluntary conveyance or pursuant to the remedies in a mortgage or trust deed or through foreclosure shall be jointly and severally liable with the trustor or

mortgagor for all unpaid Assessments, late fees, default interest and collection costs, including a reasonable attorneys fee, against the Lot for its share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the trustor or mortgagor the amounts paid by the grantee.

8. Use of Lots.

(a) Each Lot is intended and restricted to be used for residential use. No Lot shall be used except for residential purposes for a single family. Each Owner shall have and enjoy the privileges of fee simple ownership of his Lot. There shall be no requirements concerning who may own a Lot, it being intended that they may and shall be owned as any other property rights by any Person. The Project shall be used only for residential purposes, except as expressly set forth below, and the Common Areas and Facilities shall only be used in a manner consistent with the residential nature of the Project.

(b) There shall be no obstruction of Common Areas by Owners and/or their Permittees without the prior written consent of the Board of Directors. The Board of Directors 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 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 of Directors, except as specifically provided herein. Nothing shall be altered on, constructed in, or removed from the Common Areas except upon the prior written consent of the Board of Directors. Owners of Lots may designate the use as either "Reserved" or "Customer" of three parking stalls as designated for each Lot as shown in "Exhibit B".

(c) Nothing shall be done or kept in any Lot or in the Common Area which would result in the cancellation of the insurance on the Property or increase the rate of the insurance on the Property, over what the Board of Directors, but for such activity, would pay, without the prior written consent of the Board of Directors. Nothing shall be done or kept in any Lot or in the Common Areas or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Area and Facilities or shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Board of Directors and the other Owners harmless against all loss resulting from any such damage or waste caused by that Owner or an invitee; provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee of any other Owner.

(d) Each Owner shall keep the exterior of his Lot in a clean, sanitary and attractive condition, and good state of repair.

(e) No Owner shall violate the current Rules and Regulations, which are subject to change.

(f) No alterations, plumbing, electrical or similar work within the Common Area and Facilities shall be done by any Owner or resident without the prior written consent of the Board of Directors, except emergency repair.

(g) Notwithstanding anything herein to the contrary, until the Declarant has completed and sold all of the Lots, neither the Owners who have purchased Lots nor the Board of Directors shall interfere with the completion of the contemplated improvements and sale of the 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.

(h) Similarly situated Owners and residents shall be treated similarly.

(i) The rights of Owners and residents may display religious and holiday signs, symbols, and decorations on their Lots of the kinds normally displayed in residences located in single family residential neighborhoods shall not be abridged, except that the Association may adopt time, place, and manner restrictions regulating displays which are visible from outside the Lot. Signs, symbols and decorations generally, such as wind chimes, wreaths, dream catchers, pinwheels and so forth, may be controlled by rule and may not be installed or placed so as to be visible to or heard by other residents without the express prior written consent of the Board of Directors.

(j) No rule shall interfere with the freedom of occupants of Lots to determine the composition of their households, except that the Declaration limits residency in a Lot to a single family and the Association shall have the power to limit the total number of occupants permitted in each Lot on the basis of the size and facilities of the Lot and its fair share use of the Common Areas and Facilities, which, unless otherwise agreed in writing shall be no more than two individuals per bedroom.

(k) No rule shall interfere with the activities carried on within the confines of Lots, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Lots, that generate excessive noise or traffic, that create unsightly conditions visible from outside the Lot, or that create an unreasonable sounds of annoyance.

(l) No resident may operate a commercial trade or business in or from his Lot with employees of any kind. No commercial trade or business may store any inventory over 250 cubic feet, and it must be contained within the Lot. No commercial trade or business may be conducted in or from a Lot unless (a) the business activity conforms to all home occupation and zoning requirements governing the Project; (b) the operator has a city issued business license; (c) the business activity satisfies the Home Occupation Guidelines adopted by the Board of Directors, as they may be modified from time to time; and (d) the resident has obtained the prior written consent of the Board of Directors.

Notwithstanding the foregoing, the leasing of a Lot shall not be considered a trade or business within the meaning of this subsection.

(m) The driving, parking and storage of all motor vehicles and bikes at The Gardens at Ivory Ridge shall be governed by and subject to the motor vehicle rules and regulations adopted by the Board of Directors, which shall be subject to change. Without further or additional notice, the Association may immobilize, tow and/or impound motor vehicles and trailers parked, stationed or stored in violation of the Project Documents, and at the Owner's sole risk and expense.

(n) No Lot shall be used as a dumping ground. All trash, garbage, debris, rubbish or other waste shall be kept in a sealed, sanitary bag or container, and stored out of sight except for a twenty-four (24) hour period on pick-up days.

(o) Satellite dishes, aerials, antenna, or systems may only be installed in accordance with FCC regulations taking into consideration the written guidelines established for or by each Neighborhood. The Board of Directors may bar, in its sole discretion, satellite dishes, aerials, antenna, or systems, including by way of illustration but not limitation HAM radio antenna, not expressly authorized by FCC regulations

(p) No pets, animals, livestock, or poultry of any kind may be commercially bred at the Property. Up to two domestic pets as that term is defined by City Ordinance per Lot are allowed; provided, however, pets must be properly licensed and registered. Pets may not create a nuisance. The following acts may constitute a nuisance: (1) causing damage to the property of anyone other than the pet Owner; (2) causing unreasonable fouling of the air by odors; (3) causing unsanitary conditions; (4) running loose throughout the Property and not in a cage or on a leash and under the control of a responsible person; (5) barking, howling, whining, or making other disturbing noises in an excessive, continuous or untimely fashion; (6) molesting or harassing passersby by lunging at them or chasing passing vehicles; (7) attacking or threatening to attack people or other domestic animals; (8) otherwise acting so as to bother, annoy or disturb the sensibilities of a reasonable person or interfering with the right of residents to the peaceful and quiet enjoyment of their property; or (9) the mere number of pets maintained creates an offensive or dangerous condition to the health, welfare or safety of other residents.

(q) No signs, billboards or advertising structures or devices of any kind may be built, installed or displayed on the Property or in any Lot, except one 2' x 2' "For Sale" sign may be put in one window of a Lot. No "For Rent" signs or political signs are allowed. Anything herein to the contrary notwithstanding, this signage restriction does not apply to and is not binding upon the Declarant, who is expressly authorized to employ and use whatever signs or signage it deems appropriate to market its Lots.

(r) All land use and buildings shall be in compliance with all zoning and land use ordinances as well as all regulations of the municipalities and agencies governing the Property land use and buildings.

(s) Personal property placed on a patio, deck or balcony shall be managed and controlled by rule adopted by the Board of Directors, as it may be modified from time to time and may, although the Board of Directors is not obligated to do so, allow one table, one set of chairs, and one BBQ grill, if covered and not visible to the other residents. Clotheslines, the hanging or drying of clothes, swimsuits and towels, dream catchers, wind chimes, pinwheels, the storing of bicycles, tricycles, equipment, machinery, furniture, appliances, furnishings or other items which may be considered inappropriate or unsightly by the Board of Directors in its sole discretion, shall not be allowed.

(t) No air conditioning systems or Lots are allowed except those initially installed by the Declarant and replacements authorized in writing by the Board of Directors. Window air conditioning Lots, swamp coolers or other similar refrigeration devices are not permitted.

(u) No noxious or offensive activity shall be carried on, in or about the Property, nor shall anything be done or permitted thereon which may be or may become an annoyance, disturbance, bother or nuisance to the neighborhood, or which might interfere with the right of other residents to the quiet and peaceful enjoyment of their property.

(v) This Property is located by and is subject to the normal, everyday sounds, odors, and all other aspects associated with the nearby manufacturing area and an outdoor entertainment venue.

(w) The leasing or transferring of any Lot is subject to the restrictions set forth herein. The Association may require that Owners use lease forms approved by the Association (or include specific terms in their leases), and may impose a review or administration fee on the lease or transfer of any Lot. No Owner shall be permitted to lease his Lot for short term, transient, hotel, vacation, seasonal or corporate use, which for purposes of this section shall be considered any rental with an initial term of less than six (6) months. Daily or weekly rentals are prohibited. No Owner may lease individual rooms to separate persons or less than his entire Lot, including by way of illustration but not limitation to domestic help or a caretaker, without written notice to and the written consent of the Board of Directors. The Board of Directors is hereby granted and reserves the right to screen and approve prospective renters, and review and approve the rental agreement. Any rental agreement entered into in violation of this subsection is "voidable" at the option of the Board of Directors and the renter may be declared "non-conforming." No renter shall be declared non-conforming without prior written notice to the Owner giving him the opportunity to be heard at an informal hearing before the Board of Directors, and to remedy the default. A non-conforming renter shall be considered a nuisance and the Association may require the Owner to permanently remove the renter (and all persons claiming a right to possession by or through him) from the Property, at the Owner's sole expense. Other than as stated in this Section, there is no restriction on the right of any Owner to lease or otherwise grant occupancy rights to a Lot.

(x) A home must be Owner-occupied for a period of at least one (1) year after the date of closing. The term "Owner-occupied" shall mean a Lot occupied by one of the following: (1) The vested Owner (as shown on the records of the Utah County Recorder); (2) The vested Owner and/or his spouse, children or siblings; or (3) The shareholder, partner, member, trustor, beneficiary or other legal representative of an institutional Owner (provided, such person holds a beneficial interest in such legal entity of at least 50.0%) and/or his spouse, children or parents.

9. **Capital Improvements.** All expenses for Capital Improvements shall be governed by and subject to the following conditions, limitations and restrictions:

(a) Any Capital Improvement or Addition to the Project which costs ten percent (10%) or less of the Total Annual Budget, and does not alter the nature of the Project, may be authorized by the Board of Directors alone (the "Capital Improvement Ceiling").

(b) Any Capital Improvement, the cost of which will exceed the Capital Improvement Ceiling, must, prior to the commencement of construction, be authorized by at least a majority of the percentage of undivided ownership interest in the Common Area.

(c) Any Capital Improvement which would materially alter the nature of the Project (e.g., changing the roofing materials, the construction of the external Building surfaces, color scheme, etc.) must, regardless of its cost and prior to being constructed or accomplished, be authorized by at least sixty-seven (67%) percent of the undivided ownership interest in the Common Areas.

10. **Operation, Maintenance and Alterations.** Each Lot and the Common Area shall be maintained, repaired, and replaced in accordance with the following covenants, conditions and restrictions:

(a) The Lots and Common Area and Facilities shall be maintained in a usable, clean, functional, safe, sanitary, attractive and good condition.

(b) The Master Association is responsible for the maintenance, repair and replacement all of the Common Area and Facilities within or serving the Project, including the private roads (the "Area of Common Responsibility").

(c) Each Owner shall maintain, repair and replace his Lot and the following improvements (whether or not such improvements are located within his Lot), including without limitation all individual services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning, fixtures, windows and window systems, glass, doors and door systems, garage doors and garage door systems, patios, balconies and decks, plumbing fixtures, systems and lateral pipes or valves, and all concrete, including the driveway, sidewalks, walkways, steps, porch and landing serving or servicing only his Lot, including any damage caused thereby and not covered by insurance. Each Owner

shall also maintain any Common Area or Facility appurtenant to his Lot broom clean and free of debris, including his driveway, walkways, porch, landing, patio, deck or balcony, broom clean and free of grease spills, leaks, personal property, trash, litter and debris. All maintenance, repairs and replacements are subject to the approval of the Board of Directors as to construction materials, quality of construction and installation, and uniformity of appearance. No Owner shall allow his Lot or the Common Area and Facilities adjacent thereto to detract from the health, safety or uniform appearance or design of the Project (the "Area of Personal Responsibility").

(d) All landscaping in the Project shall be maintained and cared for in a manner consistent with the standards of design and quality originally established by Declarant and in accordance with any City landscaping maintenance plans or ordinances. Specific additional written guidelines, standards, controls, and restrictions on landscaping may be adopted or amended by the Board of Directors from time to time. All landscaping shall be maintained in a safe, sanitary, and aesthetic condition. Any weeds or diseased or dead lawn, trees, ground cover or shrubbery shall be removed and replaced. All lawn areas shall be mowed and edged; all trees, shrubs and bushes shall be pruned, trimmed and topped. No landscaping may affect adversely the value or use of any other Lot, or to detract from the uniform design and appearance of the Project established by the Declarant.

(e) If (except in the case of an emergency) after written notice and a hearing, it is determined that any responsible party has failed or refused to discharge properly his obligation with regard to the maintenance, repair, or replacement of the real property and improvements described herein, or that the need for maintenance, repair, or replacement thereof is caused through the willful or negligent act of any person, then the Association, or Board of Directors may, but is not obligated to, provide such maintenance, repair, or replacement at the defaulting or responsible party's sole cost and expense (the "Default Maintenance Cost"). The Default Maintenance Cost is the debt of such defaulting or responsible party at the time the expense is paid and shall be collectible as such. In addition, it may be considered a "Fine" against a Owner. A Fine assessed hereunder which remains unpaid after the time for appeal has expired becomes a lien against the Owner's interest in the property in accordance with the same standards as a lien for the nonpayment of Common Expenses hereunder.

(f) The Declarant may make changes to the design and construction of the improvements located in or on the Common Areas without additional approval required, including without limitation the consent of the Board of Directors or Members of the Association; provided, however, no Owner, Guest or Permittee may make any structural alterations to the Common Area and Facilities, without the express prior written consent of the Board of Directors.

(g) No Owner shall do any work or make any alterations or changes which would jeopardize the soundness or safety of the Property, reduce its value or impair any easement or hereditament, without in every such case the unanimous written consent of all the other Owners being first had and obtained.

(h) The Association at its sole expense is responsible to maintain the public Park Strips dedicated to the City located adjacent to Neighborhood, including by way of illustration but not limitation the grass, planting beds, flower beds, bushes, shrubs and trees, and the pressurized irrigation system.

(i) The Association shall pay the pressurized irrigation bill to the City.

9. **Signs.**

(a) The entry monument and sign placed within the Common Area shall be maintained by the association in all respects. In the event of a partial or total destruction of the sign from any cause, the association shall rebuild the sign to restore it to its original dimensions and conditions consistent with applicable law. The Association shall have the sole and exclusive right to allocate the space on said sign for any and all purposes.

(b) Any signs comprising a part of a central directory to the Lots or business development, or individual signs attached to individual Lots shall conform in all respects to the Bylaws as administered by the Board of Directors.

(c) The requirements of Article 8, Section (q) apply to any and all signs.

10. **Insurance.**

(a) Each Owner will obtain insurance against loss or damage by fire or other hazards for his Lot and home, and shall provide the Association with a Certificate of Insurance upon request. The insurance premium shall be an individual expense. The Owner shall obtain and keep in full force and effect at all times the required insurance coverage provided by companies duly authorized to do business in Utah. The provisions of this subsection shall not be construed to limit the power or authority of the Owner to obtain and maintain insurance coverage in addition to any insurance coverage required hereunder, in such amounts and in such forms as he may deem appropriate.

(b) The Manager, Board of Directors or Association, will obtain insurance against loss or damage by fire and other hazards for all Common Areas and Facilities. The insurance premiums shall be a Common Expense. This Section is without prejudice to the right and obligation of each Lot Owner to insure his own Lot for his benefit. The Board of Directors shall obtain and keep in full force and effect at all times the following insurance coverage provided by companies duly authorized to do business in Utah (collectively, "Master Policy"). The provisions of this section shall not be construed to limit the power or authority of the Board of Directors to obtain and maintain insurance coverage in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Manager, Board of Directors or Association may deem appropriate.

(1) Casualty insurance on the Property in such amounts as shall provide for full replacement thereof on the event of damage or destruction, all in the

manner in which a corporation owning similar Apartments buildings would, in the exercise of prudent business judgment, obtain such insurance. Such insurance shall at a minimum include fire and extended coverage, and vandalism and malicious mischief coverage. The Board of Directors may comply with the above requirements by the purchase of blanket coverage and may elect such "deductible" provisions as in the opinion of the Board of Directors are consistent with good business practice.

(2) Broad form comprehensive liability coverage in such amounts and in such forms as it deems advisable to provide adequate protection. Coverage shall at a minimum include liability for personal injuries, operation of automobiles on behalf of the Association or Board of Directors, and activities in connection with the ownership, operation, maintenance and other use of the Property.

(3) Workers' compensation or employer's liability insurance and all other similar insurance in respect to employees of the Board of Directors in the amounts and in the forms now or hereafter required by law.

(c) The Board of Directors may purchase a fidelity bond in the amount of 150% of the Association's estimated annual operating expenses and reserves, to insure against dishonesty of employees, destruction or disappearance of money or securities, and forgery.

(d) The Board of Directors may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Property, including any personal property of the Board of Directors located thereon.

(e) The Board of Directors may obtain insurance on the personal property and furnishings initially placed in the Lots by Declarant upon completion of construction of the Property in such amounts as shall provide for the full replacement thereof in the event of damage or destruction from casualty.

(f) Casualty insurance shall be carried in a form or forms naming the Association as the insured, as trustee for the Owners and for Declarant while an Owner. Such policies shall provide a standard, non-contributory mortgages clause in favor of each first Mortgagee which shall have given notice to the Board of Directors of such first mortgage. Each policy also shall provide that it cannot be canceled by either the insured or the insurance company until after ten days prior written notice is first given to each Owner, to Declarant, and to each first Mortgagee. All policies of insurance shall, if possible, provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Owner guilty of breach of warranty, act, omission, negligence or noncompliance with any provision of such policy, including payment of the insurance premium applicable to that Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy. All policies of insurance shall, if possible, provide further that the insurance under any such

policy as to the interest of all other insured Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect.

(g) Public liability and property damage insurance shall name the Association as the insured, as trustee for the Owners and for Declarant while an Owner, and shall protect each Owner and the Declarant against liability for acts of the Board of Directors in connection with the ownership, operation, maintenance or other use of the Property. Such policies of insurance shall provide that all insureds (including the Declarant, Owners, and Board of Directors, and officers of the Association) shall be considered as separately insured and coverage shall be afforded each such insured in the same manner as though separate policies had been issued to each such insured and the insurance afforded any person or organization as insured under this policy shall not in any way be prejudiced by the inclusion therein of more than one person and/or organization as insured, but the inclusion of more than one insured under the policy shall not operate to increase the limits of the company's total liability under the policy.

(h) Insurance coverage on the furnishings initially placed in the Lot by Declarant, except to the extent that the Board of Directors pursuant to subparagraph (b) hereof elects to arrange for casualty insurance, and, regardless of the Board of Directors' election, insurance coverage on items of personal property placed in a Lot by an Owner, and casualty and public liability insurance coverage within each individual Lot shall be the responsibility of the respective Owners.

(i) The Board of Directors shall receive the proceeds of any casualty insurance payment received under policies obtained and maintained. To the extent that reconstruction is required, the proceeds shall be used for such purpose.

(j) Notwithstanding the provisions of subparagraphs (a) and (b) above, each Owner may obtain insurance at his/her own expense providing coverage upon a Lot, personal property, personal liability, and covering such other risks as may be deemed appropriate, but each such policy shall provide that it does not diminish the coverage for liability arising under insurance policies which cover the Board of Directors, the other Owners, and the servants, agents, guests of any of them, if such insurance can be obtained in the normal practice without additional premium charge.

11. Casualty Damage or Destruction

(a) All of the Owners irrevocably constitute and appoint the Board of Directors their true and lawful agent in their name, place and stead for the purpose of dealing with the Property upon its damage or destruction. Acceptance of a deed from the Declarant or from any Owner shall constitute appointment of the Board of Directors as attorney in fact for the limited purposes as herein provided.

(b) As attorney in fact, the Board of Directors shall have full and complete authority, right and power to make, execute, and deliver any contract, deed or other instrument with respect to the interest of a Owner which may be necessary or appropriate

to exercise the powers herein granted. Repair and reconstruction of the improvements as used in the succeeding subparagraphs means restoring the Property to substantially the same condition in which it existed prior to damage, with each Lot and the Common Areas having substantially the same vertical and horizontal boundaries as before.

(c) In the event any Mortgagee should not agree to rebuild, the Board of Directors shall have the option to purchase such mortgage on behalf of the Association by payment in full of the amount secured thereby. The Board of Directors may obtain the funds for such purpose by Special Assessment.

(d) As soon as practicable after receiving estimates, the Board of Directors shall diligently pursue completion of the repair or reconstruction of the part of the Property damaged or destroyed, but only if the Property is damaged or destroyed to the extent of 75% or less than the value thereof. In the event the Property is destroyed or damaged to the extent of more than 75% of the value thereof, the Owners shall, at a meeting within one hundred (100) days after such damage or destruction duly called by the Board of Directors for the purpose, determine whether or not said premises should be rebuilt, repaired or disposed of. Unless Owners representing at least 80% of the undivided interest in the Common Areas agree to the withdrawal of the Property from the provisions of the Act and this Declaration and to its subsequent disposal, the Property shall be repaired, rebuilt or restored to substantially the same condition it was in immediately prior to destruction or damage. The Board of Directors may take all necessary or appropriate action to effect repair or reconstruction, as attorney in fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith. Such repair or reconstruction shall be substantially in accordance with the original plans and specifications of the Property or may be in accordance with any other plans and specifications the Owners may approve, provided that in such latter event the number of cubic feet and the number of square feet of any Lot may not vary by more than 5% from the number of cubic feet and the number of square feet for such Lot as originally constructed pursuant to the original plans and specifications, and the location of any building shall be substantially the same as prior to damage or destruction. The same easements for encroachments as declared in Section 4 shall apply under the provisions of this Section.

(e) The proceeds of any insurance collected shall be available to the Board of Directors for the purpose of repair or reconstruction. If the proceeds of insurance are insufficient to pay the estimated or actual cost of such repair or reconstruction, the Board of Directors may levy in advance a Special Assessment sufficient to provide funds to pay the estimated or actual costs of repair or reconstruction. Such Assessment shall be allocated and collected as provided in this Declaration. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair or reconstruction.

(f) The insurance proceeds held by the Board of Directors and the amounts received from Assessments provided for in Section 7 constitute a fund for the payment of cost of repair and reconstruction after casualty. It shall be deemed that the first money

disbursed in payment for cost or repair of reconstruction shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair or reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made pursuant to the Assessments the Board of Directors made under Section 7 of this Declaration.

(g) If 75% of the Owners and all holders of first mortgages on Lots agree not to rebuild, as provided herein, the Property may be removed from the provisions as prescribed therein. Withdrawal shall be in accordance with the Utah Statutes.

12. Duty of Owner to Pay Taxes on Lot Owned.

Each Lot and its appurtenant percentage of interest in the Common Areas in the Property is subject to separate Assessment and taxation of each taxing authority and the special district(s) for all types of taxes and Assessments authorized by law, and that as result thereof no taxes will be assessed or levied against the Property as such. Accordingly, each Owner will pay and discharge any and all taxes and Assessments which may be assessed on that Lot.

13. Computation of Percentage Interest in Common Areas.

The percentage of undivided ownership interest in the Common Areas and/or the Association which is appurtenant to a Lot shall be equal and uniform for all Lots.

14. Amendment of this Declaration.

(a) General. Except as provided elsewhere in this Declaration, including by way of illustration but not limitation to sections pertaining to the annexation or withdrawal of land, any amendment to this Declaration shall require the affirmative written vote or consent of at least sixty-seven percent (67%) of the Total Votes of the Association cast either in person or by proxy at a meeting duly called for such purpose or otherwise approved in writing by such Owners without a meeting. Any amendment authorized pursuant to this Section shall be accomplished through the recordation in the Office of the County Recorder of an instrument executed by the Association. In such instrument an officer or delegate of the Association shall certify that the vote required by this Section for amendment has occurred.

(b) Initial Declarant Right to Amend. The Declarant alone may amend or terminate this Declaration prior to the closing of a sale of the first Lot.

(c) Unilateral Right to Amend Under Certain Conditions. Notwithstanding anything contained in this Declaration to the contrary, this Declaration may be amended unilaterally at any time and from time to time by Declarant if such Amendment is (1) necessary to correct typographical errors or inadvertent omissions; (2) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; or

(3) reasonably necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; provided, however, any such Amendment shall not materially adversely affect the title to any Lot unless any such Owner shall consent thereto in writing.

(d) Declarant's Right to Amend Unilaterally Prior to Termination of Declarant's Right to Control. Prior to the expiration of the Period of Declarant's Control, Declarant may unilaterally amend this Declaration for any other purpose; provided, however, any such Amendment shall not materially adversely affect the substantive rights of any Owner hereunder, nor shall it adversely affect title to any property without the consent of the affected Owner.

(e) To Satisfy Requirements of Lenders. Anything to the contrary notwithstanding, Declarant reserves the unilateral right to amend all or any part of this Declaration to such extent and with such language as may be requested by a State Department of Real Estate (or similar agency), FHA, VA, the FHLMC or FNMA and to further amend to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of this Declaration or approval of the sale of Lots, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot, or any portions thereof. Any such amendment shall be effected by the recordation by Declarant of a written Amendment duly signed by the Declarant, specifying the federal, state or local governmental agency or the federally chartered lending institution requesting the amendment and setting forth the change, modification or amendment requested by such agency or institution. Recordation of such an Amendment shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Amendment, when recorded, shall be binding upon all Lots and all persons having an interest therein. It is the desire of Declarant to retain control of the Association and its activities during the anticipated period of planning and development. If any amendment requested pursuant to the provisions of hereof deletes, diminishes or alters such control in any manner whatsoever in the opinion of Declarant, Declarant shall have the unilateral right to amend this Declaration to restore such control.

(f) Declarant's Rights. No provision of this Declaration reserving or granting to Declarant the Developmental Rights shall be amended without the prior express written consent of Declarant, which consent may be withheld, conditioned or delayed for any reason or for no reason at Declarant's sole and exclusive discretion.

15. Expansion of the Tract.

(a) Reservation of Option to Expand. Declarant hereby reserves the option to expand the Tract to annex additional real estate and include additional Lots in the Tract. This option to expand may be exercised from time to time, at different times and in any order, without limitation, provided however, the option shall expire five (5) years from the date following the first conveyance of a Lot in Phase I to a Lot purchaser unless sooner terminated by Declarant's recorded Waiver of such option, there being no other

circumstances which will cause the option to expire prior to said five (5) years. Such right may be exercised without first obtaining the consent or vote of Lot Owners and shall be limited only as herein specifically provided. Such Lots shall be constructed on any or all portions of the Additional Land described on Exhibit "C" or other real estate.

(b) Supplemental Declarations and Supplemental Final Plats. Such expansion may be accomplished by the filing for record by Declarant in the office of the County Recorder of Utah County, Utah, no later than five (5) years from the date this Declaration is recorded, a Supplement or Supplements to this Declaration containing a legal description of the site or sites for new Lots, together with supplemental Final Plat or Final Plats containing the same information with respect to the new Lots as was required on the Final Plat with respect to the Phase I Lots. The expansion may be accomplished in phases by successive supplements or in one supplemental expansion.

(c) Expansion of Definitions. In the event of such expansion the definitions used in this Declaration automatically shall be expanded to encompass and refer to the Tract as so expanded. The term "Property" shall mean the real property initially submitted under the Declaration, plus any Additional Land added to the Tract by a Supplemental Declaration or by Supplemental Declarations, and reference to this Declaration shall mean this Declaration as so supplemented. All conveyances of Lots after such expansion shall be effective to transfer rights in the Tract, with additional references to the Supplemental Declaration and the Supplemental Final Plat. The recordation in the office of the Utah County Recorder of a Supplemental Final Plat incident to any expansion shall operate automatically to grant, transfer, and convey to then Owners of Lots in the Tract as it existed before such expansion the respective undivided interests in the new Common Areas added to the Tract as a result of such expansion. Such recordation shall also operate to vest in any then mortgagee of any Lot in the Tract as it existed, interest so acquired by the Owner of the Lot encumbering the new Common Areas added to the Tract as a result of such expansion.

(d) Declaration Operative on New Lots. The new Lots shall be subject to all the terms and conditions of this Declaration and of a Supplemental Declaration, and the Lots therein shall be subject to ownership within a planned Community development with all the incidents pertaining thereto as specified herein, upon recording the Supplemental Final Plat and Supplemental Declaration in the said office of the Utah County Recorder.

(e) Right of Declarant to Adjust Ownership Interest in Common Areas. Each deed of a Lot shall be deemed to irrevocably reserve to the Declarant the power to appoint to Lot Owners, from time to time, the percentages in the Common Areas set forth in Supplemental or Declaration. The proportionate interest of each Lot Owner in the Common Areas after any expansion of the Tract shall be an undivided interest of the Tract as expanded. A power coupled with an interest is hereby granted to the Declarant, its successors and assigns, as attorney in fact to shift percentages of the Common Areas in accordance with Supplemental or Declarations recorded pursuant hereto and each deed of a Lot in the Tract shall be deemed a grant of such power to the Declarant. Various

provisions of this Declaration and deeds and mortgages of the Lots may contain clauses designed to accomplish a shifting of the Common Areas. None of said provisions shall invalidate the other, but each shall be deemed supplementary to the other toward the end that a valid shifting of the Common Areas can be accomplished. Notwithstanding anything to the contrary herein, no change in the percentage of undivided interest in the Common Areas may be effected more than five (5) years after the effective date of the Declaration.

(f) Revised Schedule. Accordingly, upon the recordation of a Supplemental Declaration and Supplemental Final Plat incident to any expansion, the revised schedule of undivided interests in the Common Areas contained therein shall automatically become effective for all purposes and shall fully supersede any similar schedule which was contained in any Declaration associated with any prior phase. In the event the provisions of the separate instruments relating to the Tract conflict irreconcilably, the terms of that instrument which was recorded most recently shall control.

(g) Other Provisions Concerning Expansion. If the Tract is expanded as hereinbefore contained, then it is further provided that:

(1) All or any part of the Additional Land may be added to the Tract without any limitations whatsoever save and except that all additional Lots created must be restricted to multi family residential housing limited to one family per Lot.

(2) Portions of the Additional Land may be added to the Tract at different times without any limitations.

(3) Declarant shall have the right without further conveyance or documentation to build roads and access ways to the Additional Property through the easement areas as shown on the Final Plat. The Association of Lot Owners shall not allow anything to be built upon or interfere with said easement areas.

(4) No assurances are made concerning:

a. The locations of any improvement that may be made on any portion of the Additional Land that may be added to the Tract.

b. Type, kind or nature of improvement which may be created on any portion of the Additional Land, except that the common facilities, Buildings and Lots will be comparable to the Phase I facilities on a per Lot basis and will be of a similar quality of materials and construction to Phase I and will be substantially completed prior to annexation.

c. Whether any Lots created on any portion of the Additional Land will be substantially identical to those within the initial Tract except that Lots will be constructed of an equal or better quality of materials and construction than the Lots in Phase I.

d. Type, size, or maximum number of Common Area and Facilities which may be created within any portion of the Additional Land added to the Tract.

(5) Notwithstanding anything to the contrary which may be contained herein, the Declaration is not intended, and shall not be construed so as to impose upon Declarant any obligation respecting, or to restrict Declarant in any way with regard to:

(a) the submission of any portion of the Additional Land to the provisions of the Act as Land under this Declaration;

(b) the creation, construction, or addition to the Tract of any additional property;

(c) the carrying out in any particular way or within any particular time of any development which may be undertaken except as herein mentioned; or

(d) the taking of any particular action with respect to the Additional Land, the Tract, or any Land.

(6) Assuming that only Phase 1 of the Tract is completed, the minimum number of Buildings would be ____; the minimum number of Lots would be ____; and the maximum percentage of ownership interest of each Lot would be ____%. Assuming all Phases in the Tract are completed and all of the Additional Land is added to the Tract, then (a) the maximum number of Buildings would ____; (b) the maximum number of Lots would be ____; (c) there would be approximately ____ () acres; (d) the maximum number of Lots per net acre would be about ____ (); and (e) the minimum Percentage Interest of each Lot would be ____%; provided, however, the number of Lots actually constructed and the actual undivided percentage of ownership interest of each Lot may actually be somewhere in between the numbers and percentages set forth above.

(h) General Liability Insurance Policy for Expansion of Tract. Pursuant to Title 38, CFR Section 36.4360 (a) (5), which is incorporated herein by this reference, the Declarant shall purchase at its own expense and maintain a general liability insurance policy in the sum of not less than \$1 million to cover any liability which Owners of previously sold Lots are exposed to as a consequence of further and future expansion of the Tract pursuant hereto.

16. Transfer of Management.

Anything to the contrary notwithstanding, Declarant may at any time relinquish its reserved right to select the Members of the Committee and may elect to transfer the management of the Tract to a Committee elected by the Owners. Upon the termination of the Period of Declarant's Control, or sooner if the Declarant so elects, Declarant shall

notify Owners in writing of the effective date of such transfer (the "Transfer Date") at least forty five (45) days prior thereto. Thereupon, the Owners shall call a meeting to elect the Members of the Board of Directors to take office as of the Transfer Date. Declarant covenants to cooperate with the Owners in effecting an orderly transition of management. Moreover, Declarant shall cause all obligations for Common Expenses of the Association prior to the Transfer Date to be paid in full on or before such date, and shall transfer any Association funds to the newly elected Committee.

17. Working Capital Fund.

A working capital fund shall be established by the Declarant equal to or greater than two (2) months' Assessments for each Lot. Each Lot's share of the working capital fund shall be paid by the buyer of a Lot, collected by the title company, and transferred to the Association at the time of closing of the sale of each Lot. If the working capital contribution is paid for by the Declarant, in cash or kind, then the Declarant shall be reimbursed for such contribution by the buyer of such Lot at the time of closing. The purpose of the working capital fund is to insure that the Board of Directors will have cash available to satisfy unforeseen expenses or to acquire additional equipment or services necessary for the operation, control and regulation of the Tract. Sums paid into the working capital fund are not to be considered as advance payments or regular monthly payments of Common Expenses. Thereafter, the Board of Directors may continue the working capital fund by charging a reasonable transfer or impact fee when Lots are sold or rented.

18. Separate Taxation.

Each Lot and its percentage of undivided interest in the Common Areas and Facilities shall be considered to be a parcel and shall be subject to separate Assessment and taxation by each assessing Lot and special district for all types of taxes authorized by law, including ad valorem levies and Special Assessments. Neither the Building or Buildings, the property nor any of the Common Areas and Facilities may be considered a parcel for tax purposes.

19. Enforcement and Right to Recover Attorneys Fees.

(a) General Remedies. Should the Association, Manager, Board of Directors or an aggrieved Owner be required to take action to enforce the Project Documents, or to pursue any remedy provided hereunder or by applicable law, whether such remedy is pursued by filing suit or otherwise, they may recover all Additional Charges, including a reasonable attorneys fee, which may arise or accrue.

(b) Additional Remedies. In addition, the Board of Directors may impose the following sanctions after proper notice and the opportunity to be heard:

(1) imposing Individual Charges and fines, which may be secured by a lien against the Owner's interest in the Property;

- (2) suspending an Owner's right to vote;
- (3) suspending any Person's right to use any of the Swim and Tennis Club and other recreational amenities located in the Common Area; provided, however, nothing herein contained shall authorize the Board of Directors to limit ingress or egress to or from a Lot;
- (4) exercising self-help or taking action to abate any violation of the Project Documents in a non-emergency situation;
- (5) exercising self-help in any emergency situation (specifically including but not limited to the towing of vehicles that are in violation of the parking rules);
- (6) requiring an Owner at his sole expense to remove any structure or improvement in the Common Area and Facilities, and upon the failure of the Owner to do so, the Board of Directors or its designee shall have the right to enter the property and remove the violation and restore the property to its original condition, and such action shall not be deemed a trespass;
- (7) without liability to any Person, precluding any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the Project Documents; and
- (8) levying Individual Charges to cover costs and expenses incurred by the Association to bring an Owner into compliance.

20. Service of Process.

Until changed by amendment to this Declaration, the name of the person to receive service of process and the place of his residence is:

Christopher P. Gamvroulas
978 East Woodoak Lane
Salt Lake City, Utah 84117

21. Mortgagees.

Notwithstanding all other provisions hereof:

(a) Mortgagee Protection. Nothing herein contained, and no violation of these covenants, conditions and restrictions, shall invalidate or impair the lien of any mortgage or deed of trust, given in good faith and for value. The lien or claim against a Lot for unpaid Assessments shall be subordinate to any Mortgage recorded on or before the date a notice of lien securing payment of any such Assessments is recorded in the

Office of the County Recorder of Utah County, Utah. Notice of any proposed amendment to any Eligible Mortgagee to whom a written request to approve an addition or amendment to this Declaration or the Final Plat is required shall be mailed postage prepaid to the address for such Mortgagee shown on the list maintained by the Association. Any Eligible Mortgagee who does not deliver to the Board of Directors or the Association a negative response to the notice of the proposed amendment within thirty (30) days from the date of such mailing shall be deemed to have approved the proposal. The foregoing consent requirements shall not be applicable to amendments to this Declaration and/or the Final Plat or the termination of the legal status of the Project as a planned development if such amendments or such termination are made or accomplished in accordance with the express provisions of this Declaration regarding Condemnation or Substantial Obsolescence.

(b) Any first mortgagee who obtains title to a Lot pursuant to the remedies in the mortgage or trust deed or through foreclosure will not be liable for more than six (6) months of the unpaid regularly budgeted assessments, dues or charges accrued before acquisition of the title to the property by the mortgage, although the first mortgagee will also be liable for any reasonable attorneys fees or costs related to the collection of the unpaid dues.

(c) No amendment to this paragraph shall affect the rights of the holder of any such mortgage who does not consent in the manner set forth above.

22. Indemnification of Board of Directors.

Each member of the Board of Directors shall be entitled to be indemnified and held harmless by the Owners against all cost, expenses, and liabilities whatsoever, including attorney's fees, reasonably incurred by him in connection with any proceeding to which he may become involved by reason of being or having been a member of the Committee.

23. Severability.

If any provision, paragraph, sentence, clause, phrase, or word of this Declaration should under any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase, or word in any other circumstances shall not be affected thereby.

24. Topical Headings and Conflict.

The headings appearing at the beginning of the paragraphs of this Declaration are only for convenience of reference and are not intended to describe, interpret, define or otherwise affect the content, meaning or intent of this Declaration of any paragraph or provision hereof. In case any provisions hereof shall conflict with Utah law, Utah law shall be deemed to control.

EXHIBIT "A"
LEGAL DESCRIPTION OF THE GARDENS AT IVORY RIDGE

The land referred to in the foregoing document as The Gardens at Ivory Ridge is located in Utah County, Utah and is described more particularly as follows:

BEGINNING AT A POINT LOCATED S89°57'55" E, 2286.41 FEET ALONG THE SECTION LINE AND N00°02'05"E, 24.54 FEET FROM THE WEST QUARTER CORNER OF SECTION 33, TOWNSHIP 4 SOUTH, RANGE 1 EAST, SALT LAKE BASE & MERIDIAN THENCE NORTH, 6.79 FEET TO A POINT ON THE NORTH ROW LINE OF 3200 NORTH; THENCE ALONG SAID ROW N89°55'29"W, 63.86 FEET; THENCE 40.81 FEET ALONG A 26.00 FOOT RADIUS CURVE TO THE RIGHT (CHORD BEARS N44°57'44"W, 36.75 FEET) TO A POINT ON THE EAST ROW LINE OF 460 EAST; THENCE FOLLOWING SAID ROW LINE NORTH, 521.61 FEET; THENCE LEAVING SAID ROW LINE EAST, 409.53 FEET; THENCE S00°56'02"E, 554.78 FEET; THENCE N89°57'36"W, 328.75 FEET TO THE POINT OF BEGINNING

CONTAINING: 5.254 ACRES

EXHIBIT "B"
BYLAWS OF THE
THE GARDENS AT IVORY RIDGE ASSOCIATION

ARTICLE I
NAME AND LOCATION

Section 1 .01 Name and Location. The name of the association is The Gardens at Ivory Ridge Association (the "Association"). The principal office of the corporation shall be located at 978 East Woodoak Lane, Salt Lake City, UT 84117, but meetings of Members and Board of Directors may be held at such places within the State of Utah, as may be designated by Board of Directors.

ARTICLE II
DEFINITIONS

Section 2.01 Definitions. Except as otherwise provided herein or as may be required by context, all terms defined in Paragraph 1 of the Declaration shall have such defined meanings when used in these Bylaws.

ARTICLE III
MEETINGS OF MEMBERS OF THE ASSOCIATION

Section 3.01 Annual Meeting. The Association shall meet as often as it deems reasonably necessary but not less than annually at a convenient time and place.

Section 3.02 Special Meetings. Special meetings of the Association may be called at any time by the President, by a majority of the Members of the Board of Directors, or by a petition signed by twenty-five percent (25%) of the Units.

Section 3.03 Notice of Meetings. Written notice of each meeting of the Association shall be given to each Owner by or at the direction of the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to said Owner addressed to the Owner's address last appearing on the books of the Association, or supplied by such Owner to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 3.04 Quorum. The Owners present at a meeting of the Association in person or by proxy shall constitute a quorum for any action except as otherwise expressly provided in the Declaration.

Section 3.05 Proxies. At all Association meetings, each Owner may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be

revocable and shall expire, if not previously revoked, eleven (11) months after the date it is given by the Owner.

ARTICLE IV BOARD OF DIRECTORS AND TERM OF OFFICE

Section 4.01 Number. The affairs of the Association shall be managed by a Board of Directors comprised of three (3) natural persons. Each Member must be duly qualified and appointed or elected. The initial Members of the Board of Directors are Christopher P. Gamvroulas, Bardley T. Mackay and Steven Palmer.

Section 4.02 Replacement. If a Member resigns or is otherwise unable or unwilling to serve, then the remaining Members shall appoint a replacement to complete his term of office.

Section 4.03 Term of Office. Each Member on the Board of Directors shall serve a term of one (1) year.

Section 4.04 Compensation. No Member shall receive compensation for any service he may render to the Association as a member of the Board of Directors, although he may be reimbursed for his actual expenses incurred in the performance of his duties and may enter into an independent contract to provide other services. A Member may enter into a separate and independent contract with the Association to provide additional services for a fee.

Section 4.05 Action Taken Without a Meeting. The Board of Directors shall have the right to take any action in the absence of a meeting which it could take at a meeting by obtaining the written approval of all the Members. Any action so approved shall have the same effect as though taken at a meeting of the Board of Directors.

Section 4.06 Voting. Each Director shall have one (1) vote.

ARTICLE V POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 5.03 Powers. The Association shall have all of the powers of a Utah non-profit corporation, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws and this Declaration. The Association shall have the power to perform any and all lawful acts which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Association. Without in any way limiting the generality of the foregoing, the Association may act through its Board of Directors and shall specifically have the powers and duties set out in this Article V, including

Section 5.03.1 Assessments. The power and duty to levy Assessments on the Owners, and to enforce payment of such Assessments in accordance with the Declaration.

Section 5.03.2 Association Property. The right to own and/or lease the Association Property and the duty to maintain and manage the Common Areas and Facilities and improvements thereon. In particular the Association shall:

- a. Maintain and repair in an attractive, safe and functional condition the Common Areas and Facilities;
- b. Pay all taxes and Assessments levied upon the Common Areas and Facilities and all taxes and Assessments payable by the Association;
- c. Obtain any water, sewer, gas and electric services needed for the Common Areas and Facilities; and
- d. Do each and every other thing reasonable and necessary to operate the Common Areas and Facilities and the Association.

ARTICLE VI OFFICERS AND THEIR DUTIES

Section 6.01 Enumeration of Officers. The officers of the Association shall be a president and secretary, plus such other officers as the Board of Directors may from time to time by resolution create. The same individual may not hold the office of president and secretary at the same time. The officers need not be Members of the Board of Directors.

Section 6.02 Election of Officers. The Board of Directors shall elect or appoint officers at the first meeting of the Board of Directors during each calendar year.

Section 6.03 Term. Each officer of the Association shall hold office for one (1) year unless he shall sooner resign, or shall be removed or otherwise disqualified to serve.

Section 6.04 Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may from time to time determine.

Section 6.05 Resignation and Removal. Any officer may be removed from office with or without cause by a majority vote of the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.06 Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 6.07 President. The president shall (a) preside at all meetings of the Board of Directors, (b) see that orders and resolutions of the Board of Directors are carried out and (c) sign all contracts.

Section 6.08 Secretary. The secretary shall (a) record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Association, (b) keep the corporate seal of the Association and affix it on all papers requiring said seal, (c) serve notice of meetings of the Board of Directors and of the Association, (d) keep appropriate current record showing the Members of the Association together with their addresses and (e) perform such other duties as may be required by the Board of Directors.

ARTICLE VII COMMITTEES

Section 7.01 Committees. The Board of Directors may appoint such committees as deemed appropriate in carrying out its purpose.

ARTICLE VIII BOOKS AND RECORDS

Section 8.01 Books and Records. The books and records shall be kept with detailed accounts of the receipts and expenditures affecting the Tract, and the administration of the Tract, specifying the maintenance, repair and any other expenses incurred. The books and records, including any invoices, receipts, bills, proposals, documents, financial statements, and vouchers accrediting the entries thereupon shall be available for examination by the Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Board of Directors for the general knowledge of the Owners. All books and records shall be kept in accordance with generally accepted accounting practices.

Section 8.02 Signatures. The Board of Directors shall determine who shall be required to sign checks, drafts, contracts, or other legally binding agreements.

Section 8.03 Bookkeeping. The accounting and financial statements for Association must be kept and prepared by either the property manager or an independent bookkeeper or accountant, who may not be a member of the Board of Directors or an officer of the Association. A monthly profit and loss statement, balance sheet, and check register shall be sent or delivered by the bookkeeper or accountant to each member of the Board of Directors. The accountant or bookkeeper shall prepare and file all tax returns for the Association.

Section 8.04 Audit. Either a (a) majority vote of the Members of the Board of Directors or (b) majority vote of all of the Owners is necessary and sufficient to require either a Compilation Report, Reviewed Statement or Audited Statement of the financial books and records of the Association.

**ARTICLE IX
AMENDMENTS**

Section 9.01 Amendment to Bylaws. These Bylaws may only be amended (a) unilaterally by the Developer until the expiration of the Period of Developer's Control or (b) the affirmative vote of a majority of the members of the Board of Directors, or (c) a majority of the Owners. In the event of a conflict between the decision of the Owners and the Board, the former shall in all respects govern and control.

Section 9.02 Conflict Between Articles, Bylaws and Declaration. In the case of any conflict between the Declaration and these Bylaws or Articles of Incorporation, the former shall in all respects govern and control.

**ARTICLE X
MISCELLANEOUS**

Section 10.01 Miscellaneous. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, the Declarant has hereunto set his hand this 17 day of February, 2011.

DECLARANT:
IVORY DEVELOPMENT, LLC.

By: _____

Name: Christopher P. Gamyroulas
Title: Managing Member

ACKNOWLEDGMENT

STATE OF UTAH)
 SS:
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 17 day February, 2011 by Christopher P. Gamvroulas, the Managing Member of IVORY DEVELOPMENT, LLC., a Utah limited liability company, and said Christopher P. Gamvroulas duly acknowledged to me that said IVORY DEVELOPMENT, LLC. executed the same.



NOTARY PUBLIC

