



PROTECTIVE AND RESTRICTIVE COVENANTS
OF THE
SUNRIDGE PROPERTY OWNERS ASSOCIATION
(Adopted: October 21, 2003)

Table of Contents

Table with 2 columns: Section Name and Page. Includes RECITALS (1), ARTICLE I Definitions (2), ARTICLE II Property Description (2), ARTICLE III Association Membership and Voting (3-4), ARTICLE IV Powers of the Board (4-5), and ARTICLE V Development and Maintenance of Lots (5-8).

Handwritten list of lot numbers: 23-012-0092, 0102, 0108; 23-047-0001, 0002; 23-048-0001 to 0009; 23-049-0001 to 0007; 23-050-0001 to 0004; 23-051-0001 to 0022; 23-052-0001 to 0002; 23-053-0001 to 0014; 23-054-0001 to 0011; 23-055-0001 to 0014; 23-056-0001 to 0013; 23-064-0001 to 0003; 23-065-0001 to 0012; 23-066-0001 to 0008.

Handwritten list of lot numbers: 23-067-0001 to 0013; 23-068-0001 to 0009; 23-069-0001 to 0012; 23-070-0001 to 0005; 23-071-0001 to 0005; 23-074-0001 to 0002; 23-080-0001 to 0007; 23-081-0001 to 0006; 23-082-0001 to 0010; 23-083-0001 to 0010; 23-084-0001 to 0005; 23-087-0001 to 0010; 23-097-0001 to 0004; 23-098-0001 to 0007.

1999641 PG 1 OF 18
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18-DEC-03 11:39 AM FEE \$429.00 DEP SGC
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ARTICLE VI User Protections and Restrictions 8

6.01 Commercial Prohibited 8

6.02 Signs 8

6.03 Animals 8

6.04 Fires 9

6.05 Nuisances and Offensive Activities 9

6.06 Quiet Hours 9

6.07 Operation of Vehicles 10

6.08 Shooting and Hunting 10

ARTICLE VII Common Areas and Easements 10

7.01 Owner Easements 10

7.02 Delegation of Rights 10

7.03 Utilities Easements 10

7.04 Operation and Maintenance of Commons by Association. 10

7.05 Damage to Common Area by Owner 11

7.06 Vista Property 11

ARTICLE VIII Assessments and Expenditures 11

8.01 Covenant to Pay Assessments 11

8.02 Purpose for Assessments 12

8.03 Annual Budget 12

8.04 Annual Assessment 12

8.05 Late Fees 13

8.06 Extension of Deadline 13

8.07 Special Assessments for Catastrophic Damage or Repairs 13

8.08 Lien for Overdue Assessments 13

8.09 Liability of Purchaser 13

ARTICLE IX Association Insurance and Taxes 13

9.01 Public Liability Insurance 13

9.02 Officers and Directors Liability Insurance 14

9.03 Fidelity Insurance or Bond 14

9.04 Additional Insurance 14

9.05 Taxes and Assessments on Common Areas 14

ARTICLE X General Provisions 14

10.01 Subordination of Liens to Mortgages 14

10.02 Interpretation 14

10.03 Compliance and Enforcement 14

10.04 Registration of Mailing Address. 15

10.05 Amendment to Covenants 15

10.06 Covenants to Run with Land 15

10.07 No Liability for Damages 15

10.08 Effective Date 15

PROTECTIVE AND RESTRICTIVE COVENANTS
OF THE
SUNRIDGE PROPERTY OWNERS ASSOCIATION
(Adopted: October 21, 2003)

~ PREAMBLE ~

Covenants reflect the ideals and values of the Sunridge Community and safeguard the preservation of precious mountain resources that make Sunridge desirable for all owners. They form a pact and covenant between all Association members. In holding property at Sunridge, owners agree to abide by all rules, regulations and covenants, and to carefully observe that all family members and guests do the same. All Association members are called upon to honor this solemn responsibility.

RECITALS

A. The Association is the owner of those certain Parcels of Common Property which are part of the Sunridge development and which are not contained within the individually owned Lots.

B. The Association desires to provide for the preservation of values and amenities at Sunridge, the maintenance of the Common Area, and the promotion of the health, safety and social welfare of each owner. To this end and for the benefit of the Property and of the owners thereof, the Association subjects the Property and the Sunridge Property Owners to the provisions of these Covenants and to the covenants, restrictions, easements, charges and liens hereinafter set forth.

C. The Owners deem it desirable to provide for the efficient preservation of values and amenities at Sunridge, to empower an Association which possesses the power to administer and maintain the Common Areas, to collect and disburse the Assessments and charges hereinafter provided for, and otherwise to administer and enforce the provisions of these Covenants. For such purpose the Association has caused to be incorporated under the laws of the State of Utah, as a nonprofit corporation, The Sunridge Property Owners Association.

D. All former Covenants, conditions and restrictions are hereby repealed and are hereby replaced or superseded by this document, which establishes a uniform general plan for the protection and maintenance of Sunridge Properties. As of adoption, these Covenants will uniformly apply to all of the combined subdivisions and individual Lots which are part of and comprise the Sunridge Property Owners Association.

NOW, THEREFORE, for the foregoing purposes, the Association hereby declares that all of the Property described in these Covenants is and shall be held, occupied, improved, transferred, sold, leased and conveyed subject to the following easements, restrictions, covenants and conditions, which shall run with the Property and be binding on all parties having any right, title or interest in the property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

E# 1999641 PG3 OF 18

ARTICLE I
DEFINITIONS

When used in these Covenants (including the foregoing portion hereof entitled "Recitals"), unless the context clearly indicates otherwise, the following terms shall be defined as follows:

1.01 "Annual Assessment" also referred to as "Dues" shall mean and refer to annual assessments levied by the Association against each Lot, and are the responsibility of Principal Owner.

1.02 "Association" shall mean and refer to The Sunridge Property Owners Association, a nonprofit corporation organized and existing under the laws of the State of Utah, its successors and assigns.

1.03 "Board of Trustees" or "Board" shall mean the governing board of the Association appointed or elected in accordance with these Covenants and the Articles of Incorporation and Bylaws of the Association.

1.04 "Camping Unit" refers to any one of the following: mobile trailer, recreational vehicle, camper, shelter, or similar camping equipment or facilities.

1.05 "Committees" shall mean a group of individuals appointed and authorized by the Board for a specific purpose to act as authorized by the Board.

1.06 "Common Area" shall mean and refer to all that part of the Property which is not included within the Lots, including all improvements other than public roads owned by Weber County, now or hereafter constructed or located thereon.

1.07 "Covenants" shall mean and refer to these Covenants, Conditions, and Restrictions of Sunridge Property Owners Association, as the same may be amended from time to time.

1.08 "Lot" shall mean and refer to any of the 350 separately numbered parcels of land that comprise the Sunridge Property Owners Association.

1.09 "Manager" shall mean and refer to the person, firm or company, if any, designated from time to time by the Association to manage, in whole or part, the affairs of the Association and the Property.

1.10 "Owner" shall mean and refer to the owner(s) of record as shown in the office of the County Recorder of Weber County, Utah, and to no other person(s).

1.11 "Member" (meaning Association Member) shall mean and refer to every person or entity who is a property owner.

E# 1999641 PG4 OF 18

1.12 "Plat" or "Plats" shall mean and refer to those plats recorded at the Weber County Recorders office and which are described in the legal descriptions attached to these Covenants.

1.13 "Principal Owner" is the first named owner shown on records of the Weber County Recorder for the Property, unless a signed, written request for change in Principal Owner has been received by the Sunridge Secretary/Treasurer from a majority of all owners of a given Lot.

1.14 "Property" shall mean and refer to the real property, descriptions of which are set forth in these Covenants.

1.15 "Single Family Residence" as referred to herein, consists of not more than one (1) cabin or "Camping Unit" per Lot.

1.16 "Subdivide" means to divide an existing Lot into one or more additional parcels or Lots.

ARTICLE II

PROPERTY DESCRIPTION

2.01 Property. The Property which is and shall be held, occupied, sold, leased, transferred and conveyed subject to the provisions of these Covenants consists of the tracts of real property situated in Weber County, State of Utah, and more particularly described as follows:

Certain real property known as Sunridge Subdivisions 2 and 3, including all of Lots 1 through 89 inclusive; and Sunridge Highlands Areas 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11, including all of Lots 1 through 130, plus Lots 148 through 278 inclusive. Also including designated Common Area according to official plats as recorded in the office of the Weber County Recorder, State of Utah.

ARTICLE III

ASSOCIATION MEMBERSHIP AND VOTING

3.01 Membership. Every owner shall be a member of the Association. Membership in the Association shall be mandatory, shall be appurtenant to the Lot in which the owner has the necessary interest, and shall not be separated from the Lot to which it is appurtenant. Any conveyance of a Lot shall be construed to be a conveyance of the owner's membership in the Association and the rights appurtenant thereto.

3.02 Lot Ownership. No Owner of a Lot in the Association may subdivide said Lot. Though the Association may admit as members thereto the several owners of a single Lot, said owners shall be entitled to jointly cast but one vote on any Association matter on which members are entitled to vote. Should a Lot have joint owners, all correspondence and official business of the Association for the Lot shall be conducted with the Principal Owner at the address shown on records of the Weber County Recorder. A change in the Principal Owner and/or address on Association records may be requested in writing to the Sunridge Secretary/Treasurer by a request signed by a majority of all other Lot Owners.

F# 1999641 PGS OF 18

3.03 Voting Rights. All owners shall be entitled to one vote for each Lot in which an interest in the Association is held. In no event shall more than one vote exist or be cast with respect to any Lot. For Lots having joint owners, the Principal Owner only shall serve as the voting delegate unless such right is delegated to a proxy in a signed request from the principal owner prior to any such voting.

ARTICLE IV

POWERS OF THE BOARD

4.01 Elected Board. The Board of Trustees shall be elected by the Members of the Association in accordance with these Covenants, the Articles of Incorporation and Bylaws of the Association.

4.02 Board Authority. The Board shall have, and is hereby granted, the following authority and powers:

- a. Maintenance and Repairs. The power and authority to enter upon any Lot for water system or repairs, or other actions deemed reasonably necessary for the proper maintenance of Sunridge Properties.
- b. Grant Easements. The authority, without the vote or consent of the Owners, to grant or create reasonable permits or licenses, and easements over under across and through the Common Areas for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance, operation or regulation of the Property or Common Area.
- c. Execute Documents. The authority to execute and record, on behalf of all owners, all official documents of the Association.
- d. Standing. The power to sue and be sued.
- e. Enter Into Contracts. The authority to enter into contracts which in any way concern the Association, so long as any vote or consent necessitated by the subject matter of the agreement has been obtained.
- f. Transfer Interests in Real Property. The power and authority to exchange, convey or transfer any interest in real property, so long as it has been approved by at least seventy five percent (75%) of the members in the Association.
- g. To Purchase. The power and authority to purchase, otherwise acquire, and accept title to any interest in additional real property, so long as the purchase or acquisition has been approved by at least seventy five percent (75%) of the members in the Association.
- h. Promulgate Rules. The power and authority to promulgate, rescind, amend and enforce reasonable rules and regulations to aid the Board in carrying out any of its functions or to insure that the Association is maintained and used in a manner consistent with these Covenants.
- i. Meetings. The authority to establish procedures for the presiding over and conducting of Association Meetings. This includes, but is not limited to, the power to decide if the meeting or any part thereof shall be open or closed to Members of the Association or all others, retire to executive session, regulate record keeping, and regulate, control or prohibit the electronic reproduction (e.g., video, audio, etc.) of Association meetings.

- j. Enforcement. The Association is authorized and expected to enforce Association Covenants and bylaws for the general welfare of all owners. In cases of non compliance or violation, sanctions may include but are not limited to: loss of privileges and services (including water), assessment of fines, liens against property, and pursuit of legal action against offending Lot Owners as necessary. Sanctions may be imposed in accordance with rules and procedures adopted and published by the Board.

4.03 Notice to Owners. The Association shall furnish one copy of these Restrictive and Protective Covenants to each Principal Owner as of the date Covenants are adopted. Additional copies of Sunridge Bylaws or Covenants may be obtained from the Sunridge Secretary for a fee as set by the Association. Owners will be notified of routine changes in rules, regulations or procedures as may become necessary in the management of Sunridge via the Association newsletter (Ridgerunner), by special mailings to principal owners, and/or through prominent notices posted on Sunridge bulletin board(s), gates, and the Sunridge Security/Information Center.

4.04 Violations. For a violation or breach of any of these Covenants or rules the Association shall be authorized to proceed at law or in equity to compel a compliance. Whenever a condition exists which may be in violation of these Covenants and restrictions, the Association shall provide written notice of the violation to the Property Owner by certified mail or personal delivery. The notification shall allow thirty days to correct the violation or seek Board approval of a variance. Should a Property Owner fail to comply, the Association may correct the violation and bill the owner for the expense. Should expenses of such removal not be paid within thirty days, the Association may place a lien against the Lot for the amount of the expenses and collect the expenses in the same manner as regular assessments are collected as provided herein.

When the Association receives information regarding non-compliance with these Covenants or Association rules, the Board shall have the responsibility and duty to inspect and verify the violation. The Board has the right to enter upon any Property to inspect, monitor or take corrective actions. Any such entry or actions shall not be deemed trespass. Failure to promptly enforce these Covenants shall not bar their later enforcement.

ARTICLE V

DEVELOPMENT AND MAINTENANCE OF LOTS

5.01 Subdivision Prohibited. No Lot shall be further subdivided or separated into smaller Lots nor shall any Lot or fractional portion thereof be sold or conveyed so as to create a new Lot or entity.

E# 1999641 PG7 OF18

5.13 Owner Maintenance of Lots. No unsightly growths, refuse piles or unsightly objects, including commercial-type vehicles or trucks, shall be parked, placed or permitted to remain on any road, Common Area or Lot. (Unsightly objects include, but are not limited to lumber, junk, garbage, trash, or debris; abandoned, discarded or unused objects, junked motor vehicles, or sizeable parts thereof). Each Owner shall keep the Lots owned by him and all improvements thereon in good order and repair and free of debris, so as not to detract from the appearance of the Property or to affect adversely the value or use of any other Lot. If unsightly items are on a Lot, they must be removed by the owner within thirty (30) days of written notification from the Association. If not removed within 30 days, such unsightly items shall be considered a detrimental condition and may be removed by the Association at the Owner's expense.

5.14 Trash. No rubbish, trash, garbage or other waste material shall be kept or permitted upon any Lot or Common Area, except in sanitary containers located in appropriate areas screened and concealed from view, and no odor shall be permitted to arise therefrom so as to render the Property or any portion thereof undesirable to neighboring occupants.

5.15 Development Closed. No further development of additional Sunridge Areas or Lots shall occur in the future except in Areas and Lots which presently exist.

ARTICLE VI

USER PROTECTION AND RESTRICTIONS

6.01 Commercial Prohibited. No Lot or Common Area shall be used for business or commercial activity of any kind.

6.02 Signs. No advertising sign, poster, display, billboard or other device of any kind shall be displayed to the public view on any portion of the Property or any Lot without prior written consent from the Board; with the exception of one "for sale" sign of not more than two (2) feet by three (3) feet that may be posted on any Lot that is for sale by the Owner.

6.03 Animal Restriction. No animals, livestock, reptiles or poultry of any kind, except horses and usual household pets, shall be raised, bred, kept or maintained upon any Lot and no animal shall be maintained on a Lot for commercial purposes or in unreasonable quantities. As used in these Covenants, "unreasonable quantities" shall ordinarily mean more than two (2) pets per household. Unless accompanied by an Owner or authorized guest, dogs, horses and domestic pets shall be confined to the Owner's Lot and not allowed to roam onto neighboring Lots or Common Area. Dogs or other animals which could be a danger to other people, pets or wildlife must be strictly controlled or confined.

E# 1999641 PGS OF 18

5.07 Setback Requirements. No structure or any part thereof on a Sunridge Lot (including cabins, garages, porches, trailer pads, sheds, corrals or the like) shall be erected closer to any property line than 50 feet. (Variances allowed by previous Weber County Ordinances are deemed acceptable.) Reasonable variances will be considered by the Board on individual case bases when requested in writing. The housing, kenneling, corralling and tethering of animals upon a Lot shall be subject to the setback requirements contained herein.

5.08 Sheds. The use of sheds on Sunridge properties is governed by Weber County Zoning Codes. To obtain approval from the Board to construct a shed or other man made structure, first obtain a Weber County Land Use Permit. Attach a copy of the permit to your request for construction approval, addressed to the Sunridge Architectural Approvals Committee. Weber County Zoning Code allows no plumbing of any kind (water, drains, sewage, etc.) in a shed.

5.09 Timely Response from Association. Any building plans or specifications submitted to the Association (or designated Architectural Approvals Committee) for approval shall be approved or disapproved in writing within sixty (60) days after submission. Should the submitting owner not receive a written response within forty five (45) days, s/he may contact the Board President directly for an expedited response. Should a response not be received within sixty (60) days from when the plans were delivered to the Association, the plans may be deemed approved as long as they comply strictly with all Sunridge Covenants and Weber County regulations.

5.10 Timely Completion. Once improvements have been started on any Lot, it is expected that steady progress will be shown toward completion of the project. Ordinarily improvements should be substantially completed in accordance with authorized plans and specifications within three years from the date of commencement.

5.11 Excavations. No change in ground level may be made on any Lot in excess of four feet from existing grades without first obtaining the written approval of the Association and Weber County (compliance with the Hillside Development Ordinance) prior to the commencement of work. No rock, gravel, clay or soil shall be excavated or removed from any property for commercial purposes.

5.12 Sewage Disposal. All sewage and culinary waters shall be disposed of in accordance with Weber County Health Department requirements. Water disposal shall comply with Weber County Health Department regulations. A Weber County approved septic system shall be installed prior to any Lot being used on a regular basis for residential purposes. Any lavatory, toilet or water closet connected to a septic tank must be housed in a cabin or trailer.

Portable chemical toilets and mobile trailers not connected to a Weber County approved septic system may be used only during short vacation periods or during the construction of a cabin. Such portable toilets must be removed from Sunridge properties for disposal in an approved dumping system. Out-houses or privies on Association properties are prohibited by order of the Weber County Health Department.

E# 1999641 PG9 OF 18

5.02 Identification of Lots. Each Lot shall be identified by its designated Sunridge Lot Number with a permanent sign as soon as a Lot access road is cut and before proceeding with any further development of the Lot. Such sign shall be located where the primary Lot access intersects the Sunridge Common road, in lettering that is clearly readable from the Sunridge roadway.

~ Prolog to Single Family Residences ~

Sunridge is comprised of 350 privately owned lots. With an increasing number of lots being developed each year, Sunridge is rapidly becoming a densely occupied mountain community. Precious mountain resources that make Sunridge desirable must be vigorously preserved if it is to remain a place of beauty. Thus, it is in the best interest of all owners that lots be limited to single family residences, with exceptions as noted below. The Board of Trustees strongly urge compliance with Paragraph 5.03 that follows.

5.03 Single Family Residences. No Lot or Lots shall be used for other than single family residence purposes except for short vacation periods not to exceed ten (10) days, or when used temporarily to aid in the construction of a cabin. On Lots larger than two acres, Weber County zoning currently permits either a cabin plus one camping unit, or a total of two (2) camping units. In no case shall more than a total of two mobile trailers or camping units be allowed on any Lot except specified above. This limitation may be enforced by Weber County or the Association. No shack, shed, barn, temporary building, outbuilding or guest house shall be erected on any Lot except as in accordance with Weber County zoning ordinances and with written approval from the Association. All trailers and camping units used on properties during the summer shall be removed prior to the onset of winter.

5.04 Approval to Develop. The Association is responsible to assure high standards of development on all Sunridge properties. Plans for any improvement or structure to be erected or moved upon any Lot shall require written approval from the Board before any such work is commenced. (Approval authority may be delegated to an Architectural Approvals Committee.) The Association may make exceptions to these reservations and restrictions as it shall deem necessary and proper.

5.05 County /State/ Federal Regulations. Notwithstanding the provisions of this document, the rules and regulations of Weber County or any other governing body or agency exercising authority over said Property, will not be modified and shall take precedence over these covenants.

5.06 Building Standards and Specifications. No one story buildings shall be constructed on Lots with a fully enclosed floor area of less than seven hundred square feet (700 Ft.²), exclusive of carport, garage and open porches. No two-story buildings, or higher, shall be constructed with a fully enclosed first floor area of less than five hundred square feet (500 Ft.²). No one and one-half story building shall be constructed with a fully enclosed first floor area of less than six hundred square feet (600 Ft.²). The above requirements may be modified by the Board when in its judgment the aesthetic and property values in the area will be maintained even though a structure size may be smaller.

E: 1999641 PG 10 OF 18

6.04 Fires. Extreme caution must be exercised in the handling of fires. Open fires should be utilized with greatest care as permitted under Weber Fire District and Forest Service restrictions or guidelines. When warranted, the Association is authorized to declare emergency precautions and promulgate rules and regulations regarding the use of fire. The Association may establish fines and penalties for violation and enforcement purposes. General fire suppressive requirements are:

- a. All vegetation removed during construction shall be disposed of from the premises. Wood from authorized constructions may be burned for heat or cooking purposes. Combustible trash, rubbish and non-wood building materials shall be removed from Lots and disposed of in approved County dumping areas.
- b. One exterior freeze-proof water tap shall be provided at each Lot, far enough from any structure to permit hose protection to the sides and roof of all structures, and close enough to any fire pit or ring to provide immediate fire protection.
- c. Any out door fire shall be contained in three to five foot diameter metal, concrete or rock fire pit or ring that is a minimum of 25 feet from any cabin or structure. A minimum space of 10 feet in all directions from the fire pit or ring shall be free of brush, tree trunks or canopy, and any other combustible material.
- d. No fire pit or ring, charcoal burner or any other open flame is exempt from "No Burn" fire restriction notices posted by the Association, Weber County or Utah State.
- e. The use of any fireworks is prohibited on all Sunridge Properties.

6.05 Nuisances and Offensive Activities. No noxious or offensive activities shall be carried on upon any Lot or Common Area by Lot Owners or their guests which may become an annoyance or nuisance to occupants of other Lots or to other members of the Association or their guests. Common courtesy and respect for the rights of others is expected from all Association members and their guests. ATV's and motorcycles shall be driven in such a manner so as to not create disruptive noises to Sunridge Owners or guests. Stereos, radios, or other musical devises or instruments shall not be operated in such a manner as to be disruptive to other Owners or guests.. Nuisances are considered disruptive if they violate Utah Code Section 78-38-1, which defines nuisance as anything which is injurious to health, or indecent, or offensive to the senses, or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property.

6.06 Quiet Hours. All Owners, their families and guests shall observe quiet hours between the hours of 10:00 P.M. and 7:00 A.M. During quiet hours, no noise shall be made, or nuisance behavior exhibited that disturbs occupants of other Lots (see Paragraph 6.05). Electrical generators that are operated between 10:00 P.M. and 7:00 A.M. shall be operated in an enclosed structure that reduces the noise to occupants of adjoining Lots.

F# 1999641 PG11 OF 18

6.07 Operation of Vehicles. All vehicles operated on Association Properties shall be maintained in accordance with Utah State law so as not to create a danger to operators or others, become a nuisance, nor emit unreasonable smoke or noise. The use of ATVs at Sunridge is a privilege to be enjoyed - not a right to be assumed - and is subject to regulation by the Association. All vehicles - especially ATVs, motorcycles or other off road vehicles - shall be operated only on properly defined roads and rights of ways and not in any manner which will cause damage or harm to the natural environment or landscape. Posted speed limits must be observed by operators of all vehicles, and protective headgear worn by all persons as required by State law.

6.08 Shooting and Hunting. Shooting of firearms or hunting is not allowed on or near Sunridge private Lot areas. Hunting is regulated by the Association, and in accordance with U.S. Fish and Wildlife Service. Owners will be notified of Association regulations (subject to change annually) in the Ridgerunner and/or through prominent notices posted on Sunridge bulletin board(s), gates, and/or Security/Information Center.

ARTICLE VII

COMMON AREAS AND EASEMENTS

7.01 Owner Easements. Every Owner shall have a nonexclusive right and easement for use and enjoyment of all Common Areas, including nonexclusive right and easement to access County, State and Federal public lands in proximity to Sunridge. Such right and easement shall be appurtenant to and shall pass with title to each Lot and in no event shall be separated therefrom.

7.02 Delegation of Rights. All Owner's rights in Common Areas may be enjoyed by members of Owner's family and guests who use the Property. Owners permitting family or guests to use Sunridge Property assume responsibility for their actions, including compliance with these Covenants.

7.03 Utility Easements. If the Property or any improvement thereon is traversed or partially occupied by a permanent utility line or similar or related improvement, a perpetual easement for such utility or improvement and for the maintenance, repair and replacement thereof shall exist.

7.04 Operation and Maintenance of Commons by Association. Subject to the rights and duties of the Association and of the Owners as set forth in these Covenants, the Association shall provide and be responsible for the management, control, operation, care, maintenance, repair, replacement and upkeep of the Common Areas, and keep the same in good, clean, attractive, safe and sanitary condition, unless, until and except to the extent that such responsibility is transferred to and accepted by a public agency, authority or utility.

E# 1999641 PG12 OF 18

7.05 Damage to Common Area by Owner. In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, guests or invitee, the Owner shall be obligated to immediately reimburse the Association for the cost thereof. The Owner's obligation to reimburse the Association for the cost of such maintenance or repairs may be secured by a lien against the Owner's Lot in the same manner as provided with respect to Annual and Special Assessments.

7.06 Vista Property.

- a. Access Agreement. Vista members and guests are entitled to use the gates and main access road to the Vista property. Accordingly, Vista members shall be billed annually for a portion of costs for road maintenance, gates, management and security, as determined by the Board.
- b. Rules and Regulations. Vista members and guests shall observe all Sunridge rules and regulations while accessing Vista property via Sunridge roads. Other subdivision roads or Common Areas may not be used or accessed by non-Sunridge owners of Vista.
- c. Easements to Service Springs. Association representatives have right of access to service the springs in Left Hand of the Middle Fork and Jack's Canyon to maintain water sources, equipment and water lines providing water to Sunridge.
- d. Access to Federal and State Lands Sunridge Association members and guests have complete and free right of access across Vista property by way to all Federal and State lands through the Narrows on the Right Hand of the Middle Fork of the Odgen River. Additional easements including those in the Left Hand of the Middle Fork are also recorded. Vista owners shall not interfere with such rights of access, and Sunridge Association members should honor posted boundaries and respect the property rights of Vista Owners.

ARTICLE VIII

ASSESSMENTS AND EXPENDITURES

8.01 Covenant to Pay Assessments. Each Owner of any Lot by acceptance of instruments of conveyance and transfer thereof, shall be deemed to covenant and agree with each other and with the Association to pay to the Association all Annual and Special Assessments, such assessments to be fixed, established, levied and collected from time to time as hereinafter provided. No Owner may exempt himself or his Lot from liability of payment of the assessments provided for herein or diminish the amount of such liability by waiver or non-use of his rights concerning the Common Areas or of services and amenities provided by the Association or by abandonment of his Lot.

1999641 PG13 OF 18

8.02 Purpose of Assessments. The Annual and Special Assessments levied by the Association hereunder shall be used exclusively to promote the health, safety and welfare of the Lot Owners, to operate, maintain and improve the Common Areas, and to perform any other functions which the Association is obligated or permitted to perform under these Covenants. The uses made by the Association of Assessments collected hereunder may include, among other things, payment of the costs of the following:

- a. Expenses of management, including fees for a Manager if any;
- b. Taxes and Special Assessments;
- c. All insurance that the Association is required or permitted to maintain hereunder;
- d. Wages and related expenses for the services of such personnel as the Association may determine to be necessary or desirable for the proper performance of its functions hereunder whether such personnel are furnished or employed directly by the Association or by a person or entity with whom it contracts;
- e. Legal and accounting services necessary or desirable in connection with the operation of the Property or the enforcement of these Covenants;
- f. Water or public services for the Common Areas, or for the common use and benefit of the Owners as herein provided;
- g. Any deficit remaining from a previous period;
- h. Creation of a reasonable reserve or contingency fund;
- i. All goods and services procured by the Association in performing its responsibilities for maintenance of the Common Areas;
- j. Any other expenses necessary or desirable to enable the Association to perform or fulfill its obligations, purposes, or functions under Sunridge Covenants or Articles of Incorporation.

8.03 Annual Budget. Each fiscal year, the Association shall prepare a proposed annual budget based upon advance estimates of the Association's cash requirements to provide for payment of all estimated expenses arising out of management, control, operation, care, maintenance, repair, replacement, and upkeep of the Common Areas, and performance by the Association of its other obligations hereunder, including payment of any deficit remaining from a previous period and the creation of a reserve or contingency fund in such sum as the Association may deem necessary or prudent to provide an adequate reserve for maintenance, repairs and replacements that must be performed or provided on a periodic basis, and for other expenses or liabilities thereafter to accrue, although not payable in that fiscal year.

8.04 Annual Assessments. Annual Assessments shall be determined and levied by the Association against each and every Lot and shall commence as of the first day of January of each year. The maximum annual assessment which may be assessed without vote of the membership shall be an amount no greater than twenty-five percent (25 %) above the Annual Assessment for the previous year.

E: 1999641 PG14 OF 18

8.05 Late Fees. Should any Lot Owner fail to pay the Annual Assessment by the designated deadline, the delinquent payment shall be subject to a late fee of \$20.00 per month until the sum total of the Assessment and the cumulated late fees are paid in full.

8.06 Extension of Deadline. An extension of the date for payment of the Annual Assessment of up to two (2) months may be requested in writing to the Sunridge Treasurer prior to one week before the designated deadline. When written approval is granted, a one-time late fee of \$10.00 shall be charged for the extension period. Should the total payment not be completed by the end of the extension period, the additional regular late fees will immediately begin to accrue.

8.07 Special Assessments for Catastrophic Damage or Repairs. In addition to the Annual Assessments provided for above, the Association may levy Special Assessments for the purpose of defraying any expenses not reasonably capable of being fully paid with funds generated by Annual Assessments; or the cost of any construction, reconstruction or unexpectedly required repair or replacement of an improvement, or of any improvement which is required to be maintained by the Association. The Association shall give written notice to Owners as to the amount of any Special Assessment against each Lot, setting forth the total amount of such assessment and the date or dates on which the same or installments thereof are due and payable. Late fees and extension of deadlines as outlined in Paragraph 8.06 shall also apply for Special Assessments.

8.08 Lien for Overdue Assessments. All expenses assessed by the Association against any Lot, including late fees and costs of collection, constitute a lien against the Lot in favor of the Association. This paragraph constitutes notice to all Lot Owners, purchasers or lenders that a lien exists for all current or past due expenses or assessments. Recording a notice of lien shall not be necessary to create or perfect this lien. The Association may also record with the Weber County Recorder a notice of lien against any Lot which is not current in the payment of assessments or expenses. The lien for past due expenses or assessments may be enforced by foreclosure of the Lot Owner's interest or by filing an action in court in the same manner as foreclosures of deeds of trust, or by filing an action in court, or in any other manner permitted by law. The delinquent Lot Owner shall pay Association costs, expenses and reasonable attorney fees in any foreclosure, court action, or collection effort.

8.09 Liability of Purchaser. A purchaser of a Lot shall be jointly and severally liable with the seller thereof for all unpaid assessments against such Lot up to the time of the grant or conveyance; provided, however, that the provisions of this paragraph shall not prejudice such purchaser's right to recover from such seller the amount paid by the purchaser for such assessments.

ARTICLE IX

ASSOCIATION INSURANCE AND TAXES

9.01 Public Liability Insurance. The Association shall obtain and maintain at all times a broad form of comprehensive liability insurance coverage, in such amounts and in such forms as the Association deems advisable to provide adequate protection for the Association and its Board of Trustees.

9.02 Officers and Directors Liability Insurance. The Association shall purchase and maintain insurance on behalf of any person who is a member of the Board of Trustees or other officer, director, agent or employee of the Association in such forms and amounts as the Association may deem necessary or appropriate to protect any such person against liability asserted against him or incurred by him in any such capacity or arising out of his status as such.

9.03 Fidelity Insurance or Bond. The Association may purchase, in such amounts and in such forms as it deems appropriate, fidelity insurance or a bond to cover against dishonesty of trustees, officers, agents or employees, destruction or disappearance of money or securities, and forgery.

9.04 Additional Insurance. In addition to the insurance coverage required by these Covenants, the Association shall have the power and authority to obtain and maintain other similar and dissimilar insurance coverage in relation the Common Areas and the Association's duties and responsibilities hereunder, which additional insurance coverage may be in such amounts and in such forms as the Association from time to time deems appropriate.

9.05 Taxes and Assessments on Common Areas. The Association shall pay all taxes, assessments, charges, and impositions of every kind and nature which are lawfully assessed or imposed by any governmental or public authority with respect to the Common Areas.

ARTICLE X

GENERAL PROVISIONS

10.01 Subordination of Liens to Mortgages. A lien by the Association against a Lot for delinquent assessments shall be subordinate to a previously recorded trust deed or mortgage, and has priority above all other liens and encumbrances except encumbrances recorded against the Lot prior to the date such notice is recorded.

10.02 Interpretation. These Covenants shall be liberally construed for the purpose of creating a uniform plan of operation for the Property and Association. The provisions herein are independent and severable, and the invalidity of any provision or portion thereof shall not affect the validity of any other provision. Failure to enforce any provision herein shall not operate as a waiver of any such provision nor limit the Association from enforcing the provision at a later date.

10.03 Compliance and Enforcement. Any person who in any manner uses Sunridge Property shall be subject to these Covenants and the rules adopted hereunder. Failure of any person to comply with these Covenants or with Sunridge rules shall be grounds for bringing an action for damages or injunctive relief by the Association or by an aggrieved Owner. In any action to enforce these Covenants or Sunridge rules, with or without formal legal proceedings, the prevailing party shall be entitled to recover all costs and reasonable attorney fees.

10.04 Registration of Mailing Address. Each Principal Owner shall register with the Association his current mailing address. All notices and demands intended to be given to or served upon any Owner may be hand delivered or sent by first-class U. S. mail postage prepaid, and addressed to the Principal Owner at the latest address registered with the Association; or if no address has been registered, to the Owner at the address listed for property tax purposes with the Weber County Recorders Office. All Owners are responsible for any and all notices sent to an obsolete address if the Association Secretary/Treasurer has not been notified in writing of an address change. All notices and demands intended to be given to or served upon the Association may be sent by first-class U. S. mail, postage prepaid, and addressed to the Association at the address of its registered agent or to the address of the President of the Association.

10.05 Amendment to Covenants. These Covenants may be amended by a vote of two thirds (2/3) of those Sunridge Property Owners present at a duly called meeting of members of the Association or by proxy votes received prior to voting in the meeting. The amendment becomes binding when executed by the Association President certifying that such vote complied with all specifications in this Paragraph, and is recorded in the Office of the Weber County Recorder. The meeting for such purpose shall be executed by the following procedure:

- a. The Board shall notify each Principal Lot Owner by first class mail at least thirty (30) days in advance of any proposed action to amend these covenants. The notification shall include the date, time and location of the meeting where the voting to amend will be conducted. Proxy voting procedures shall also be disclosed in the notification for any members who do not attend the meeting.
- b. Printed copies of any proposed changes shall accompany notification. Each Principal Owner shall be encouraged to study the proposed changes and vote for or against their adoption.

10.06 Covenants to Run with Land. These Covenants and all the provisions hereof shall constitute Covenants to run with the land or equitable servitudes, and shall be binding upon and shall inure to the benefit of Association, all parties who hereafter acquire any interest in Sunridge Property. By acquiring Sunridge Property all Owners acquiring such interest consent and agree to be bound by each and every provision of these Covenants.

10.07 No Liability for Damages: Neither the Association or any member of the Board of Trustees shall be held liable for damages by reason of any action, inaction, approval, or disapproval by it with respect to any request made pursuant to these covenants.

10.08 Effective Date. These Covenants and any amendment hereof shall take effect upon recording in the office of the County Recorder of Weber County, State of Utah.

(End)

E# 1999641 PG 17 OF 18

CERTIFICATION

I hereby certify that three-quarters of the Lot Owners present in person or by proxy at a meeting of the Lot Owners voted in favor of these Covenants.

IN WITNESS WHEREOF, this 18th day of December, 2003.

"Sunridge Property Owners Association"

B. Larry G. Worrell
President

STATE OF UTAH)

:ss.

COUNTY OF WEBER)

On this 18th day of Dec, 2003, personally appeared before me Larry G. Worrell who, being by me duly sworn, did say that he is President of the Sunridge Property Owners' Association and that the within and foregoing instrument was signed in behalf of said Association and he duly acknowledged to me he executed the same.



Douglas W. Crofts
Notary Public