

**DECLARATION OF EASEMENTS, COVENANTS,
CONDITIONS AND RESTRICTIONS**

**HARVEST RIDGE
A Planned Subdivision**

Salem, Utah County, Utah

ENT 56313:2005 PG 1 of 32
RANDALL A. COVINGTON
UTAH COUNTY RECORDER
2005 May 26 11:49 am FEE 73.00 BY SN
RECORDED FOR OLD REPUBLIC TITLE COMPANY
ELECTRONICALLY RECORDED

THIS DECLARATION (the "Declaration") is made this 12th day of MAY, 2005, by **Loafer Rim Properties L.C.**, a Utah limited liability company (the "Declarant"), in its capacity as the owner and developer of Harvest Ridge, a Planned Subdivision, Salem, Utah.

RECITALS

- A. Capitalized terms in this Declaration are defined in Article I.
- B. The Declarant is the owner and developer of certain real property to be hereafter commonly known and described as the Harvest Ridge Estates which is a master planned residential community consisting of an approximately 58-acre tract of land, as more fully described in Exhibit "A" attached hereto and made a part hereof (the "Community"). The Community will also have some common elements intended to be used and enjoyed by the Owners pursuant to the terms of this Declaration.
- C. The City of Salem, Utah currently zones the Community as a Planned Unit Development (PUD) in accordance with the Zoning Ordinance, hereinafter defined.
- D. The Declarant desires to take advantage of the unique features of the Community, and proposes to establish and implement plans for residential living, recreation, aesthetic and quality-of-life considerations; as part of its development plan, Declarant intends, without obligation, to record Plats, to dedicate portions of the Community to the public for streets, roadways, and for general public use; and to potentially record various Neighborhood Declarations and Supplemental Declarations covering portions of the Community, which Neighborhood Declarations and/or Supplemental Declarations will designate the purposes for which such portions of the Community may be used and may set forth additional covenants, conditions, restrictions, assessments, charges, liens, reservations and easements applicable to such portions of the Community.
- E. As part of the development of the Community, Declarant may, without obligation, sell various parcels or Lots included in the Community to different Merchant Builders.
- F. Declarant desires to form the Association as a non-profit corporation for the purpose of benefiting the Community, the Owners and the Declarant, which Association will construct, operate, manage and maintain a variety of common properties within the Community; establish, levy, collect and disburse Assessments and other charges imposed hereunder; and as agent and representative of the Members and Residents of the Association, administer and enforce all provisions hereof. Declarant has prepared the necessary documents for the incorporation and organization of the Association.
- G. The purposes of this Declaration are to (a) protect the Declarant and the Owners, as hereinafter defined, against the improper development and use of Lots, as hereinafter defined, within the Community; (b) create an aesthetically pleasing environment; (c) provide for certain landscaping and the maintenance thereof, and of the Common Areas, as hereinafter defined; and (d) in general to encourage construction of attractive, high quality, permanent improvements. In view of the Declarant's long-range plans, the Declarant desires to retain reasonable flexibility to respond to changing or unforeseen circumstances so as to guide, control and maintain the quality and distinction of the Community. The restrictive covenants herein below are designed to also comply with the requirements of the Zoning Ordinance, to better ensure the care and maintenance of the properties located within the Community, including the Common Areas.
- H. Declarant desires to establish for its own benefit and for the mutual benefit of all Owners, Residents or other holders of an interest in the Community, or any part thereof, certain easements and rights and certain mutually-beneficial covenants, restrictions and obligations with respect to the proper development, use and maintenance of the various parcels and neighborhoods within the Community. Declarant desires and intends that the Owners, Residents and other holders of an interest in the Community or other persons hereafter acquiring any interest or otherwise utilizing property at or in the Community, shall at all times enjoy the benefits of, and shall hold

their interest subject to the rights, easements, privileges, covenants and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the aesthetic and cooperative aspects of the Community and enhance the value, desirability and attractiveness thereof.

I. In order to cause the Covenants to run with the Community and to be binding upon the Community and the Owners and Residents thereof from and after the date this Declaration is recorded in the office of the Utah County Recorder, Declarant hereby makes all conveyances, whether or not so provided therein, subject to the Covenants herein set forth; and by accepting deeds, leases, easements or other grants or conveyances to any portion of the Community, the Owners and other transferees for themselves and their heirs, executors, administrators, trustees, personal representatives, successors and assigns, agree that they shall be personally bound by all of the Covenants (including but not limited to the obligation to pay Assessments) hereinafter set forth, except to the extent such persons are specifically excepted therefrom.

The Declarant hereby sets forth the Declaration, as follows;

DECLARATION

The Declarant hereby declares that the Community, as now or hereafter made pursuant to Article III hereof, are and shall be owned, held, mortgaged, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth.

ARTICLE I

PURPOSE AND EFFECTUATION

1.01 Purpose. The purpose of this instrument is to provide for the preservation of the values of both Lots and Common Areas within Harvest Ridge, a Planned Subdivision in Salem, Utah (the "Development"), and for the maintenance of the roadways, driveways, sidewalks, parking, open spaces, landscaping, trees and all other Common Areas therein.

1.02 Effectiveness. From and after the effective date hereof: (a) Each part of the Development and each Lot and Unit lying within the boundaries of the Development shall constitute parts of a single Planned Subdivision; (b) The Development shall consist of the Lots and of the Common Areas which are described and depicted on the Plat; (c) The Declaration for the Development shall consist of this document as it may be modified, amended, supplemented, or expanded in accordance with the provisions hereof; and (d) The Plat of the Development shall consist of the instrument which is identified as Harvest Ridge, A Planned Subdivision, Salem, Utah, and filed for record concurrently herewith in the office of the Utah County Recorder, Salem, Utah.

ARTICLE II

DEFINITIONS

When used in this Declaration each of the following terms shall have the meaning indicated:

2.01 Articles shall mean and refer to the Articles of Incorporation of the Association, which are or shall be filed in the Office of the Division of Corporations and Commercial Code, State of Utah, as amended from time to time.

2.02 Assessment shall mean the amount which is to be levied and assessed against each Lot and paid by each Owner to the Association for Association expenses.

2.03 Association shall mean **THE HARVEST RIDGE HOMEOWNERS ASSOCIATION**, a Utah nonprofit corporation, and its successors and assigns.

2.04 Board shall mean the Board of Trustees of the Association.

2.05 Bona Fide Lessee shall mean a tenant under an arms-length lease occupying and residing in a Unit in the Community

2.06 Common Areas shall mean all portions of the Development except the Lots and Units, and shall include all property owned by the Association for the common use and enjoyment of the Owners such as all private, undedicated roadways, driveways, parking, open spaces, structural common areas, if any, and the like, together with all easements appurtenant thereto, as reflected on the Plat.

2.07 Declarant shall mean **Loafer Rim Properties, L.L.C.**, a Utah limited liability company, and its successors and assigns, if any, as developers of the Development.

2.08 Declaration shall mean this "Declaration of Easements, Covenants, Conditions and Restrictions of Harvest Ridge, a Planned Subdivision" as the same may be supplemented or amended from time to time.

2.09 Development shall mean the Planned Subdivision known as Harvest Ridge as it exists at any given time.

2.10 Limited Common Areas shall mean any Common Areas designated for exclusive use by the Owner of a particular Unit. Limited Common Areas that are identified on the Plat with the same number or other designation by which a Unit is identified thereon shall be Limited Common Area for the exclusive use of the Owner of the Unit bearing the same number or designation.

2.11 Lot or Parcel shall mean and refer to any of the separately numbered and individually described parcels of land within the Development as designated on the Plat intended for single family residential use.

2.12 Managing Agent shall mean any person or entity appointed or employed as Managing Agent by the Association.

2.13 Merchant Builder shall mean an Owner who as a licensed contractor is in the business of building homes and intends to build and sell a Unit and does not intend to occupy it.

2.14 Mortgage shall mean any recorded first mortgage or first deed of trust encumbering a Lot; and Mortgagee shall mean any mortgagee or beneficiary under a mortgage.

2.15 Owner shall mean any person who is the owner of record (as reflected by the records in the office of the County Recorder of Utah County, Utah) of a fee or undivided fee interest in any Lot, and any contract purchaser of any Lot. Notwithstanding any applicable theory relating to mortgages, no Mortgagee nor any trustee or beneficiary of a deed of trust or trust deed shall be an owner unless such party acquires fee title pursuant to foreclosure or sale or conveyance in lieu thereof. Declarant shall be an Owner with respect to each Lot owned by it. Multiple owners of a particular Lot shall be jointly and severally liable as to all responsibilities of an Owner.

2.16 Plat shall mean and refer to the subdivision plat covering the Property entitled "Harvest Ridge, A Planned Subdivision, Salem City, Utah County, Utah," prepared and certified by Fred Clark (a Professional Engineer holding Certificate No. 155153), executed and acknowledged by Declarant, accepted by Salem City, and filed for record in the office of the County Recorder of Utah County, Utah concurrently with this Declaration.

2.17 Property shall mean all land covered by this Declaration, including Common Areas and Lots and other land annexed to the Development as provided in this Declaration. The Property shall consist of the land described in Section 3.01 of Article III hereof.

2.18 Reimbursement Assessment shall mean a charge against a particular Owner or his Lot for the purpose of reimbursing the Association for costs incurred in bringing the Owner or his Lot into compliance with the provisions of this Declaration, the Articles, or rules and regulations of the Association, or any other charge designated as a Reimbursement Assessment in this Declaration, the Articles, or rules and regulations of the Association, together with costs, interest, attorney's fees and other charges payable by such Owner pursuant to the provisions of this Declaration.

2.19 Resident(s) shall mean any person(s) who has taken residence in a Unit and enjoys the benefits of these Declarations.

2.20 Unit shall mean a structure which is designed, constructed and intended for use or occupancy as a single family residence on a Lot, together with all improvements located on the same Lot and used in conjunction with such residence, including anything located within or without said Unit (but designated and designed to serve only that Unit) such as decks, appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, but specifically excluding exterior surfaces of Units (and/or the buildings in which Units exist) which surfaces shall be treated as Limited Common Areas designated for the exclusive use of the particular Units to which such surfaces appertain, even though not designated as Limited Common Areas on the Plat.

2.21 Zoning Ordinance shall mean any zoning ordinance of the City of Salem, Utah applicable to subdivisions and planned unit developments.

ARTICLE III

PROPERTY DESCRIPTION AND ANNEXATION

3.01 Submission. The Property which initially is and shall be held, transferred, sold, conveyed, and occupied subject to the provisions of this Declaration consists of the following described real property in Salem City, Utah County, State of Utah:

[SEE EXHIBIT A]

TOGETHER WITH all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant to, or accompanying the above-described parcel of real property, whether or not the same are reflected on the Plat.

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

ALL OF THE FOREGOING IS SUBJECT TO all liens for current and future taxes, assessments, and charges imposed or levied by governmental or quasi-governmental authorities. All patent reservations and exclusions; all mineral reservations of record and rights incident thereto; all instruments of record which affect the above described real property or any portion thereof, including, without limitation, any mortgage (and nothing in this paragraph shall be deemed to modify or amend such mortgage); all visible easements and rights-of-way; all easements and rights-of-way, encroachments, or discrepancies shown on or revealed by the Plat or otherwise existing including a perpetual and appurtenant easement and right-of way for purposes of ingress and egress in favor of the owners of Harvest Ridge, which easement and right-of-way shall be for the use and benefit of such owners, their families, guests, agents, lessees, successors and assigns and the families, guests, agents and lessees of the owners lessees, successors and assigns; an easement for each and every pipe, line, cable, wire, utility line, or similar facility which traverses or partially occupies the said real property at such time as construction of all improvements to the Property is complete; and all easements necessary for ingress to, egress from, maintenance of, and replacement of all such pipes, lines, cable, wires, utility lines, and similar facilities; and to each of the easements, covenants, conditions, restrictions contained in this Declaration. Declarant shall execute such documents as may be necessary to effectuate the easements and/or rights-of-way described herein or on the Plat, including any such easements and/or rights-of-way on any Additional Land added to the Project.

3.02 Additional Land. Declarant reserves the right to subject the Additional Land described on Exhibit B to this Declaration by the recordation in the office of the Utah County Recorder a supplemental declaration hereto which identifies the additional acreage to be added to the Community. No amendment to this Declaration will be required to effect such action. Upon recordation of the supplemental declaration the Additional Land shall be deemed added to the

ARTICLE IV

BYLAWS

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

4.01 Membership Every Owner upon acquiring title to a Lot shall automatically become a member of the Association and shall remain a member thereof until such time as his ownership of such Lot ceases for any reason, at which time his membership in the Association with respect to such Lot shall automatically cease and the successor Owner shall become a member. Membership in the Association shall be mandatory and shall be appurtenant to and may not be separated from the ownership of a Lot.

4.02 Voting Rights. The Association shall initially have two (2) classes of voting memberships, votes of both classes being of equal value as to all matters:

(a) Class A. Each Owner, including Declarant, shall be a Class A member entitled to one (1) vote for each Lot in which such member holds the interest required for such Class A membership.

(b) Class B. Declarant shall be the only Class B member and shall be entitled to one (1) vote for each Association Class A membership outstanding at such time (in addition to any votes to which it is entitled as a Class A member); provided, however, that such Class B membership shall lapse and become a nullity on the first to happen of the following events:

(i) ninety (90) days following the date upon which the total outstanding Class A memberships, other than those held by Declarant, equal the total number of Class B votes to which Declarant is entitled pursuant to the provisions of Section 4.02(b); or

(ii) on December 31, 2008; or

(iii) upon surrender of said Class B membership by Declarant in writing to the Association.

Upon the lapse or surrender of the Class B membership, as provided in this Section 4.02(b)(i) and (ii), Developer shall be and thereafter remain a Class A member as to each and every Lot in which Declarant holds the interest otherwise required for Class A membership.

4.03 Multiple Ownership Interests. In the event there is more than one Owner of a particular Lot, the vote relating to such Lot shall be exercised as such Owners may determine between or among themselves, but in no event shall more than the total number of votes appurtenant to such Lot be cast with respect to any issue. A vote cast at any Association meeting or by written consent by any of such Owners, whether in person or by proxy, shall be conclusively presumed to be the entire vote attributable to the Lot concerned unless an objection is made at the meeting or in writing by another Owner of the same Lot, in which event no vote will be counted with respect to such Lot except to determine the presence or absence of a quorum.

4.04 Records of Ownership. Every Owner shall promptly cause to be duly filed of record the conveyance document (or in the case of contract buyer, a copy of the sales contract or notice of interest) to him of his Lot and shall file a copy of such conveyance document with the Secretary of the Association, who shall maintain a record of ownership of the Lots. Any Owner who mortgages his Lot or any interest therein shall notify the Secretary of the Association of the name and address of the Mortgagee and also of the release of such Mortgage; and the Secretary of

the Association shall maintain all such information in the records of ownership. The Association may at any time obtain and rely on information from the Utah County Recorder regarding the Owners and Mortgagees of Lots.

4.05 Place of Meeting. Meetings of the Association shall be held at such suitable place convenient to the Owners as may be designated by the Secretary of the Association in the notice thereof.

4.06 Annual Meetings. Annual meetings of the membership of the Association shall be held in the month of September of each year beginning in the year 2005 on such day and time as is set forth in the notice therefore; provided, that after the first such annual meeting, a month other than September may be chosen if it is deemed by the membership to be more convenient. At such annual meetings there shall be elected trustees of the Board, as needed, pursuant to the provisions of this Declaration. Financial and budget reports shall also be presented at such meetings as well as other business of the Association properly placed before each meeting.

4.07 Special Meetings. The President shall call a special meeting of the Owners as directed by a resolution of the Board or on a petition signed by Owners holding at least thirty percent (30%) of the total votes of the Association and having been presented to the Secretary. No business shall be transacted at a special meeting except as stated in the notice therefore unless consented to by seventy-five percent (75%) or more of the Owners present, either in person or by proxy.

4.08 Notice of Meetings. The Secretary shall mail a notice of each annual or special meeting stating the purpose thereof as well as the time and place of the meeting to each Owner of record at least ten (10), but not more than twenty (20), days prior to such meeting. The mailing of notice by prepaid U.S. Mail or by delivery in person shall be considered notice served.

4.09 Quorum. Owners present at any membership meeting duly called pursuant to notice shall constitute a quorum at all meetings, both annual and special; provided, however, that such Owners collectively be entitled to cast at least sixty percent (60%) of the total Association votes eligible to vote.

4.10 Adjourned Meetings. If any meeting of Owners cannot be organized because a quorum is not present, the Owners who are present either in person or by proxy may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called at which time the requirements for a quorum shall be reduced by one-half that required in Section 4.09.

4.11 Officers. The Association shall have a President, a Vice President and a Secretary/ Treasurer all of whom shall be elected by and from the Board. The Board may appoint an Assistant Secretary and Assistant Treasurer. Only the offices of Secretary and Treasurer may be filled by the same person. The officers shall be elected by the Board in an organizational meeting of the ACC immediately following each annual meeting of Owners at which the new Board has been elected.

(a) President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board. The President shall have all of the general powers and duties that are usually vested in the office of president of a similar type association.

(b) Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If neither the President nor Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed on him or her by the Board.

(c) Secretary. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association. He or she shall have charge of such books and records as the Board may direct and he or she shall, in general, perform all duties incident to the office of secretary of a similar type association.

(d) Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to

the Association. He or she shall be responsible for the deposit of all money and any other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board.

4.12 Initial Composition of Board. Declarant alone shall have the right to select the initial Board of Trustees which may be composed of less than three (3) Trustees, none of whom need be Owners. Such right of the Declarant to appoint the Board shall remain in Declarant until the expiration of three (3) years after the first conveyance of title to any Lot Owner or until Declarant voluntarily waives such right, in whole or in part, in writing and requests the Association to elect members of the Board in accordance with the Association's Bylaws set forth in Section 4.13, whichever event shall first occur.

4.13 Board of Trustees: Composition, Election, Vacancies. The Association, through its Board of Trustees, is responsible for the maintenance of any Common Areas, the determination, imposition and collection of Assessments, the enforcement of the provisions of this Declaration and, in general, the preservation of the residential quality and character of the Development to the benefit and general welfare of the Owners. Subject to the provisions of Section 4.12, the Board shall be composed of five (5) Trustees, each of whom shall be an Owner (or an officer, director, or agent of a non-individual Owner). At the first meeting of Owners to elect a Board of Trustees two (2) shall be elected to a three-year term two (2) to a two-year term and one (1) to an one-year term. As Trustees' terms expire, new Trustees shall be elected for three-year terms and shall serve on the Board until their successors are elected. Vacancies on the Board shall be filled by the remaining Trustees from among the Owners and such appointees shall serve until the next annual meeting of Owners when their successors shall be elected for the unexpired term of the Trustee they were appointed to replace. The Board shall designate one of its members as the Development's Trustee to serve on the Board of Harvest Ridge Homeowners Association.

4.15 Indemnification of Board. Each of the Trustees shall be indemnified and held harmless by the Lot Owners against all costs, expenses, and liabilities whatsoever (excluding fraudulent and/or criminal actions) including, without limitation, attorneys fees reasonably incurred in connection with any proceeding in which such Trustee may become involved by reason of being or having been a member of said Board.

ARTICLE V

DUTIES AND POWERS OF THE ASSOCIATION

5.01 Duties of the Association. Without limiting any other duties which may be imposed upon the Association by its Articles of Incorporation, Bylaws or this Declaration, the Association shall have the obligation and duty to do and perform each and every one of the following for the benefit of the Owners and the maintenance and improvement of the Property:

- (a) The Association shall accept all Owners as members of the Association.
- (b) The Association shall accept title to all Common Areas conveyed to it, whether by Declarant or by others.
- (c) The Association shall maintain, repair, replace and landscape the Common Areas and that part of any Lot not occupied by a Unit; provided that the cost of such Lot maintenance shall be added to and become part of the Reimbursement Assessment to which such Lot is subject under this Declaration.
- (d) To the extent not assessed to or paid by the Owners directly, the Association shall pay all real property taxes and assessments levied upon any portion of the Common Areas, provided that the Association shall have the right to contest or compromise any such taxes or assessments.
- (e) The Association shall obtain and maintain in force the policies of insurance required by the provisions of this Declaration.
- (f) The Association may employ a responsible corporation, partnership, firm, person or other entity as the "Managing Agent" to manage and control the Common Areas, subject at all times to direction

by the Board, with such administrative functions and powers as shall be delegated to the Managing Agent by the Board. The compensation of the Managing Agent shall be reasonable as specified by the Board. Any agreement appointing a Managing Agent shall be terminable by either party, with or without cause and without payment of any termination fee, upon thirty (30) days' written notice thereof; and the term of any such agreement may not exceed one (1) year, renewable by agreement of the parties for successive periods of one (1) year each. Any Managing Agent may be an agent or employee of the Association or an independent contractor, as the Board deems appropriate.

5.02 Powers and Authority of the Association. The Association shall have all the powers set forth in its Articles of Incorporation, together with its general powers as a nonprofit corporation, and the power to do any and all things which may be authorized, required or permitted to be done by the Association under and by virtue of this Declaration, including the power to levy and collect assessments as hereinafter provided. Without in any way limiting the generality of the foregoing, the Association shall have the following powers:

(a) At any time and from time to time and without liability to any Owner for trespass, damage or otherwise, to enter upon any Lot for the purpose of maintaining and repairing such Lot or any improvement thereon if for any reason the Owner fails to maintain and repair such Lot or improvement. The Association shall also have the power and authority from time to time in its own name, on its own behalf, or in the name and behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration or any rules and regulations promulgated by the Board, or to enforce by mandatory injunction or otherwise all of the provisions of this Declaration and such rules and regulations.

(b) In fulfilling any of its duties under this Declaration, including its duties for the maintenance, repair, operation or administration of the Common Areas and Lots (to the extent necessitated by the failure of the Owners of such Lots) or in exercising any of its rights to construct improvements or other work upon any of the Common Areas, the Association shall have the power and authority to obtain, contract and pay for, or otherwise provide for:

(i) Construction, maintenance, repair and landscaping of the Common Areas on such terms and conditions as the Board shall deem appropriate;

(ii) Such insurance policies or bonds as the Board may deem appropriate for the protection or benefit of the Association, the members of the Board and the Owners;

(iii) Such Common Area related utility services as the Board may from time to time deem necessary or desirable;

(iv) The services of architects, engineers, attorneys and certified public accountants and such other professional or nonprofessional services as the Board may deem desirable;

(v) Fire, police and such other protection services as the Board may deem desirable for the benefit of the Owners or any of the Property; and

(vi) such materials, supplies, furniture, equipment, services and labor as the Board may deem necessary.

5.03 Association Rules. The Board from time to time, subject to and not inconsistent with the provisions of this Declaration, may adopt, amend, repeal and enforce reasonable rules and regulations governing, among other things: (a) the use of the Common Areas; (b) the use of any roads or utility facilities owned by the Association; (c) the collection and disposal of refuse; (d) uses and nuisances pertaining to the Property; and (e) all other matters concerning the use and enjoyment of the Property and the conduct of Owners and their invitees within the Development.

5.04 Limitation of Liability. No member of the Board acting in good faith shall be personally liable to any Owner, guest, lessee or any other person for any error or omission of the Association, its representatives and employees, the Board, any committee of the Board, or the Managing Agent.

5.03 Insurance.

(a) Common Areas. The Association shall maintain extended coverage insurance for no less than 100% of the maximum insurable value of insurable improvements which are common elements of the Common Areas. The insurance coverage shall name as the insured the Association for the benefit of the Owners.

(b) Fidelity Coverage. The Association shall maintain fidelity coverage against dishonest acts on the part of managers, trustees, employees or volunteers responsible for handling funds collected and held for the benefit of the Association and the Members. The fidelity bond or insurance must name the Association as the named insured and shall be written in an amount sufficient to provide protections which is in no event less than one and one-half (1½) times the Association's estimated annual operating expenses and total reserves. In connection with such coverage an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

(c) Waiver of Subrogation. The Association hereby waives and releases all claims against the Board, the Owners, the Declarant, and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence or of a breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

(d) Liability Insurance. The Association shall maintain a comprehensive policy of public liability insurance covering the Common Areas. Such insurance policy shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or other Owners. Coverage shall have limits of liability of not less than \$1,000,000 per occurrence for personal injury and/or property damage.

(e) Other Insurance and General. The Association shall also maintain worker's compensation insurance as required by law and may maintain other liability insurance as it may deem desirable, insuring each Owner and the Association, Board and any manager, from liability in connection with the Common Areas. Such insurance policies shall have severability of interest clauses or endorsements which shall preclude the insurer from denying the claim of any Owner because of the negligent acts of the Association or other Owners. Premiums for all insurance carried by the Association are to be paid from Assessments as determined below.

5.04 Retention Basin. The City of Salem requires the installation and dedication to the City of Salem a retention basin. The Association shall maintain the landscaping of the retention basin until released from such obligation by the City of Salem.

ARTICLE VI

THE HARVEST RIDGE HOMEOWNERS ASSOCIATION

6.01 Membership. Upon acquiring title to a Lot, the Owner thereof automatically becomes a member of Harvest Ridge Homeowners Association which membership is appurtenant to and may not be separated from the interests of ownership in any Lot.

6.02 Purpose. The purpose of Harvest Ridge Homeowners Association is to protect and enhance value, desirability, attractiveness, and quality of environment of Harvest Ridge as a residential complex.

ARTICLE VII

DUTIES AND OBLIGATIONS OF OWNERS

7.01 Maintenance and Repairs. Each Owner shall at his own cost maintain his Lot and any improvements constructed thereon in good repair at all times. In the event of the damage or destruction of any Unit, the Owner of the Lot on which such Unit is situated shall either rebuild the same within a reasonable time or shall raze the remains thereof so as to prevent the unsightly appearance and dangerous condition of a partially destroyed building in the Development. The painting or repainting, remodeling, rebuilding or modification of any Unit exteriors or parts thereof must be submitted to and approved by the Architectural Control Committee pursuant to its procedures.

7.02 Insurance. Notwithstanding the insurance coverage required to be provided herein by the Association, each Owner should obtain and maintain in force such homeowner content hazard and liability coverage as is customary in projects such as the Development and which is consistent with each Owner's individual circumstances.

7.03 Assessments and Rules Observance. Each Owner shall be responsible for the prompt payment of any Assessments provided for in this Declaration and for the observance of the rules and regulations promulgated by the Association from time to time.

7.04 Transfer of Interests. Except for obligations already accrued, an Owner who, for other than purposes of security, transfers all of his interests in his Lot to another, either voluntarily or by operation of law, shall be relieved of all obligations under this Declaration, following such transfer.

ARTICLE VIII

ASSESSMENTS

8.01 Personal Obligation and Lien. Each Owner shall, by acquiring or in any way becoming vested with his interest in a Lot, be deemed to covenant and agree to pay to the Association the annual, special assessments, specific assessments and Reimbursement Assessments described in this Article, together with late payment fees, interest and costs of collection, if and when applicable. All such amounts shall be, constitute, and remain: (a) a charge and continuing lien upon the Lot with respect to which such assessment is made until fully paid; and (b) the personal, joint and several obligations of the Owner or Owners of such Lot at the time the assessment falls due. No Owner may exempt himself or his Lot from liability for payment of assessments by waiver of his rights in the Common Areas or by abandonment of his Lot. In a voluntary conveyance of a Lot, the grantee shall be jointly and severally liable with the grantor for all such unpaid assessments, late payment fees, interest and costs of collection, including reasonable attorney's fees, which shall be a charge on the Lot at the time of the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore.

8.02 Purpose of Assessments. Assessments levied by the Association shall be used exclusively for the purpose of promoting the Development, the interests of the Owners therein, paying costs properly incurred by the Association, and the maintenance, operation and carrying of the Common Areas. The use made by the Association of funds obtained from assessments may include, but shall not be limited to, payment of the cost of: taxes and insurance on the Common Areas and Units under any approved blanket coverage; maintenance, repair, and improvement of the Common Areas; establishment and funding of a reserve to cover major repair or replacement of improvements within the Common Areas; and any expense necessary or desirable to enable the Association to perform or fulfill its obligations, functions or purposes under this Declaration or its Articles of Incorporation.

8.03 Annual Assessments. Annual assessments shall be computed and assessed against all Lots in the Development based upon advance estimates of the Association's cash requirements to provide for payment of the cost of those items set forth in Section 8.02, above. The initial annual assessment shall be \$250 per year for each Lot and Unit upon which has obtained a final occupancy permit from the City of Salem or one year from the date of purchase from Declarant whichever occurs first. If the date a final occupancy permit for a Lot and Unit is issued or the anniversary of the closing of the purchase falls on a date other than January 1, then the initial annual assessment shall be prorated on a daily basis. The annual assessment may be re-determined by the board each year pursuant to 8.04 below.

8.04 Annual Budget. Annual assessments shall be determined by the Board on the basis of a fiscal year beginning January 1 and ending December 31 next following; provided the first fiscal year shall begin on the date of recordation of this Declaration. On or before November 30, 2005, and on or before November 30, of each year thereafter, the Association shall prepare and furnish to each Owner an operating budget for the upcoming fiscal year. The operating budget for the first fiscal year shall be prepared and furnished to each Owner within thirty (30) days of the recordation of this Declaration. The budget shall itemize the estimated cash requirements for such fiscal year, anticipated receipts, reserves, and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the annual assessments for the upcoming fiscal year and as the major guideline under which the Development shall be operated during such annual period.

8.05 Notice and Payment of Annual Assessments. Except with respect to the fiscal period ending December 31, 2005, the Association shall notify each Owner as to the amount of the annual assessment against his Lot on or before November 30 of the year proceeding the year for which such annual assessment is made. Each annual assessment shall be payable on the first day of January during the year to which the assessment relates; provided, however, the annual assessments for the fiscal period ending December 31, 2005, shall be based upon such portion of the calendar year 2005 as follows the date of recordation of this Declaration and shall be payable at such time as the Association, in the sole discretion of its Board of Trustees, may determine. The failure of the Association to give timely notice of any annual assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay such assessment or any other assessment; but the date when the payment shall become due in such case shall be deferred to a date fifteen (15) days after notice of such assessment shall have been given to the Owner in the manner provided in this Declaration.

8.06 Initial Fees. Upon the initial sale and closing of a Lot from Declarant to a new Owner, Declarant and the new Owner of the purchased Lot shall each pay \$500 to the Association as the initial assessment to be credited such Lot. In addition, subsequent to the initial sale and closing of a Lot, each subsequent Owner shall be required to prepay at the time of each subsequent Unit and Lot purchase, \$500 to the Association as the initial assessment to be credited such subsequent Owner. Such fees shall become part of the Association's general fund to be utilized as necessary. Thereafter, the Owner shall be obligated to make annual payment of the Annual Assessment as determined in this Article VIII.

8.07 Special Assessments. The Association may levy special assessments for the purpose of defraying, in whole or in part: (a) any expense or expenses not reasonably capable of being fully paid with funds generated by annual assessments; or (b) the cost of any construction, reconstruction, or unexpectedly required addition to or replacement of the Common Areas. Any such special assessment shall be apportioned among and assessed to all Lots in the same manner as annual assessments. Such special assessments must be assented to by a majority of the votes of the membership which Owners present in person or represented by proxy are entitled to cast at a meeting duly called for such purpose. Written notice setting forth the purpose of such meeting shall be sent to all Owners at least ten (10) but not more than thirty (30) days prior to the meeting date.

8.08 Specific Assessments. Specific Assessments shall be levied against particular Lots or Units and the Owner thereof for the purpose of enforcing any provision of the Articles of Incorporation, Bylaws, this Declaration or any rules or regulations (or the decisions of the ACC against any Owner) or bringing any Lot or Unit into compliance with such provisions; and for the maintenance, repairs, or replacements of or within the Common Areas arising out of or caused by the willful or negligent act or omission of any Owner, or the guests of any Owner.

8.09 Uniform Rate of Assessment. All annual and special assessments authorized by Sections 8.03 and 8.08, respectively, shall be fixed at a uniform rate for all Lots; provided, however, that until a Lot has been both fully improved with a Unit and occupied for the first time for residential purposes, the annual and special assessments applicable to such Lot shall be one-third (1/3) of the annual and special assessments which would otherwise apply to such Lot. During the period of time that Declarant holds the Class B membership in the Association if assessed fees collected by the Association fail to adequately meet Association expenses, then Declarant shall pay in excess of such one-third (1/3) partial assessment per Lot, up to the full assessed amount, if necessary, to apply toward such expenses.

8.10 Quorum Requirements. The quorum at any Association meeting required for any action authorized by Section 8.07, above, shall be as follows: At the first meeting called, the presence of Owners of or proxies entitled to cast sixty percent (60%) of the total votes of the Class A membership shall constitute a quorum. If a quorum is not present at the first meeting or any subsequent meeting, another meeting may be called (subject to the notice requirements set forth in Section 8.07, above) at which a quorum shall be one-half (½) of the quorum which was required at the immediately preceding meeting. No such subsequent meeting shall be held more than forty-five (45) days following the immediately preceding meeting.

8.12 Reimbursement Assessment on Specific Lot. In addition to the annual assessment and any special assessment authorized pursuant to Section 8.07, above, the Board may levy at any time Reimbursement Assessments (a) on every Lot especially benefited (i.e., benefited to a substantially greater degree than any other Lot) by any improvement to adjacent roads, sidewalks, planting areas or other portions of the Common Areas made on the written request of the Owner of the Lot to be charged; (b) on every Lot the Owner or occupant of which shall cause any damage to the Common Areas necessitating repairs; and (c) on every Lot as to which the Association shall incur any expense for maintenance or repair work performed, or enforcement action taken, pursuant to Article V or other provisions of this Declaration. The aggregate amount of any such Reimbursement Assessment shall be determined by the cost of such improvements, repairs, maintenance or enforcement action, including all overhead and administrative costs, and all attorney's fees and costs, and shall be allocated among the affected Lots according to the magnitude of special benefit or cause of damage or maintenance or repair work or enforcement action, as the case may be, and such assessment may be made in advance of the performance of work. If a special benefit arises from any improvement which is part of the general maintenance or operation obligations of the Association, it shall not give rise to a Reimbursement Assessment against the Lots benefited.

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

8.14 Effect of Nonpayment - Remedies. Any assessment (whether annual, special or Reimbursement Assessment) not received within ten (10) days of the date on which it becomes due shall be subject to a late charge equal to 5% thereof, which together with interest and costs of collection shall be, constitute, and remain a continuing lien on the affected Lot. If any assessment is not received within ten (10) days after the date on which it becomes due, the amount thereof shall also bear interest from the due date at the rate of one and one-half percent (1 ½%) per month; and the Association may bring an action against the Owner who is personally liable therefore or may foreclose its lien against the Lot, or both. Any judgment obtained by the Association in connection with the collection of delinquent assessments and related charges shall include reasonable attorney's fees, court costs and every other expense incurred by the Association in enforcing its rights.

8.15 Subordination of Lien to First Mortgages. The lien of the assessments provided herein shall be subordinate to the lien of any first Mortgage given in the first instance to a bank, savings and loan association, insurance company or other institutional lender; and the holder of any such Mortgage or purchaser who comes into possession of or becomes the Owner of a Lot by virtue of the foreclosure of such first Mortgage or the exercise of a power of sale under such first Mortgage, or by deed in lieu of foreclosure, shall take free of such assessment lien as to any assessment installment which accrues or becomes due prior to the time such holder or purchaser comes into possession or ownership of such Lot; provided, that to the extent there are any proceeds of the sale on foreclosure of such first Mortgage or by exercise of such power of sale in excess of all amounts necessary to satisfy all indebtedness secured by and owed to the holder of such first Mortgage, the lien shall apply to such excess. No sale or transfer of a Lot in connection with any foreclosure of a first Mortgage shall relieve any Lot from the lien of any assessment installment thereafter becoming due.

8.16 No Abatement. No diminution or abatement of any assessments under this Declaration shall be claimed or allowed for inconvenience or discomfort arising from any construction within the Development, the making of any repairs or improvements to or maintaining of the Development, or any part thereof, or from any action taken to comply with the provision of this Declaration or with the laws, ordinances, regulations, rules, or orders of any governmental authority.

ARTICLE IX

PROPERTY RIGHTS AND CONVEYANCES

9.01 Easement Concerning Common Areas. Each Lot shall have appurtenant thereto a nonexclusive right and easement of use and enjoyment in and to the Common Areas for their intended purposes. Such right and easement shall be appurtenant to and shall pass with title to each Lot and shall in no event be separated therefrom.

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

Lot No. _____ as identified in the Plat recorded in the office of the Utah County Recorder in as Entry No. _____, contained within Plat _____ of Harvest Ridge, A Planned Subdivision, SUBJECT TO the "Declaration of Easements, Covenants, Conditions and Restrictions of Harvest Ridge, A Planned Subdivision," recorded in the office of the Utah County Recorder as Entry No. _____ (as said Declaration may have heretofore been amended or supplemented), TOGETHER WITH a right and easement of use and enjoyment in and to the Common Areas described, and as provided for, in said Declaration of Easements, Covenants, Conditions and Restrictions (as said Declaration may have heretofore been amended or supplemented).

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

9.03 Transfer of Title to Common Areas. Concurrent with or immediately following the recordation of this Declaration and the Plat, Declarant shall convey to the Association title to the various Common Areas free and clear of all liens other than the lien of current general taxes and the lien of any non-delinquent assessments, charges, or taxes imposed by governmental or quasi-governmental authorities.

9.04 Limitation on Easement. Each Lot's appurtenant right and easement of use and enjoyment concerning the Common Areas shall be subject to the following:

(a) The right of the Association to govern by reasonable rules and regulations the use of the Common Areas so as to provide for the enjoyment of the Common Areas in a manner consistent with the collective rights of all of the Owners.

(b) The right of the City of Salem, Utah, and any other governmental or quasi-governmental body having jurisdiction over the Property to enjoy access and rights of ingress and egress over and across any street or driveway, parking area, walkway, or open area contained within the Common Areas for the purpose of providing police and fire protection and providing any other governmental or municipal service, and

(c) The right of the Association to dedicate or transfer any part of the Common Areas to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the Association; provided that such dedication or transfer must first be assented to in writing by (i) the holder of each and every Mortgage that encumbers any Lot and (ii) the Owners of Lots to which at least sixty percent (60%) of the total votes in the Association appertain.

9.05 Utility Easements. Each Lot has appurtenant easements for underground lines for utility purposes under and through such portions of the Common Areas as are comprised of roads, walkways and landscaped areas. If any Owner utilizes such easement rights with respect to his Lot or Unit, he shall be responsible for the restoration to its former state of any portion of the Common Areas which may have been disturbed or damaged as a result.

9.06 Easements for Encroachments. If any structure (including without limitation, roof overhangs) heretofore constructed on any Lot or hereafter constructed on any Lot in replacement of the structure previously located thereon (so long as such structure is in substantially the same configuration and location as such prior structure) now or hereafter encroaches upon any other Lot or upon any portion of the Common Areas, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall exist. If any structure (including without limitation, roof overhangs) on any Lot shall be partially or totally destroyed and then rebuilt in a manner intended to substantially duplicate the location and configuration of the structure so destroyed, minor encroachments of such structure upon any other Lot or upon any portion of the Common Areas due to the reconstructed structure's being in a slightly different location than its predecessor shall be permitted; and valid easements for such encroachments and the maintenance thereof, so long as they continue, shall exist.

ARTICLE X

USE OF LOTS: PROTECTIVE COVENANTS

Each Lot situated in the Community shall be constructed, developed, reconstructed, repaired, occupied and used in accordance with the following covenants, conditions, restrictions and reservations:

10.01 Use of Common Area. The Common Areas shall be used only in a manner consistent with their community nature and with the use restrictions applicable to Lots and Units set forth herein.

10.02 Lots. All Lots shall be residential. Lots shall not be further subdivided and, except for the powers and privileges herein reserved by the Declarant, the boundaries between Lots shall not be relocated without the prior express written consent of the ACC as defined below. No structure shall be erected, altered, placed or permitted to remain on any Lot other than one (i) Single Family Unit and, if any, its customary and usual accessory structures (unless otherwise prohibited herein). A Unit shall have only one main front entrance, one address, and one electric meter and shall not have a separate second living unit or accessory apartment. Without limiting the foregoing, only a Single Family may occupy any Unit on any Lot. No building or structure intended for or adapted to business or commercial purposes or commercial use shall be erected, placed, permitted or maintained on any Lot, or any part hereof, save and except those related to development, construction and sales purposes of a bona-fide Merchant Builder or the Declarant. No Owner, Member or Resident shall conduct, transmit, permit or allow any type or kind of home business or home profession or hobby on any Lot or within any Unit which would (a) attract automobile, vehicular or pedestrian traffic to the Lot, or (b) involve lights, sounds, smells, visual effects, pollution and the like which would adversely affect the peace and tranquility of any one or more of the Residents. The restrictions on use herein contained shall be cumulative of, and in addition to, such restrictions on usage as may from time to time be applicable under and pursuant to the Design Guidelines, Zoning Ordinance or any other statutes, rules, regulations and ordinances of the City or any other governmental authority having jurisdiction over the Community.

10.03 Design Guidelines;

10.03.1. Minimum Floor Space. The minimum square feet of air-conditioned, above-ground living area (exclusive of all porches, garages or breezeways attached to the main dwelling) shall be: 2200 SF for single-story homes and 2600 SF for two-story homes with a minimum of 1800 SF on the main level. Split-level or split-entry homes will not be allowed in the subdivision. The finished Unit shall have a minimum appraisal value of \$250,000, minus the lot and landscaping.

10.03.2. Roofs. All roofing shingles shall be wood, tile, slate, slate composite, concrete, architectural asphalt shingles with minimum 30 year guarantee, or other ACC-approved equivalent. Neither "3-tab" shingles nor metal roofing materials shall be allowed. Roof slopes are restricted to a minimum of 10/12 for single story homes and 8/12 for two-story homes. No apparatus, structure or object shall be placed on the roof of a Unit without the prior written consent of the ACC. No air conditioning units or evaporative coolers extending from windows or protruding from roofs are permitted.

10.03.3. Exteriors. One hundred percent of all exteriors on homes shall be of masonry construction. Masonry products include rock, brick, stucco, or other ACC-approved equal. A minimum of 60% of the exterior surface of each home must be covered with brick or rock. No siding will be allowed

other than wood siding as approved by the ACC on a case by case basis. Soffit and fascia may be constructed with aluminum material.

10.03.4. Change in Grade. The surface grade or elevation of the various Lots in the Subdivision shall not be substantially altered or changed in any manner which would affect the relationship of such Lot to other Lots in the Subdivision, or which would result in materially obstructing the new from any other Lot in the Subdivision.

10.03.5. Utilities. All electric, television, cable television, telephone and other utility line installments and connections from the property line of any Lot to the residence or structures thereon shall be placed underground.

10.03.6. Detached Accessory Buildings. A detached accessory building may be permitted, subject to all covenants, conditions, and restrictions imposed by this Declaration and as approved by the ACC. Any detached accessory building shall compliment, in design and composition, the dwelling constructed on the Lot. In no event shall an accessory buildings be permitted with a height or number of stories greater than the dwelling itself.

10.03.7. Moving of Structures. No structure of any kind shall be moved from any other place to the Subdivision without the prior written approval of the ACC.

10.03.8. Compliance with Zoning Ordinances of Salem City. All improvements in the Subdivision shall be placed and used upon the Lots in accordance with the provisions of the applicable Salem City zoning ordinance, unless otherwise modified or restricted by the covenants herein.

10.03.9. Temporary Structures. No trailer, tent, shack or other out building shall be placed upon or used at any time within the Subdivision as a temporary or permanent residence.

10.04 Garages. Each single-family residential Unit erected on any Lot shall provide garage space for a minimum of two (2) conventional automobiles, unless otherwise specifically approved by the ACC. Each Owner, Member and Resident shall use their respective best efforts to park and store their automobiles within the garage. All garage doors shall (a) be equipped with an automatic and remote controlled door opener, and (b) be closed at all times when not in use. Detached garages, guest quarters and storage rooms may be permitted under rigid circumstances if; as and when, in the absolute opinion of the ACC, the exterior surface and appearance will substantially compare with a garage and if absolutely no storage of items, which would otherwise be visible, will occur thereunder. Any and all proposed garage plans and specifications must be submitted to the ACC for review and approval. Additionally, no garage shall ever be changed, altered, reconstructed or otherwise converted for any purpose inconsistent with the garaging of automobiles unless approved in writing by the ACC.

10.05 Architectural Control and External Height Limitations No improvements (whether temporary or permanent), alterations, repairs, excavation, grading, landscaping or other work which in any way alters the exterior appearance of any property within the Community or the improvements located thereon, from its natural or improved state existing on the of date this Declaration is recorded shall be made or done without the prior approval of the ACC, except as otherwise expressly provided in this Declaration. No building, fence, wall, residence or other structure shall be commenced, erected, maintained, improved, altered or made without the prior written approval of the ACC. All subsequent additions to or changes or alterations in any building, fence, wall or other structure, including exterior color scheme, and all changes in the grade of Lots, shall be subject to the prior written approval of the ACC. No changes or deviations in or from the plans and specifications once approved by the ACC shall be made without the prior written approval of the ACC. Without limiting the generality of the forgoing, the vertical height of the exterior of any Unit or other structure shall not exceed to stories aboveground.

10.06 Animals. No animal, bird, or fish, other than a reasonable number of generally recognized, house or yard pets, as determined solely by the Board, shall be maintained on any Lot and then only if they are kept, and raised thereon solely as domestic pets and not for commercial purposes. All pets must be kept in a fenced yard (including electric) or on a leash at all times. No animal or bird shall be allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing or confinement of any animal or bird shall be maintained so as to be visible from neighboring property, unless otherwise approved by the ACC. If an Owner, Resident or Bona-Fide Lessee fails to abide by the rules and regulations and/or covenants applicable to pets, the Board may bar such pet from use of or travel upon the Common Properties. The Board may subject ingress, egress, use, or travel upon the Common Properties by a person with a pet to a user fee, which may be a general fee for all

similarly-situated persons or a specific fee imposed for failure of an Owner, Resident or Bona Fide Lessee to abide by the rules, regulations, and/or covenants applicable to pets. In addition, any pet which endangers the health of any Owner, Resident or Bona-Fide Lessee of a Lot or Parcel or which creates a nuisance or an unreasonable disturbance or is not a common household pet, as may be determined in the sole discretion of the Board, must be permanently removed from the Community property upon seven (7) days' written notice by the Board. Upon the written request of any Owner, Resident or Bona-Fide Lessee, the Board shall conclusively determine, in its sole and absolute subjective discretion whether for the purposes of this Section 10.06, a particular animal, fish or bird is a generally recognized house or yard pet, whether such a pet is a nuisance or whether the number of animals, fish or birds on any such property is reasonable. Any decision rendered by the Board shall be enforceable in the same manner as other restrictions contained herein.

10.06.1 Animal Shelters. No barn, coop, shed, sty or building of any type shall be constructed for the purpose of housing pigs, cows, sheep, goats, horses, poultry, or livestock, and none of the foregoing shall be kept, maintained or permitted at any place within the limits of the Subdivision. A reasonable number of household pets will be permitted in accordance with Salem City ordinances, so long as such pets do not constitute a nuisance for other residents of the Subdivision and comply with any leash laws in effect.

10.07 Temporary Occupancy and Temporary Buildings. No trailer; basement of any incomplete building; tent, shack, garage, bin and no temporary buildings or structures of any kind, shall be used at any time for a Residence either temporary or permanent. Temporary buildings or structures may be approved by the ACC for use during the construction of any structure on any property, but shall be removed immediately after the completion of construction.

10.08 Maintenance of Lawns and Planting. Except where otherwise provided in a Neighborhood Declaration or Supplemental Declaration, each Owner of a Lot shall keep and maintain all shrubs, trees, hedges, grass and plantings of every kind located on (i) his or her Lot (including set back areas and any applicable portions of Common Properties); (ii) any other public right-of-way or easement area which abuts the Owner's Lot and which is located between the boundary line of his or her Lot and the paved area of any street, sidewalk, bike path or similar area; and (iii) any non-street public right-of-way or easement area adjacent to his or her Lot, neatly trimmed, and shall keep all such areas properly cultivated and free of trash, weeds and other unsightly material; provided, however, that such Owner shall not be responsible for maintenance of any area over which (1) the Association assumes the responsibility in writing; (2) the Association has been given such responsibility by a recorded instrument as provided in this Declaration; or (3) a Municipal authority assumes the responsibility. The ACC may require landscaping by the Owner of all or any portion of an improved or developed Lot including the areas described in this Section 10.08 above.

10.09 Landscaping. The following landscape criteria shall apply to all Lots, and all landscape plans shall be approved by the ACC. Landscape plans must be submitted to the ACC within ten (10) days of passing the "four-way" inspection by the City of Salem. All Owners and Residents are required to install or cause to be installed all landscaping and irrigation based on the following schedule:

10.09.1 Lot Owners shall be responsible to complete the landscaping of the front yard within thirty (30) days from the date the home receives a certificate of occupancy. Rear, side and corner side yard landscaping shall be installed within ninety (90) days of receipt of a certificate of occupancy (or similar approval for occupancy) for the Unit, weather permitting. Owners and Merchant-Builders whose homes receive certificate of occupancy during the months of October through March will be allowed to postpone the installation of their landscaping until the following June 30th. Merchant-Builders are required to offer a front yard landscape option package to Owners that meets the above minimum requirements. All front yards shall be fully landscaped and irrigated using a combination of turf grass; trees, shrubs, perennials, and groundcovers. Required and included in the landscaping plan on the frontage of each Lot, shall be minimum 2-inch caliper trees, spaced every 40 feet, centered within the planter strip in back of the curb. Placement of the specie "Gleditsia Triacanthose" (Shademaster Honey Locust), or any other species selected and approved by the ACC, shall be determined by the ACC at time of landscaping review. Landscaping shall include adequate automatic sprinkler system for all landscaped areas. All landscaping must include a minimum of lawn, two trees, and ten shrubs (Ground cover and decorative boulders may also be included. The Lot Owner shall thereafter maintain said landscaping, including but not limited to irrigation, fertilizing, lawn mowing, weed extraction, and leaf and snow removal. The tree specie "Prunus Virginiana" 'shurburt select' (Canada Red Select Chokecherry), or any other species selected and approved

by the ACC, shall be planted and maintained by Association for common area roadscape planting strips along electrical lines. Other common area roadscape will be planted with a combination of Shademaster Honey Locust and Canada Red Select Chokecherry, or any other species selected and approved by the ACC.

10.09.2 Lot Owners who do not commence building a Unit within one year from the date of Closing of a purchase from Declarant shall be required to install and maintain the 7 foot planter strip on the front of each Lot, including adequate automatic sprinkler system, in accordance with a landscape plan approved by the ACC.

10.10 Nuisances: Construction Activities. No weeds, dead trees or plants, rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot or Parcel whether vacant or not, and no odors or loud noises shall be permitted to arise or emit therefrom, so as to render any such property or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to the Residents of such other property. No other nuisance shall be permitted to exist or operate upon any Lot or Parcel so as to be offensive or detrimental to any other property in the vicinity thereof or to its Residents. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, firecrackers, bells or other sound devices, except security devices used exclusively for security purposes, shall be located; used or placed on any such property: Normal construction activities and parking in connection with the building of improvements on a Lot or Parcel shall not be considered a nuisance or otherwise prohibited by this Declaration, but Lots and Parcels shall be kept in a neat and tidy condition during vacant or construction periods, trash and debris shall not be permitted to accumulate, and supplies of brick, block, lumber and other building materials may be piled only in such areas as may be approved by the ACC. In addition, any construction equipment and building materials stored or kept on any Lot or Parcel during vacancy or construction of improvements may be kept only in areas approved by the ACC, which may also require screening of the storage areas. The ACC in its sole discretion shall have the right to determine the existence of any such nuisance. Failure to keep any Lot or Parcel free of nuisance may subject the Owner of the Lot or Parcel to a Specific Assessment as provided for in this Declaration. Vacant Lots must be sprayed for weed control at a minimum in May and August of each year and more often if needed.

10.11 Diseases and Insects. No Owner shall permit any thing or condition to exist upon any Lot or Parcel which shall induce, breed or harbor infectious plant diseases or noxious insects.

10.12 Repair of Improvements. No improvement on any Lot or Parcel shall be permitted to fall into disrepair and each such improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished. In the event any improvement is damaged or destroyed, then, subject to the approvals required by Section - above and subject to the provisions of any Neighborhood Declaration or Supplemental Declaration, such improvement shall be immediately repaired, rebuilt or demolished. If any improvement should be demolished, then the Owner shall at all times maintain the vacant Lot or Parcel in a clean slightly condition, and shall clear and shall continue to clear the Lot or Parcel of any weeds, debris, garbage, trimmings or like items.

10.13 Antennas and Satellite Dishes. Antennas and satellite dishes shall be prohibited on any Lot, except (a) antennas or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter, (b) antennas or satellite dishes designed to receive video programming services via multipoint distribution services which are one meter or less in diameter or diagonal measurement; or (c) antennas or satellite dishes designed to receive television broadcast signals ("Permitted Devices") shall be permitted, provided that any such Permitted Device is:

10.13.1. located in the attic, crawl space, garage; or other interior spaces of the Unit or another approved structure on the Lot or Parcel so as not to be visible from outside the Unit or other structure;

10.13.2. located in the rear yard of the Unit (i.e., the area between the plane formed by the front facade of the Unit and the rear lot line) and setback from all lot lines at least fifteen (15) feet;

10.13.3. attached to or mounted on a deck or patio and extending no higher than the eaves of that portion of the roof of the Unit directly in front of such antenna; or

10.13.4. attached to or mounted on the rear-wall of the Unit so as to extend no higher than the eaves of the Unit at a point directly above the position where attached or mounted to the wall. Notwithstanding the foregoing, the Board may adopt rules establishing alternative locations and requiring screening of all Permitted Devices.

10.14 Mineral Exploration. No Lot or Parcel shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance of any kind.

10.15 Trash Containers and Collection. No garbage or trash shall be placed or kept on any Lot or Parcel, except in covered containers of a type, size and style which are approved by the ACC or required by the applicable municipal authority. In no event shall such containers be maintained so as to be visible from neighboring property except to make the same available for collection. All rubbish, trash and garbage all be removed from the Lots and Parcels and shall not be allowed to accumulate thereon. No outdoor incinerators shall be kept or maintained on any Lot or Parcel.

10.16 Clothes Drying Facilities. Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any Lot or Parcel unless they are erected, placed or maintained exclusively within a fenced service yard or otherwise concealed and shall not be visible from neighboring property.

10.17 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Lot or Parcel except (1) such machinery or equipment as is usual and customary in connection with the use, maintenance or construction (during the period of construction) of a building and appurtenant structures, or other improvements; (ii) that which Declarant or the Association may require for the operation and maintenance of the Community; or (iii) that used or displayed in connection with any business permitted under a Neighborhood Declaration or Supplemental Declaration.

10.18 Signs. Except as otherwise provided in this Declaration, no sign whatsoever (including, but not limited to, commercial, political and similar sign) which are visible from neighboring property shall be erected or maintained on any Lot or Parcel except pursuant to the Design Guidelines and except:

10.18.1. Signs required by legal proceedings;

10.18.2. Not more than two (2) identification signs for individual residences, each with a surface area of seventy-two (72) square inches or less;

10.18.3. Signs (including "for sale" and "open house" signs) the nature, size, number and location of which have been approved in advance and in writing by the ACC or which comply with signage rules or guidelines adopted by the ACC.

10.18.4. Signs of Merchant Builders on any Lot or Parcel approved from time to time by Declarant as to number, size, colors, design, message content, location and type; and

10.18.5. Such other signs (including but not limited to construction job identification signs, builders signs, and subdivision) which are in conformance with the requirements of the applicable Municipal authority and which have been approved in writing by the ACC as to size, colors, design, message content and location.

10.18.6 The ACC may approve signs for home businesses allowed by Salem City.

10.19 Restriction on Further Community Property Restrictions and Rezoning. No Lot shall be further subdivided or separated into smaller Lots or interests by any Owner, and no portion less than all of any such Lot, nor any easement or other interest therein, shall be conveyed or transferred by any Owner, without the prior written approval of the Declarant (or the Association following the Development Period), which approval must be evidenced on the Plat or other instrument creating the subdivision, easement or other interest. This provision shall not apply to transfers of an ownership interest in the whole of any Lot. Further, this provision shall not, in any way, limit Declarant from subdividing or separating into Lots any property or Parcels at any time owned by Declarant and which has not previously been platted or subdivided into Lots. No Neighborhood Declaration, Supplemental Declaration or further covenants, conditions, restrictions or easements shall be recorded by any Owner or other person against any Lot without the provisions thereof having been first approved in writing by the Declarant or the ACC, and any covenants, conditions, restrictions or easements recorded without such approval being evidenced thereon shall be null and void. No application for rezoning of any Lot, and no applications for variances or use permits, shall be filed with a Municipal authority unless the proposed use of the Lot complies with this Declaration and any applicable Neighborhood Declaration or Supplemental Declaration.

10.20 Utility Easements. There is hereby created a blanket easement upon, across, over and under each Lot and Parcel for ingress to, egress from, and the installation, replacing, repairing and maintaining of, all utility and service lines and systems, including, but not limited to water, sewers, gas, telephones, electricity, television cable or

communication lines and systems, etc., as such utilities are installed in connection with the initial development of the Lot or Parcel and the construction of the first Unit or other improvement thereon. Pursuant to this easement, the Declarant, its agents or contractors, or a providing utility or service company may install and maintain facilities and equipment on the property and affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of buildings on the Lots and Parcels. Notwithstanding anything to the contrary contained in this subsection, no sewers, electrical lines, water lines, or other utilities or service lines may be installed or relocated on any Lot or Parcel except as initially programmed and approved by the Declarant or the ACC.

10.21 Fences. Except as hereinafter provided, the rights and duties of Owners of Lots and Parcels with respect to party fences between Lots and Parcels, shall be as follows:

10.21.1 The Owners of contiguous Lots or Parcels who have an exterior party fence shall both equally have the right to use such fence, provided that such use by one Owner does not interfere with the use and enjoyment of the same by the other Owner. All fences must conform to 10.20.9.

10.21.2 Except as provided below the cost of reasonable repair and maintenance of a party fence shall be shared equally by the adjoining Lot or Parcel Owners.

10.21.3 In the event that any party fence is damaged or destroyed through the act or failure to act of an Owner, Bona-Fide Lessee, or Resident or any of his or her agents, guests or members of his or her family, (whether or not such act is negligent or otherwise culpable), it shall be the obligation of such Owner, Bona-Fide Lessee, or Resident to promptly rebuild and repair the party fence without cost to the Owner of the adjoining Lot or Parcel. Any dispute over an Owner's liability for such damage shall be resolved as provided in Section 10.21.6 below, but any liability imposed on an Owner hereunder shall not prevent the Owner from seeking indemnity therefore from the persons causing such damage.

10.21.4 In the event any party fence is destroyed or damaged (including deterioration from ordinary wear and tear and lapse of time), other than by the act or failure to act of an adjoining Owner, Bona-Fide Lessee, or Resident, or his or her tenants, lessees, agents, guests or family, it shall be the obligation of all Owners whose Lots or Parcels adjoin such party fence to rebuild and repair such fence at their joint expense; such expense to be allocated among the Owners in accordance with the frontage of their Lots or Parcels on the party fence.

10.21.5 Notwithstanding anything to the contrary herein contained, there shall be no impairment of the structural integrity of any party fence without the prior consent of all Owners of any interest therein, whether by way of easement or in fee.

10.21.6 In the event of a dispute between Owners with respect to the construction, repair or rebuilding of a party fence, or with respect to the sharing of the cost thereof, such adjoining Owners shall submit the dispute to the Board, the decision of which shall be binding. Anything in the foregoing to the contrary notwithstanding:

10.21.7 In the case of party fences (1) between Common Properties and Lots or Parcels, or (2) constructed by the Declarant or the Association on Common Properties within a Lot or Parcel, the Association shall be responsible for all maintenance thereof, subject to any contrary provisions of this Declaration, except that each Owner of a Lot or Parcel shall remain responsible for painting and maintaining the surface of the portion of the party fence facing his or her Lot or Parcel and or the portion thereof which is not a portion of the Common Properties; and

10.21.8 All fences (design and materials) must be approved by the ACC. Wire and wood fences are prohibited unless otherwise approved by ACC. All fences shall be decorator metal (steel or wrought iron) and such fences may include finished brick or stone pony walls and/or columns, and all must be approved by the ACC. Privacy shall be accomplished by landscaping using hedges, plants and bushes.

10.22 Perimeter Fences. Perimeter fences, as determined solely by the Declarant, shall be maintained by the Association, subject to any contrary provisions in this Declaration, except that each Owner of a Lot or Parcel shall remain responsible for painting and maintaining the surface of the portion of the perimeter fence facing his or her Lot or Parcel. The Association shall be responsible for the maintenance of all landscaping outside the perimeter fences, except any maintenance assumed by a municipal authority.

10.23 Utility Service. No lines, wires or other devices for the communication or transmission of electric current or power, including telephone, television and radio signals, and cable information highways, shall be erected, placed or maintained anywhere in or upon any Lot or Parcel unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures as approved by the Declarant or the ACC, except for:

10.23.1 overhead power poles and lines to perimeter areas of the Community as approved by Declarant; and

10.23.2 boxes on the ground for electrical or communication connections, junctions; transformers and other apparatus customarily used in connection with such underground lines, wires and other devices.

10.24 Overhead Encroachments. No tree, shrub or planting of any kind on any Lot or Parcel shall be allowed to overhang or otherwise to encroach upon any sidewalk, street, pedestrian way, or other area from ground level to a height of eight (8) feet without the prior approval of the ACC or the Board.

10.25 Trucks, Trailers, Campers and Boats. No mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, boat, boat trailer, boats, boat-trailers, automobiles, trucks, motor homes, horse or other trailers or other similar equipment or vehicle, shall be stored in excess of two (2) days in driveways and shall never be stored on streets or other areas in open view within the Subdivision, nor shall any such vehicles be parked, maintained, constructed, reconstructed or repaired on any Lot or Parcel or on any street in the Community so as to be visible from neighboring property, or visible from the Common Properties or the streets; provided, however, the provisions of this Section 10.25 shall not apply to pickup trucks of less than 3/4-ton capacity with camper shells not exceeding seven (7) feet in height measured from ground level and mini-motor homes not exceeding seven (7) feet in height and eighteen (18) feet in length which are parked as provided in Section 10.27 below and are used on a regular and recurring basis for basic transportation. Any of the above vehicles, or any part thereof, not in actual use shall be stored or placed in a garage, behind a fence, or other walled-off or enclosed space. No commercial vehicle exceeding 3/4 ton shall be kept or stored upon any Lot unless such vehicle is kept or stored in an enclosed garage when not in use. No commercial vehicle owned or in the possession or under the control of any resident or occupant in the Subdivision shall be parked overnight in any street within the Subdivision "Commercial vehicle" for this purpose shall include, but not be limited to, any truck, pickup, van, bus, tractor, station wagon, taxi, automobile, or other vehicle used primarily for business or other commercial purposes as distinguished from vehicles used primarily for the transportation of persons other than for lure or other than for business or other commercial purpose.

10.26 Motor Vehicles. No automobile, motorcycle, motorbike or other motor vehicle shall be constructed, reconstructed or repaired upon any Lot, Parcel or street or other Common Properties in the Community, and no inoperable vehicle may be stored or parked on any such Lot, Parcel or street, so as to be visible from neighboring property or to be visible from Common Properties or streets; provided, however, that the provisions of this Section 10.26 shall not apply to (i) emergency vehicle repairs; (ii) temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any improvement approved by the ACC; (iii) vehicles parked in garages on Lots or Parcels so long as such-vehicles are in good operating condition and appearance and are not under repair; and (iv) non-Commercial vehicle repair within a garage which is closed except as necessary for ingress and egress.

10.27 Parking. It is the intent of the Declarant to restrict on-street parking as much as possible. Vehicles of all Owners and Residents, and of their employees, guests and invitees, are to be kept in garages and residential driveways of the Owner and other designated parking areas wherever and whenever such facilities are sufficient to accommodate the number of vehicles at a Lot or Parcel; provided, however, this Section 10.26 shall not be construed to permit the parking in the above described areas of any vehicle whose parking in the Community is otherwise prohibited or the parking of any inoperable vehicle. Recreational vehicles shall be parked in covered garages except for limited periods for loading and unloading in Residential driveways or other designated parking areas as determined by the Board. Without limiting the generality of the foregoing, Residents shall not permit recreational vehicles to be used for overnight sleeping within the Community. Overnight parking of vehicles on the roadway is discouraged, and any vehicle parked in the roadway over 24 hours within the Subdivision is subject to towing and storage fees at the owners expense. Vehicle parking in the roadway within the Subdivision during inclement winter weather, whereas to impede snow plows and other road snow clearing equipment is prohibited, and subject to towing and storage fees at owners expense.

10.28 Arterial Fencing and Walls. All perimeter walls and fencing along arterials (for the purposes of this Section 10.28 "arterials" shall be as designated by the Declarant) must be constructed and maintained in accordance with the specifications and regulations established by the Declarant or the ACC.

10.29 Draperies and Window Coverings. Each Owner of a Lot or Parcel shall install suitable window treatments on all exterior windows. In no event shall windows be covered with paper, aluminum foil, bed sheets or any other materials or temporary coverings not specifically intended for such purpose. No interior or exterior reflective material shall be used as a window covering unless such material has been approved by the ACC.

10.30 Drainage. No Owner or Resident shall interfere with or obstruct the drainage pattern over his or her Lot or Parcel from or to any other Lot or Parcel as that pattern may be established by Declarant.

10.31 Garage Openings. All garages shall be fully enclosed. No carports shall be permitted. No garage door shall be open except when necessary for access to and from the garage.

10.32 Right of Entry. During reasonable hours and upon reasonable notice to the Owner or other Resident or occupant of a Lot or Parcel, any member of the ACC, any member of the Board or any authorized representative of either of them; shall have the right to enter upon and inspect any Lot or Parcel, and the improvements thereon, except for the interior portions of any completed Unit, for the purpose of ascertaining whether or not the provisions, of this Declaration have been or are being complied with and such persons shall not be deemed guilty of trespass by reason of such entry.

10.33 Declarant's Exemption. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant or its duly authorized agents, of structures, improvements or signs necessary or convenient to the development or sale of property within the Community.

10.34 Health Safety and Welfare. In the event additional uses, activities and facilities are deemed by the ACC to be a nuisance or to adversely affect the health, safety or welfare of Owners and Residents, the ACC may make rules restricting or regulating their presence within the Community as part of the Design Guidelines.

10.35 Model Homes. The provisions of this Declaration and of Neighborhood Declarations or Supplemental Declarations which, in certain instances, prohibit non Residential Use of Lots and Parcels and regulate parking of vehicles shall not prohibit the construction and maintenance of model homes by persons authorized by the Declarant and engaged in the construction of Units at the Community and parking incidental to the visiting of such model homes so long as the location of such model homes and the opening and closing hours are approved by the ACC or the Declarant. The ACC or Declarant may also permit Lots and other areas to be used for parking in connection with the showing of model homes so long as such parking and parking areas are in compliance with the ordinances of the governing Municipal authority and any rules of the ACC.

10.36 Incidental Uses. The Declarant, Board or the ACC may approve uses of property within the Community which are incidental to the full enjoyment by the Owners. Such approval may be subject to such regulations, limitations and restrictions, including termination of the use, as the Declarant or ACC may wish to impose, in its sole discretion, for the benefit of the Community as a whole. By way of example and not of limitation, the uses which the Declarant, the Board or ACC may permit are private roadways and streets intended primarily for the benefit of all or certain Owners and Residents within areas of the Community; a business office for the Association; tennis courts; and a sales, information and marketing center operated by the Declarant or its agent or representative.

10.37 Leases. Any lease between an Owner and a lessee respecting a Lot or Unit shall be a Bona-Fide Lease and subject in all respects to the provisions of this Declaration and the Governing Documents, and any failure by the lessee to comply with the terms of this Declaration and such Governing Documents shall be a default under the lease. Specifically, all leases shall require, without limitation, that the tenant acknowledge receipt of this Declaration and a copy of the Governing Documents. All Bona-Fide Leases shall obligate the tenant to comply with the foregoing and shall provide that in the event of noncompliance, the Board, in addition to any other remedies available to it, may evict the tenant on behalf of the Owner and specifically assess all costs associated therewith against the Owner and the Owner's property. Except as may otherwise be permitted by Declarant during the Development Period, all such Bona-Fide Leases shall be in writing and shall have a minimum term of one (1) year.

10.38 Tree Removal. No trees shall be removed, except for (a) diseased or dead trees; and (b) trees which must be removed to promote the growth of other trees or for safety reasons, unless approved by the ACC.

10.39 Non-disturbance. Areas Certain areas at the Community possess great natural beauty and shall be designated as "Non-disturbance Areas" at the Declarant's sole discretion, as such areas may be identified on a Plat or other written document provided to an Owner. No improvements (whether temporary or permanent), landscaping, alterations, repairs, excavation, grading or other work which in any way alters the exterior appearance of any Non-disturbance Area from its natural state existing on the date this Declaration is recorded shall be made or done without the prior approval of the ACC. No building, fence, wall, Unit or other improvement shall be commenced, erected, maintained, improved, altered or made without the prior written approval of the ACC. All subsequent additions to or changes or alterations in any building, fence, Unit or other improvement, including exterior color scheme, and all changes in the grade of Non-disturbance Areas, shall be subject to the prior written approval of the ACC. No changes or deviations in or from the plans and specifications once approved by the ACC shall be made without the prior written approval of the ACC.

10.40 Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the ACC.

10.41 Lighting. Except for seasonal Christmas decorative lights, which may be displayed between November 15 and January 15 only, all exterior lights must be approved in accordance with this Declaration.

10.42 Violations of Law. Any activity which violates local, state, or federal laws or regulations is prohibited; however the Board shall have no obligation to take enforcement action in the event of a violation.

10.43 Easement for Development. The Declarant hereby reserves an easement throughout the Community for the purpose of completing all improvements contemplated by the Declarant or by this Declaration. Declarant shall be entitled to use all Common Properties within the Community, roadways within the Community and other facilities located in the Community in order to make improvements and to continue with the development of the Community.

10.44 Sales Offices. Declarant hereby reserves the right to maintain sales offices, management offices, signs advertising the Community, and models in any areas of the Community owned by the Declarant. Declarant may relocate sales offices, management offices and models to other locations within the Community at any time.

10.45 Poles. No pole, including but not limited to a flag pole, shall be placed, constructed, or maintained on any Lot, Parcel or other part of the Community unless such pole is approved in advance by the ACC. The ACC may adopt one or more rules or regulations permitting an Owner to install and maintain a flag pole upon Owner's Lot or Parcel, provided that the location and size of such flag pole (and the number and size of any flag(s) mounted thereon) may be regulated by the ACC, and may, if so provided in such rule or regulation, be made subject to the prior approval thereof by the ACC. Nothing in this section shall be deemed to prohibit the Declarant from installing and maintaining the flag poles on, at, or adjacent to model homes within the Community. Poles, to which basketball backboards, goals, and related equipment are affixed, shall also be governed by this section.

10.46 Business Activities. Property within the Community other than property owned by the Declarant, shall not be used for any business, trade, garage sale, moving sale, rummage sale, or similar activity, except that an Owner or Resident may conduct business activities within the Unit so long as: (a) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (b) the activity conforms to all zoning requirements for the Community; (c) the activity does not involve regular visitation of the Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of Residents of the project; and (d) the activity is consistent with the residential character of the project and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other Residents of the project, as may be determined in the sole discretion of the Board. This Section 10.46 shall not apply to any activity conducted by the Declarant or a Merchant Builder approved by the Declarant with respect to its development and sale of the Lots or Parcels or its use of any Units which it owns within the Community.

10.47 Removal of Dirt. The digging of dirt or the removal of any dirt from any Lot is hereby expressly prohibited, except as may be necessary in conjunction with landscaping or construction of improvements. Minimum finished elevations established on the Plats shall be maintained at all times, unless a variance is secured by the Owner from the ACC.

10.48 Mail Box Monuments. Each property owner shall construct a mail box monument within the planter strip in front of the home. Such monument shall be constructed of materials and design that concede and

blend with the design and materials of the home. Each monument shall contain a mailbox customary and approved by the postal service, and such monuments must be approved by the ACC.

10.49 Variances. Subject to the provisions of the Design Guidelines, the ACC may, at their option and sole discretion, grant variances from the restrictions set forth in this Declaration, including, without limitation, variances to the restrictions contained in this Declaration or in any Neighborhood Declaration or in any Supplemental Declaration, if the ACC determines in their sole discretion (a) either (i) that a restriction would create an unreasonable hardship or burden or (ii) that a change of circumstances since the date this Declaration is recorded has rendered such restriction obsolete and (b) that the activity permitted under the variance will not have any substantial adverse affect on the Owners and Residents of the Community and is consistent with the high quality of life intended for Owners and Residents of the Community.

10.50 Severability. Invalidation of any one or any portion of any one of these covenants and restrictions by judgment or court order shall in no wise affect any of the other provisions, which shall remain in full force and effect.

ARTICLE XI

ARCHITECTURAL CONTROL

11.1. Architectural Control Committee. The administration of the Covenants shall be conducted by an Architectural Control Committee (the "ACC"), consisting of four (4) natural persons. The ACC may act by any three (3) of its members and any authorization approval or power made by the ACC must be in writing signed by at least three (3) members. It is intended that Declarant shall control the ACC and may fill any vacancies therein for so long as the Declarant owns any lots in the Subdivision. For so long as Declarant owns any Lots in the Subdivision, Declarant shall also have the right, at any time, at its sole discretion, to permit one or more of the members of the ACC to be elected by the vote of a majority of the Lot owners. Any member of the ACC may resign from the ACC, at any time, upon at least thirty (30) days written notice to the other ACC members. When Declarant no longer owns any Lots in the Subdivision, or at such earlier time as the Declarant may, in its discretion determine, the members of the ACC may be removed, replaced or elected by the majority vote of Lot owners, at any meeting of the owners at which owners of at least 51% of the Lots in the Subdivision are present. However, nothing herein shall preclude the Declarant from relinquishing control over the ACC at an earlier date, at the Declarant sole discretion. At the first annual meeting, four (4) ACC Members shall be elected for a term of one (1) year.

11.1.1 Approval or Denial As to all improvements, construction and alterations within the Subdivision, the ACC shall have the right to refuse to approve any design, plan or color for such improvements, construction or alterations, which is not suitable or desirable in the ACC's opinion, for any reason, aesthetic or otherwise, and in so passing upon such design, the ACC shall have the right to take into consideration the suitability of the proposed improvement, the material of which it is to be built and the exterior color scheme of the proposed improvement, the harmony thereof with the surroundings, the effect or impairment that such improvements will have on the view of surrounding building sites, and any and all facts which, in the ACC's opinion, shall affect the desirability or suitability of such proposed structure, improvements or alterations. The approval of the ACC of any plans or specifications submitted for approval as herein required shall not be deemed to be a waiver by the ACC of its right to object to any of the features or elements embodied in such plans and specifications, if or when the same features or elements are embodied in the plans and specifications of any other improvements submitted for ACC approval.

11.1.2. Initial Architectural Control Committee Members. The initial members of the ACC shall be as follows:

Vickie Bicshoff 240 North Orem Blvd. Orem, Utah 84057	Alyce Brinkerhoff 505 South 1560 East Mapleton, Utah 84664	Roger Brinkerhoff 505 South 1560 East Mapleton, Utah 84664	William Young 727 North 1550 East, ste 400 Orem, Utah 84097
---	--	--	---

11.1.3. Liability. Members of the ACC, the officers and any assistant officers or agents shall not be liable to the Lot owners as a result of their activities as such for any mistake of judgment, negligent or otherwise, except for their own willful misconduct or bad faith, shall have no personal liability in

contract to an owner of a Lot, or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the ACC in their capacity as such, shall have no personal liability in tort to any Lot owner, or any person or entity, direct or imputed, by virtue of acts performed for them in their capacity as such, except for their own willful misconduct or bad faith, nor for acts performed for them in their capacity as such, and shall have no personal liability arising out of the use, misuse or condition of the Subdivision, which might in any way be assessed against or imputed to them as a result of or by virtue of their capacity as such.

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

11.2. ACC Jurisdiction.

(a) No building, structure, fence, wall or improvement of any kind or nature shall be erected, placed or altered on any Lot until all plans and specifications have been submitted to and approved in writing by the ACC, or a majority of its members, as to:

- (i) Quality of workmanship and materials, adequacy of site dimensions, proper facing of main elevation with respect to nearby streets, in compliance with this Declaration and/or the Design Guidelines and/or bulletins;
- (ii) finished floor elevation and proposed footprint of the Unit;
- (iii) conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping;
- (iv) drainage solutions;
- (v) vertical and horizontal specifications and limits of Units on all Lots;
- (vi) the observance of and compliance with applicable setback lines and easement areas and the enhancement of aesthetic views and visual corridors to and from the Common Properties; and

(vii) the other standards set forth within this Declaration (and any amendments hereto) or as may be set forth within the Design Guidelines, bulletins promulgated by the ACC, or matters in which the ACC has been vested with the authority to render a final interpretation and decision.

The ACC is authorized and empowered to collect such fee for its services set forth in this Article XI as is determined by the Board and to consider and review any and all aspects of construction, location and landscaping, which may, in the reasonable opinion of the ACC, adversely affect the living enjoyment of one or more Owner(s) or Residents or the general value of the Community. In addition, the ACC shall be permitted to consider technological advances and changes in design and materials and such comparable or alternative techniques, methods or materials which may or may not be permitted, in accordance with the reasonable opinion of the ACC.

(b) The following is a general outline of the steps likely to be involved in the review of plans and specifications:

- (i) Submission of preliminary plans and specifications to the ACC; and
- (ii) Submission of final plans and specifications to the ACC.

(c) The ACC's approval of any plans and specifications shall not mean that all applicable building requirements of the City have been satisfied.

11.3. Design Guidelines. It is the intent of the Declarant that Harvest Ridge Estates, to be a "Custom" Subdivision. For the purposes of this document, "Custom" shall mean that all homes are distinguishable from one another. No two home designs shall be constructed which are, for all intents and purposes, the same. If a home design is desired which is similar to a home already constructed or under construction in Harvest Ridge Estates, the design must be modified such that it is indistinguishable from the other(s). The Declarant and the ACC shall have final and sole responsibility of ensuring that only custom homes shall be built in Harvest Ridge Estates.

The Design Guidelines shall be explanatory and illustrative of the general intent of the proposed development of Lots to be developed within the Community and are intended as a guide to assist the ACC in reviewing plans and specifications for improvements to be located and constructed on each Lot. The ACC shall have the right, power and authority to establish and prescribe architectural restrictions and guidelines pertaining to items and topics such as (but not necessarily limited to):

- (a) a site plan showing the "footprint" of the structure, location of all existing trees (indicate size and type) and proposed improvements, including but not limited to, structures, patios, driveways, parking areas and structures, fences and walls;
- (b) exterior elevations (including, but not limited to, vertical and horizontal specifications and limits) of all proposed structures;
- (c) a description and samples of exterior materials, colors, textures and shapes of all structures;
- (d) landscape plans, which shall include walkways, fences, walls, details, elevation changes, irrigation and watering systems, vegetation and ground cover (indicating size, spacing and quantity), and the protection and preservation of trees and other existing and introduced vegetation;
- (e) the location of air conditioning compressors and pool equipment;
- (f) exterior illumination and location;
- (g) dimensional floor plan of all enclosed spaces and any garages or parking facilities (particularly where the garages face the street);
- (h) mailbox location and design;
- (i) drainage solutions;
- (j) such other matters as may be required by the Zoning Ordinance and building codes of the City of Salem;
- (k) the items described within Section 11.2 above and any other data or information requested or deemed reasonably necessary by the ACC;
- (l) and such other safety and security devices which, from time to time, become technologically feasible for residential use as may be further described and defined by the ACC.

11.4 Preliminary and Final Plan Submissions.

(a) The ACC is authorized and empowered to and shall consider, review and comment on preliminary plans and specifications submitted in duplicate on an informal basis to assist Owners, developers, homebuilders and prospective purchasers of the Lots in complying with these Covenants and to assist in the completion of any feasibility studies undertaken by such persons or entities. The ACC shall have the right, however, to prescribe reasonable limitations concerning the time, effort and expense likely to be involved in handling such matters on an informal basis. If the preliminary plans and specifications are approved by the ACC, the Owner or the Owner's designated representative will be so advised by letter. If found not to be in compliance with these Covenants, the Owner or the Owner's designated representative will be so advised by letter containing a reasonably detailed statement and explanation of items found not to comply with these Covenants. If the ACC fails to approve or disapprove such plans and specifications within thirty (30) days after the actual date on which the submission is received, approval of the matters submitted shall be presumed to have been approved; provided however, that in no event shall the failure to

formally approve such plans and specifications be deemed to have approved any plans and specifications that violate in any manner this Declaration, the Design Guidelines or the Zoning Ordinance. Comments on and approvals of preliminary plans and specifications shall be binding upon the ACC provided that conforming final plans and specifications are submitted within ninety (90) days of such preliminary comments or approvals.

(b) Final plans, specifications and surveys shall be submitted in duplicate to the ACC for approval or disapproval. The ACC is authorized to request the submission of samples of proposed construction materials. At such time as the plans, specifications and surveys meet the approval of the ACC, one complete set of plans, specifications and surveys will be retained by the ACC and the other complete set will be marked "Approved" and returned to the Owner of the Residential Lot in question or his/her/its designated representative. If found not to be in compliance with these Covenants, one set of such plans, specifications and surveys shall be returned marked "Disapproved," accompanied by a reasonably detailed statement and explanation of items found not to comply with these Covenants. Any modification or change to the approved set of plans, specifications and surveys shall be resubmitted to the ACC for its inspection and approval. The ACC's approval or disapproval, as required herein, shall be in writing. If the ACC fails to approve or disapprove such plans, specifications and surveys within thirty (30) days after the actual date on which the submission is received, then the ACC approval shall be presumed. The ACC may from time to time publish and promulgate architectural standards bulletins and/or lot information sheets which shall be fair and reasonable and shall carry forward the spirit and intention of these Covenants. Such bulletins and lot information sheets shall supplement these Covenants and are incorporated herein by reference. PRIOR TO THE ACQUISITION OF ANY INTEREST IN AND CONSTRUCTION ON A LOT, EACH PROSPECTIVE PURCHASER, TRANSFEREE MORTGAGEE AND OWNER OF ANY LOT IN THE COMMUNITY IS STRONGLY ENCOURAGED TO CONTACT THE DECLARANT OR THE ASSOCIATION OF THE ACC TO OBTAIN AND REVIEW AND BECOME THOROUGHLY FAMILIAR WITH ANY AND ALL ARCHITECTURAL STANDARDS, BULLETINS AND LOT INFORMATION SHEETS AND THE MOST RECENT DESIGN GUIDELINES WHICH WILL CONTROL THE DEVELOPMENTS CONSTRUCTION AND USE OF THE LOT IN QUESTION.

11.5 General.

(a) The ACC shall be entitled, at any time and from time to time, to associate or employ a staff and to seek and obtain professional advice and counsel (including but not limited to Architects, attorneys designers, engineers and landscape technicians) in connection with the performance of its duties with all reasonable costs and expenses related thereto paid for or reimbursed by the Association. The Association may, in turn, reasonably recoup some or all of these expenses from the applicants seeking review and approval of plans and specifications.

(b) The Declarant and/or the Association and/or the ACC may require any Owner to restore such Owner's improvements or alteration to the condition existing prior to the construction thereof (including, without limitation, the demolition and removal of any unapproved improvement) if such improvements or alterations were commenced or constructed in violation of this Article XI. In addition, the Declarant and/or the Association and/or the ACC may upon written notice to such Owner, but has no obligation to do so, cause such restoration, demolition and removal and levy the amount of the cost thereof as a Specific Assessment against the Lot upon which such improvements or alterations were commenced or constructed. A material violation of these Covenants shall be deemed to have occurred if no prior express written approval of the appropriate ACC has been obtained where it was originally required, even if hindsight reveals that the actual plans and specifications would have been approved by the appropriate ACC had they been properly and timely submitted.

(c) Neither the Declarant, nor the Association, nor the ACC, nor the Board nor the officers, directors, managers, members, employees and agents of any of them, shall be liable in damages to anyone submitting plans and specifications to any of them for approval, or to any Owner affected by these restrictions by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. No approval of plans and specifications and no publication of any Design Guidelines, bulletins or lot information sheets shall be construed as representing or implying that such plans, specifications, guidelines, bulletins or sheets will, if followed, result in properly designed improvements and/or improvements built in

a good and workmanlike manner. Every Person who submits plans or specifications, and every Owner of each and every Lot, agrees that he/she/it will not bring any action or suit against the Declarant, the Association, the ACC, the Board, or the officers, managers, members, employees and agents of any of them, to recover any such damages and each and every Owner hereby releases, remises and quitclaims all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given.

(d) After reasonable notice to the Owner (and any applicable Resident), any member or agent of the applicable ACC may from time to time at any reasonable hour or hours enter and inspect any Lot or the improvements located thereon subject to the jurisdiction of the applicable ACC to confirm improvement or maintenance or alteration in compliance with the provisions hereof. No improvements or addition or change or alteration thereof shall be constructed, erected, placed, altered or maintained on any Lot which is in violation of any pronouncement or determination of the ACC, the Zoning Ordinance, the existing restrictions or any of the other laws or ordinances of the City or any other applicable governmental laws, rules or regulations. However, the Declarant, the Association, the ACC and their respective officers, directors, managers, agents and employees shall have no obligation to enforce or to report the violation of any such law, ordinance, rule or regulation.

(e) The ACC shall have the power to grant variances, waivers, tolerances or modifications of the standards set forth within the Covenants under circumstances and conditions deemed reasonable, appropriate and prudent by the ACC. Matters of "quality", "adequacy" and "propriety" are to be considered by each ACC generally from an aesthetic standpoint, rather than from an engineering standpoint. Plans and specifications are not to be reviewed or approved for engineering or structural design or technical quality of materials, and by approving such plans and specifications neither the ACC, nor the members thereof, nor does the Association assume liability or responsibility therefore, nor for any defect in any structure constructed from such plans and specifications.

ARTICLE XII

CONDEMNATION

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

ARTICLE XIII

RIGHTS OF MORTGAGEES

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

13.01 Title and Mortgagee Protection. A breach of any of the covenants, provisions, or requirements of this Declaration shall not result in any forfeiture or reversion of title or of any other interest in a Lot or any other portion of the Property. A breach of any of the covenants, provisions, or requirements of this Declaration shall not defeat, impair, or render invalid the lien of or other rights under any Mortgage. Unless and until it enters into possession or acquires title pursuant to foreclosure or any arrangement or proceeding in lieu thereof, any Mortgagee interested under any Mortgage affecting a Lot or any other portion of the Property shall have no obligation to take any action to comply with, and may not be compelled to take any action to comply with, any of the covenants, provisions, or requirements of this Declaration (other than those, if any, concerning a consent or approval to be given by a Mortgagee, in the event a Mortgagee's failure to give same is wrongful). No amendment to this Declaration shall in any way affect the rights of any Mortgagee interested under a Mortgage which is in effect at the time of the amendment concerned or the rights of any successor in interest or title to such Mortgagee, either before or after such

Mortgagee or its successor enters into possession or acquires title pursuant to foreclosure or any arrangement or proceeding in lieu thereof, unless such Mortgagee has consented in writing to such amendment.

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

13.03 Notice of Matters Affecting Security. The Association shall give written notice to any Mortgagee of a Lot requesting such notice whenever:

(a) there is any material default by the Owner of the Lot subject to the Mortgage in performance of any obligation under this Declaration or the Articles of the Association which is not cured within sixty (60) days after default occurs; or

(b) damage to the Common Areas from any one occurrence exceeds \$10,000.00; or

(c) there is any condemnation or taking by eminent domain of any material portion of the Common Areas.

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

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

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

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

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

ARTICLE XIV

MISCELLANEOUS

14.01 Notices. Any notice required or permitted to be given to any Owner under the provisions of this Declaration shall be deemed to have been properly furnished if delivered or mailed, postage prepaid, to the person named as the Owner at the latest address for such person, as reflected in the records of the Association at the time of delivery or mailing. Any notice required or permitted to be given to the Association may be given by delivering or mailing the same to the Managing Agent or any officer or Trustee of the Association. Any notice required or permitted to be given to the Architectural Control Committee may be given by delivering or mailing the same to the Managing Agent or the Association or any member of the Architectural Control Committee.

14.02 Amendment. Except as provided below, this Declaration may be amended by, but only by, an instrument recorded in Utah County, Utah, which is executed by Owners (including Declarant) who collectively hold at least seventy-five percent (75%) of the total outstanding votes in the Association. The foregoing right of amendment shall, however, be subject to the right to supplement this Declaration in the manner and to the extent provided for in Article III of this Declaration. In addition, such right of amendment shall be subject to the following qualification: no amendment to any provision of this Declaration which has the effect of diminishing or impairing any right, power, authority, privilege, protection, or control accorded to Declarant (in as capacity as Declarant), to a Mortgagee or to Harvest Ridge Homeowners Association shall be accomplished or effective unless the instrument through which such amendment is purported to be accomplished is consented to in writing by Declarant, by such Mortgagee or by such Association, as the case may be.

14.03 Consent in Lieu of Vote. In any case in which this Declaration requires for authorization or approval of a transaction the assent or affirmative vote of a stated percentage or number of votes outstanding in the Association or of the Owners, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Owners entitled to cast at least the stated percentage or number of all membership votes then outstanding in the Association, unless a higher percentage or a greater number is required by law. The following additional provisions shall govern any application of this Section 14.03:

(a) All necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Owner.

(b) The total number of votes required for the applicable authorization or approval shall be determined as of the date on which the last consent is signed.

(c) Any change in ownership of a Lot which occurs after consent has been obtained from the Owner thereof shall not be considered or taken into account for any purpose.

(d) Unless the consent of all Owners whose memberships are appurtenant to the same Lot is secured, the consent of none of such Owners shall be effective.

14.04 Declarant's Rights Assignable. All or any portion of the rights of Declarant under this Declaration or in any way relating to the Property or the Additional Land may be assigned.

14.05 Interpretation. The captions which precede the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, and any gender shall include both other genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof, which shall remain in full force and effect. The laws of the State of Utah shall govern the validity, construction and enforcement of this Declaration.

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

14.07 Enforcement of Restrictions. The following persons shall have the right to exercise or seek any remedy at law or in equity to interpret, to enforce compliance with or to obtain redress for violation of this Declaration:

(a) Any Owner;

(b) The Association; or

(c) Any Mortgagee.

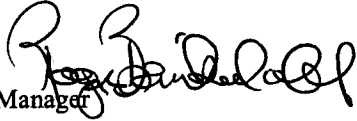
The prevailing party in an action for the interpretation of, the enforcement of or to obtain redress for violation of any provisions of this Declaration shall be entitled to collect court costs and reasonable attorney's fees.

14.08 Duration. This Declaration shall remain in effect until such time as there is recorded in Utah County, Utah, an instrument of termination which is executed by all of the parties required by Section 14.02 hereof, plus the Mortgagee of each and every Lot.

14.09 Effective Date. This Declaration, any amendment or supplement hereto, and any amendment or supplement to the Plat shall take effect upon its being filed for record in the office of the County Recorder of Utah County, Utah.

EXECUTED by Declarant on the day and year first above written.

LOAFER RIM PROPERTIES L.L.C., a
Utah limited liability company

By: 
Co-Manager

By: 
Co-Manager

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

On this 12th day of May, 2005, personally appeared before me, Roger Brunkerhoff and William C. Young who, being by me duly sworn, did say that they are the Co-Managers of LOAFER RIM PROPERTIES L.L.C., a Utah limited liability company; that said instrument was signed by them in behalf of said company pursuant to authority; and that said company executed the same.

NOTARY PUBLIC

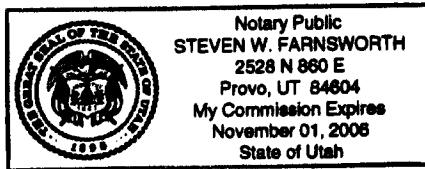


EXHIBIT A

to

DECLARATION OF EASEMENTS, COVENANTS,
CONDITIONS AND RESTRICTIONS

of

**HARVEST RIDGE
A Planned Subdivision**

Salem, Utah County, Utah

Harvest Ridge Boundary Description - 17 May 2005

BEGINNING AT THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SECTION 13, TOWNSHIP 9 SOUTH, RANGE 2 EAST, SALT LAKE MERIDIAN, SAID CORNER BEING SOUTH 89° 12' 49" WEST 2,656.44 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 13; THENCE NORTH 89° 12' 49" EAST 1,328.22 FEET ALONG THE QUARTER SECTION LINE (EAST 20 CHAINS BY RECORD) TO THE SIXTEENTH SECTION LINE; THENCE NORTH 00° 32' 41" WEST 1,984.40 FEET ALONG SAID SIXTEENTH LINE (NORTH 30 CHAINS BY RECORD) TO THE SOUTH LINE OF THAT CERTAIN UNITED STATES OF AMERICA PARCEL RECORDED AS ENTRY 11644-1948 AT THE OFFICE OF THE UTAH COUNTY RECORDER, SAID SOUTH LINE BEING ON THE SIXTEENTH SECTION LINE WHICH BY RECORD IS 10.00 CHAINS SOUTH OF THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 13; THENCE SOUTH 89° 22' 03" WEST 459.08 FEET (WEST BY RECORD) TO A NON-TANGENT POINT OF CURVATURE; THENCE SOUTHWESTERLY 134.89 FEET ALONG THE ARC OF A 700.39 FOOT RADIUS CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 11° 02' 06", THE CHORD OF WHICH BEARS SOUTH 63° 27' 34" WEST 134.68 FEET; THENCE SOUTH 57° 56' 31" WEST 153.70 FEET; THENCE SOUTH 63° 59' 33" WEST 487.35 FEET; THENCE SOUTH 28° 36' 52" EAST 154.86 FEET; THENCE SOUTH 68° 51' 43" WEST 240.52 FEET; THENCE NORTH 00° 37' 35" WEST 272.89 FEET; THENCE SOUTH 63° 19' 49" WEST 29.80 FEET TO THE QUARTER SECTION LINE; THENCE SOUTH 00° 37' 35" EAST 1,678.93 FEET ALONG SAID LINE TO THE POINT OF BEGINNING.

CONTAINING 55.58 ACRES MORE OR LESS.

BASIS OF BEARING: NORTH 45° 45' 47" WEST FROM THE EAST QUARTER CORNER OF SECTION 13 TO THE WITNESS CORNER FOR THE NORTH QUARTER CORNER OF SAID SECTION 13.

SUBJECT TO RECORDED OR UNRECORDED EASEMENTS OR RIGHTS-OF-WAY, IF ANY, WHICH HAVE BEEN ESTABLISHED AND NOW MAY EXIST BY OPERATION OF LAW UPON SAID LAND, OR ANY PORTION THEREOF.

EXHIBIT B

ADDITIONAL LAND LEGAL DESCRIPTION

TAX PARCEL ID#: 30:044:0013

THIS DESCRIPTION OF THE ADDITIONAL LAND IS SET FORTH AND ATTACHED IN THIS EXHIBIT B TO THE DECLARATION SOLELY FOR PURPOSES OF IDENTIFICATION. THE DECLARATION IS NOT INTENDED AS AND SHOULD NOT BE DEEMED TO CONSTITUTE ANY LIEN, ENCUMBRANCE, RESTRICTION, OR LIMITATION UPON ANY PORTION OF THE EXPANSION LAND UNLESS AND UNTIL SUCH PORTION IS ADDED TO THE COMMUNITY IN ACCORDANCE WITH THE PROVISIONS OF THE DECLARATION.

```

LILD           * * * Land Information System * * *
Property Serial Number: 30:044:0013     124      Year: 2001.....
Locator / Alpha Serial: /                  Tax District #: 180
Owner Name: PARK, BOYD L & MARGARET F ET AL  Acres: 31.48
RAPHAELM 20000908                          TEE
Taxing Description: (Not For Legal Documents)    CODED
                                           Page: 1
    
```

COM N 1584 FT FR S 1/4 COR. SEC. 13 T9S R2E SLB&M.; N 282.17 FT; S 89 DEG 31'54"
W 20.33 FT; N 0 DEG 37'25"W 737.51 FT; E 19.94 FT; E 8.43 FT; N 35.45 FT; N 1.09
FT; E 1320 FT; S 743.7 FT; S 56 DEG 30'0"W 117.46 FT; S 14 DEG 45'0"W 155.76 FT
; S 40 DEG 15'0"E 126.88 FT; W 45.9 FT; N 40 DEG 47'56"W 22.9 FT; S 89 DEG 9'20"
W 1204.55 FT M OR L TO BEG (DEFECTIVE DESCRIPTION) TO BEG. AREA 31.48 AC.

* * * Search Completed * * *