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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
SUNRISE STATION SUBDIVISION

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**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
SUNRISE STATION SUBDIVISION**

THIS DECLARATION made and executed this ^{JUL}~~2~~ day of ^{JUNE}~~May~~, 2000, by ROCHELLE PROPERTIES, L.C., a Utah limited liability company, with its principal place of business located in Salt Lake City, State of Utah, (hereinafter referred to as "Declarant").

RECITALS:

A. Declarant is the record owner of that certain tract of property more particularly described in Article II of this Declaration.

B. Declarant desires to provide for preservation of the values and amenities of the Property and for maintenance of the Common Areas. To this end, and for the benefit of the Property and of the Owners thereof, Declarant desires to subject the Property described in Article II of this Declaration and the various Lots now or hereafter contained within the entire tract hereinafter described to the covenants, restrictions, easements, charges, liens hereinafter set forth.

C. Declarant deems it desirable for the efficient preservation of the values and amenities of the Property, to create an incorporated association which possesses the power to maintain and administer the Common Areas, to collect and disburse the assessments and charges hereinafter provided for, and otherwise to administer and enforce the provisions of this Declaration.

NOW, THEREFORE, Declarant hereby covenants, agrees and declares that all of the Property described in Article II hereof shall be held, transferred, sold, conveyed, occupied and used subject to the covenants, restrictions, conditions, easements, charges, assessments, obligations, and lien hereinafter set forth.

I. DEFINITIONS

1.1. Association shall mean and refer to the Sunrise Station Homeowners' Association, an incorporated association consisting of the Members.

1.2. Board shall mean and refer to the Board of Trustees of the Association consisting of three (3) members, as duly elected in accordance with the terms and conditions of Bylaws of the Association, if adopted by a majority of the Members.

1.3. Class 1 Lots mean and refer to Lots 84 through 141, inclusive, as set forth on Subdivision Plat of Sunrise Station Subdivision as identified in Section 1.17 below.

1.4. Common Areas shall mean and refer to that part of the Property which is not included with the Lots which is owned by the Association for the common use and enjoyment of the Owners, or the limited use of certain Owners as to Limited Common Areas, together with all improvements thereon and all easements appurtenant thereto, including but not limited to private utility lines and personal property owned by the Association when the context so requires.

1.5. Declaration shall mean and refer to this Declaration of Covenants, Conditions and Restrictions.

1.6. Development shall at any point in time mean, refer to, and consist of the Subdivision then in existence.

1.7. Landscape Easement shall mean: (a) those areas in parkstrips of Lots 1, 24, 56 and 57, respectively, as they abut Lone Peak Parkway, including, but not limited to, trees, sod and other landscaping; and (b) those landscaped areas within the parkstrips of all lots as they abut streets, including, but not limited to, trees, sod and other landscaping located therein.

1.8. Limited Common Areas shall mean and refer to those improvements constituting an underground drain system and lines (excluding laterals and drains installed for the benefit of a single Lot), together with an easement across the Property for access to such drain system for the repair and maintenance thereof, which system is owned by the Association but is restricted to the common use and enjoyment of the Owners of the Class 1 Lots.

1.9. Living Unit shall mean and refer to a structure which is designed and intended for use and occupancy as a single-family residence, together with all improvements located on or with respect to the Lot concerned which are used in connection with such residence.

1.10. Lot shall mean and refer to any one of the separately numbered and individually described plots of land described on a Plat: (a) which is intended to be owned individually, rather than by an association of Owners or in common by Owners of different lots; and (b) which is intended to be used as the site of a single Living Unit.

1.11. Member shall mean and refer to every person who holds a membership in the Association.

1.12. Mortgage shall mean any mortgage, deed of trust or trust deed or the act of encumbering any Lot or any property by a mortgage, trust deed or deed of trust.

1.13. Mortgagee shall mean any person named as a mortgagee of a mortgage or beneficiary under or holder of a deed of trust.

1.14. Owner shall mean and refer to the person who is the Owner of record (in the office of the County Recorder of Salt Lake County, Utah) of a fee or an undivided interest in any Lot. Notwithstanding any applicable theory relating to a mortgage, deed of trust or like instrument, the term "Owner" shall not mean or include a mortgagee or a beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

1.15. Parks shall mean and refer to those open spaces and trails designated as Parks and/or trails on a Plat and which are to be dedicated to Draper City for the general use of the public.

1.16. Parcel shall mean and refer to the Property which is subject to this Declaration, which is filed for record in the office of the County Recorder of Salt Lake County, Utah, is separately subjected to the terms of this Declaration with the intention that it shall thereby comprise the Development. The real property described in Article II of this Declaration constitutes the Parcel.

1.17. Plat shall mean and refer to any subdivision plat, any plat of a planned unit development, or any plat or map similar to any of the foregoing: (a) which covers the Property; (b) which describes or creates one or more Lots; (c) on which or in an instrument recorded in conjunction therewith there is expressed the intent that the Subdivision created by the Plat shall comprise a part of the Development; and (d) which is filed for record in the office of the County Recorder of Salt Lake County, Utah. Recorded concurrently with this Declaration is a Subdivision Plat of Sunrise Station Subdivision (Phase 1), and executed and acknowledged by Declarant on MAY 25, 2000, and creating separately numbered Lots. Said subdivision plat constitutes a Plat.

1.18. Property shall mean and refer to all of the real property which is covered by a Plat.

1.19. Subdivision shall mean and refer to the entire residential development which is created and covered by one or more Plats.

II. PROPERTY DESCRIPTION

2.1. Submission. The Property which is and shall be held, transferred, sold, conveyed and occupied subject to the provisions of this Declaration consists of the following-described real property situated in Salt Lake County, State of Utah.

See Exhibit "A" attached hereto and incorporated herein by reference.

EXCLUDING all presently existing or to be constructed or installed sewer lines, water mains, gas lines, electrical conduits, telephone lines, and related facilities to the extent that they are located outside the Lots included with the above-described tract; provided, however, that lines and systems specifically conveyed to the Association by Declarant shall not be included within this exclusion.

RESERVING UNTO DECLARANT, however, such easements and rights of ingress and egress over, across and through and under the above-described tract and any improvements now or hereafter constructed thereon as may be reasonably necessary for Declarant or any assignee of Declarant (in a manner which is reasonable and not inconsistent with the provisions of this Declaration): (i) to construct a Living Unit on each and every Lot; and (ii) to improve the Common Areas and Limited Common Areas with such facilities, including, but not limited to, roads, walkways and various landscaped areas, designed for the use and enjoyment of all the Members as Declarant may reasonably determine to be appropriate. If, pursuant to the foregoing reservation, the above-described tract 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 reservation hereby effected shall, unless sooner terminated in accordance with its terms, expire seven (7) years after the date on which this Declaration is filed for record in the office of the County Recorder of Salt Lake County, Utah.

FURTHER RESERVING UNTO DECLARANT, the right to seek and obtain reimbursement from real property owners adjacent to the Property when such owners seek to connect to utility lines (dedicated or private) installed for the benefit of the Property.

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 and exclusions; all mineral reservations of record and rights incident thereto; all instruments of record which affect the above-described tract or any portion thereof, including without limitation, any mortgage or deed of trust; all visible easements and rights-of-way; and all dedications, easements and rights-of-way of record or shown on a Plat.

2.2. Multiple Submissions. Declarant reserves the right to submit to the provisions of this Declaration, by the filing of one or more Plats and Supplemental Declarations, and at different dates, each of the Phases of development identified as part of the real property described in Exhibit "B" attached hereto. Such additional parcels of

real property, if not included within the initial submission identified in Section 2.1 above, shall become subject to the terms of the Declaration by the recording of a Supplemental Declaration executed by the Defendant, simultaneously with the recording of a Plat describing the real property to be added to the provisions of this Declaration. Such submission shall be effective upon recording of the Supplemental Declaration and Plat and shall not require the consent of the Association or any Owner.

III. MEMBERSHIP AND VOTING RIGHTS

3.1. 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 appertains.

3.2. Voting Rights. The Association shall have the following described two classes of voting membership:

Class A. Class A Members shall be all Owners other than the Declarant until the Class B membership ceases. Class A Members shall be entitled to one vote for each Lot in which the interest required for membership in the Association is held. In no event, however, shall more than one Class A vote exist with respect to any Lot.

Class B. The Class B Member shall be the Declarant or its assignee as provided in Section 10.5. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the interest required for Membership in the Association. The Class B Membership shall automatically cease and be converted to a Class A membership on the first to occur of the following events:

(a) When the total number of votes held by all Class A Members equals the total number of votes held by the Class B Member; or

(b) The expiration of seven (7) years after the date on which this Declaration is filed for record in the office of the County Recorder of Salt Lake County, Utah.

3.3. 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 among themselves. A vote cast at any Association meeting by any of such Owners, whether in person or by proxy, shall be conclusively presumed to be the vote attributable to the Lot concerned unless an objection is immediately made by another Owner of the same Lot. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

3.4. Record 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) to him of his Lot. Each Owner shall file a copy of such conveyance document (or contract) with the secretary of the Association with a transfer fee of \$10.00, who shall maintain a record of ownership of the Lots. Any Owner who mortgages his Lot or any interest therein by a mortgage which has priority over the lien of any assessment provided herein 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. Any cost incurred by the Association in obtaining the information about an Owner as specified herein which is not furnished by such Owner shall nevertheless be at the expense of such Owner and shall be reimbursed to the Association as a "Reimbursement Assessment" in accordance with the provisions of Section 5.5.

IV. PROPERTY RIGHTS IN COMMON AREAS

4.1. Easement of Enjoyment. If Common Areas, other than the limited common areas, are reserved to the Association, each Member shall have a right and easement of use and enjoyment in and to the Common Areas, limited however to the intended use thereof. Each Member included within the class of Owners for which the Limited Common Areas is reserved shall have a right and easement of use and enjoyment in and to the Limited Common Areas, limited however to the intended use thereof. Such right and easement shall be appurtenant to and shall pass with title to each Lot and in no event shall be separated therefrom. Any Member may delegate the right and easement of use and enjoyment described herein to any tenant, lessee or contract purchaser who resides on such Member's Lot.

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

Lot No. _____, contained within the Sunrise Station Subdivision, Phase ____, as the same is identified in the Plat recorded in Book _____, at Page _____, and in the "Declaration of Covenants, Conditions and Restrictions of the Sunrise Station Subdivision" recorded in Book _____ at Page _____, of the official records of the Salt Lake County Recorder.

TOGETHER WITH a right and easement of use and enjoyment in and to the Common Areas (or Limited Common Areas, as applicable) described and provided for in said Declaration of Covenants, Conditions and Restrictions and in the Record of Survey Map in the official record of the Salt Lake County Recorder.

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.

4.3. Transfer of Title. If the dedication of Common Areas by filing of the Plat is deemed insufficient for a dedication, Declarant agrees to convey to the Association title to the various Common Areas and Limited Common Areas free and clear of all liens (other than the lien of current general taxes and the lien of any assessments, charges, or taxes imposed by governmental or quasi-governmental authorities, if any), as each of the improvements in such Common Areas and Limited Common Areas are substantially completed.

4.4. Limitation on Easement. A Member's right and easement of use and enjoyment concerning the Common Areas and Limited Common Areas, as applicable, shall be subject to the following:

(a) The right of the Association to impose reasonable requirements for connection to and/or use of any Common Areas and Limited Common Areas; provided, however, the drain system comprising the Limited Common Areas are exclusively reserved for the use of the Owners of Class 1 Lots (Owners of Lots 84, through 141, inclusive); and

(b) The right of the Association to dedicate or transfer all or any part of the Common Areas and/or Limited Common Areas, including, but not limited to sewer, water and storm drain trunk lines to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the Association. Such dedication shall not constitute a release of the reservation to Declarant as set forth on Section 2.1. Any such dedication or transfer must, however, be assented to by (i) all holders of first Mortgages secured by Lots and (ii) by a majority of the vote of each class of membership which Members present in person or by proxy are entitled to cast at a meeting duly called for that purpose written or printed notice setting forth the purpose of the meeting and the action proposes shall be sent to all Members at least ten (10) but not more than thirty (30) days prior to the meeting date.

V. ASSESSMENTS

5.1. 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 assessments described in this Article, together with the hereinafter provided for interest and costs of collection. 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; and (b) the personal obligation of the person who is the Owner 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 concerning the Common Areas and/or the Limited Common Areas, as applicable, 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 attorneys 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 therefor.

5.2. Purpose of Assessments. Assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, and welfare of residents of the Property, including but not limited to, payment of the cost of taxes and insurance on the Common Areas and Limited Common Areas, if any; maintenance, repair and improvement of the Common Areas and Limited Common Areas; establishing and funding a reserve to cover major repair or replacement of improvements within the Common Areas and/or Limited Common Areas; and any expenses necessary or desirable to enable the Association to perform or fulfill its obligations, functions or purposes under this Declaration or its Articles of Incorporation.

Notwithstanding the foregoing, all costs of maintenance, repair and replacement of the Limited Common Areas and improvements located therein, shall be allocated to and paid directly from the "Class 1 Lot Assessment Fund" as provided in Section 5.3 herein below.

5.3. Maximum Annual Assessment. In addition to the assessments provided in Section 5.11 below, as of the date set under Section 5.7, each Lot shall be subject to an annual assessment not to exceed an amount established by the Association not later than the assessment commencement date specified in Section 5.7 below; provided, however, that each of the Class 1 Lots may be subject to an additional maximum annual assessment also to be established by the Association not later than the assessment commencement date specified in Section 5.7 below, which amount shall be separated, segregated and used for satisfaction of the costs of maintenance, repair and replacement of the Limited Common Areas (such fund herein referred to as the "Class 1 Lot Assessment Fund"). From and after January 1, 2001, the maximum annual assessment and the maximum amount of additional assessment for the Class 1 Lot Assessment Fund may be increased or decreased so long as the change is assented to by not less than a majority of the Members other than the Declarant (or if the two class voting structure is still in effect as provided herein, a majority of the votes of each Class of Members), present in person or represented by proxy at a meeting duly called for such purposes; further provided, that only the Owners of Class 1 Lots may vote on the amount of increase and/or decrease of maximum assessments relative to the Class 1 Lot Assessment Fund. Written notice setting forth the purpose of the meeting shall be sent to all Members at least ten (10) but not more than thirty (30) days prior to the meeting date. The Officers of the Association may from time to time and in their discretion set the amount of the annual assessment, including the amount for the Class 1 Lot Assessment, at any sum not in excess of the then applicable maximum amounts.

5.4. Special Assessments. From and after the date set under Section 5.7, the Association may levy special assessments for the purpose of defraying, in whole or in part: (a) any expense or expenses not reasonable capable of being fully paid with funds generated by annual assessments; or (b) the cost of any construction, reconstruction or required repair or replacement in connection with the Common Areas or Limited Common Areas. Any such special assessments must be assented to by not less than a majority of the Members other than the Declarant (or if the two class voting structure is still in effect as provided herein, a majority of the votes of each Class of Members), present in person or represented by proxy are entitled to cast at a meeting duly called for the purpose; provided, however, that only Class 1 Lot Owners shall vote on special assessments relative to the Limited Common Areas and a majority of the same shall be sufficient for their consent. Written notice setting forth the purpose of the meeting shall be sent to all Members at least Ten (10) but not more than Thirty (30) days prior to the meeting date.

5.5. Reimbursement Assessment on Specific Lot. In addition to any annual or special assessments authorized pursuant to Sections 5.3 and 5.4, the Board may levy at any time Special Assessments (a) on each Lot the Owner or occupant of which shall cause any damage to the Common Areas, Limited Common Areas, and/or the Parks necessitating repairs; and (b) on each Lot as to which the Association shall incur any expense for maintenance or repair work performed, or enforcement action taken, pursuant to Section 3.4, Section 6.1(c), Section 6.2(a) or other provisions of this Declaration (all or part of the foregoing being sometimes referred to as "Reimbursement Assessment"). The aggregate amount of any such Special Assessments shall be determined by the cost of such improvements, repairs, maintenance or enforcement action, including all overhead and administrative costs and attorney's fees, and shall be allocated among the affected Lots according to the 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 obligations of the Association, it shall not give rise to a Reimbursement Assessment against the Lots benefitted.

5.6. Uniform Rate of Assessment. Except as provided for the Class 1 Lots, Section 5.5 above, or this Section 5.6, annual and special assessments shall be fixed at a uniform rate for all Lots owned by parties other than the Declarant. Assessments upon Class 1 Lots for the Class 1 Lot Assessment Fund shall be at a uniform rate for all Class 1 Lots owned by parties other than the Declarant. Declarant, for each unsold Lot owned by it in the development and upon which a Living Unit has been constructed and a certificate of occupancy has been issued, shall also be subject to annual and special assessments as herein provided for all Lot Owners; otherwise the Declarant has no responsibility for annual or special assessments.

5.7. Assessment Commencement Dates. Subject to the further provisions of this Article V, a Lot is subject to an annual and special assessment upon the earlier of: (i) one (1) year after the date a deed is delivered from the Declarant to the purchaser of a Lot, or (ii) if the sale is by way of a contract of sale, one (1) year after the date the contract is

executed by the parties thereto; or (iii) the first day of the month after the sale of the Living Unit, whether or not by the Declarant or any successor owner.

5.8. Certificate Regarding Payment. Upon the request of any Owner or prospective purchaser or encumbrancer of a Lot, the Association shall issue a certificate stating whether or not 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 in good faith rely thereon.

5.9. Effect of Non-Payment; Remedies. Any assessment not paid when due shall, together with the hereinafter provided for interest and costs of collection be, constitute and remain a continuing lien on the affected Lot; provided, however, that any such lien will be subordinate to the lien or equivalent security interest of any first mortgage on the Lot recorded prior to the date any such assessments became due. If the assessment is not paid within sixty (60) days after the date on which it becomes delinquent, the amount thereof shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum and the Association may foreclose the lien in any manner provided by law against the Owner who is personally liable. In the event the lien is foreclosed in the same manner as foreclosures in deeds of trusts or mortgages, the Association shall appoint a Trustee in the Notice of Default in accordance with Section 57-1-21 of the Utah Code. Any judgment obtained by the Association shall include reasonable attorneys' fees, court costs, and each and every expense incurred by the Association in enforcing its rights.

5.10. Tax Collection by County Authorized. It is recognized that under the Declaration the Association will own the Common Areas, and that it may be obligated to pay property taxes to Salt Lake County. It is further recognized that each Owner of a Lot as a Member of the Association will be required to reimburse the Association for his pro rata share of such taxes paid through a special assessment, if necessary. Notwithstanding anything to the contrary contained in the Declaration, Salt Lake County shall be authorized to collect such pro rata share of taxes directly from each Owner by inclusion of said share with the tax levied on each Lot.

5.11 Reserve for Replacements. The Association shall be required to establish and maintain as part of a Common Area Reserve Fund, including a separate Class 1 Lot Assessment Fund, an adequate reserve fund for the cost of reasonably predictable and necessary major repairs, maintenance and replacement of the Common Areas and Limited Common Areas. Such reserve shall be initially funded by each purchaser of a Lot who shall pay to the Association at the time specified in Section 5.7, for deposit into the Common Area Reserve Fund and the Class 1 Lot Assessment Fund, respectively, the equivalent of one fifth (1/5) of the then Common Area Assessment and the Class 1 Lot Limited Common Area Assessment. Any amount paid to this reserve shall not be considered as an advance payment of regular assessments. This reserve fund shall be transferred to a segregated fund in the name of the Association upon transfer of control of the Association to the Owners. The Declarant shall be prohibited from using the reserve

funds to defray any of its expenses, reserve contribution, or construction costs, or make up any budget deficits while it is in control of the Association.

VI. DUTIES AND POWERS OF THE ASSOCIATION

6.1. Duties of the Association. Without limiting any other duties which may be imposed upon the Association by 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 and Limited Common Areas conveyed to it by Declarant.

c. The Association shall maintain, repair, and replace all of the Common Areas and Limited Common Areas and any and all improvements constituting the same, including but not limited to those fences other than those to be maintained by Owners. The Association shall have no obligation to perform any exterior maintenance and/or repair of any part of a Living Unit or any other landscaping installed by an Owner.

Except as provided below, each Owner of a Lot adjacent to a portion of the Landscape Easement shall have an obligation to provide adequate water to sustain all landscaping installed in the Landscape Easement and shall otherwise repair and maintain the same. The Association shall have the right, but shall not be obligated, to install, maintain and replace landscaping within those portions of the Landscape Easement that an Owner fails to maintain and the same shall give rise to a Reimbursement Assessment. The Association shall, nevertheless, maintain, repair, and provide, as common area expenses, all landscaping and adequate water for the same on that portion of the Landscape Easement adjacent to and running parallel to Lone Peak Drive and located upon Lots 1, 24, 56 and 57.

As provided in Section 7.9, each Owner shall have the obligation to provide exterior maintenance of his Living Unit including but not limited to painting, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, and landscaping installed by an Owner or his predecessor in title. Each Owner shall paint, repair, and otherwise maintain the exterior and interior of his Living Unit and shall maintain all mechanical devices, including but not limited to, appurtenant electrical, plumbing and heating, ventilating and air conditioning systems.

In the event that the need for maintenance or repair of Common Areas, Limited Common Areas, or the Landscape Easement as specified herein is caused through the willful or negligent acts of an Owner, or through the willful or negligent acts of

the family, guests or invitees of an Owner, the Board may cause such repairs to be made by the Association and the cost of such maintenance or repair (and administrative expenses equal to ten (10%) percent of such costs) shall be added to and become part of the Reimbursement Assessment (as set forth in Section 5.4) to which such Lot is subject.

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 or the Limited 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, if any, 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 and Limited Common Areas, if deemed necessary, 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 such as shall be 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 year, renewable by agreement of the parties for successive one-year periods. Any Managing Agent may be an independent contractor and not an agent or employee of the Association.

6.2. Powers and Authority of the Association. The Association shall have all the powers set forth in herein and its Bylaws, 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. The Association shall have the power and authority 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, or for the purpose of removing any improvement constructed, reconstructed, refinished, altered or maintained upon such Lot in violation of Article VII of this Declaration. 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 Limited Common Areas, and exterior repairs of Living Units to the extent necessitated by the failure of the Owners of such Lots, or in exercising any of its rights to construct, maintain and repair improvements or other work upon any of the Common Areas and Limited Common Areas, and provided that any contract for goods or services having a term of more than one (1) year shall state that it may be terminated by either party at the end of the first year or at any time thereafter upon no less than ninety (90) days written notice, the Association shall have the power and authority (i) to pay and discharge any and all liens placed upon any Common Areas and/or Limited Common Areas on account of any work done or performed by the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration and (ii) to obtain, contract and pay for, or to otherwise provide for:

i. Construction, maintenance, repair of the Common Areas, Limited Common Areas, and exterior repairs of Living Units upon Lots to the extent necessitated by the failure of Owners of such Lots 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 Declarant, the Association, the members of the Board and the Owners;

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

vi. Such materials, supplies, equipment, services and labor as the Board may deem necessary.

c. The Board may delegate by resolution or contract to the Managing Agent any of its powers under this Declaration; provided, however, that the Board cannot delegate to such Managing Agent the power to execute any contract binding on the Association for a sum in excess of One Thousand Dollars (\$1,000.00), nor the power to sell, convey, mortgage, or encumber any Common Areas or Limited Common Areas.

6.3. Association Rules. The Board from time to time and subject to the provisions of this Declaration, may adopt, amend, repeal and enforce rules and regulations governing, among other things: (a) the use of the Common Areas and/or Limited Common Areas; (b) the collection and disposal of refuse; (d) the maintenance of animals on the Property; (e) the use of Living Units for business or rental purposes; and (f) other matters concerning the use and enjoyment of the Property and the conduct of residents. The Board may also adopt additional Architectural Guidelines for the construction of Living Units. Rules and Regulations and/or Architectural Guidelines adopted by the Board may be enforced in accordance with the provisions of Section 7.18.

6.4. 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 or the Managing Agent.

6.5. Insurance. The Association may secure, if the Board elects, the following insurance coverage:

(a) Policy or policies of fire and casualty insurance, with extended coverage endorsement, for the full insurable replacement value of all improvements comprising a part of the Common Areas and Limited Common Areas. The name of the insured under each such policy shall be in form and substance similar to: "The Sunrise Station Homeowner's Association for the use and benefit of the individual Lot Owners and Mortgagees, as their interests may appear".

(b) A policy or policies insuring the Owners, the Association, and its directors, officers, agents, and employees against any liability incident to the ownership, use or operation of the Common Areas and Limited Common Areas which may arise among themselves, to the public, and to any invitees or tenants of the Property or of the Owners. Limits of liability under such insurance shall be in amounts determined by the Board. Such policies shall be issued on a comprehensive liability basis and shall provide a cross-liability endorsement pursuant to which the rights of the named insured as between themselves are not prejudiced.

The following additional provisions shall apply with respect to insurance:

(1) The Association shall have the authority to adjust losses.

(2) Insurance secured and maintained by the Association shall not be brought into contribution with insurance held by the individual Owners or their mortgagees.

(3) Each policy of insurance obtained by the Association shall, if reasonably possible, provide: a waiver of the insurer's subrogation rights with respect to the Association, the Owner, and their respective directors, officers, agents, employees, invitees, and tenants; that it cannot be canceled, suspended or invalidated due to the conduct of any particular Owner or Owners; that it cannot be canceled, suspended or invalidated due to the conduct of the Association or of any director, officer, agent or employee of the Association without a prior written demand that the defect be cured; without a prior written demand that the defect be cured; that any "no other insurance" clause therein shall not apply with respect to insurance held individually by Owners.

6.6. Quorum Requirements. The quorum required for any action by the Members hereunder, unless otherwise specifically set forth in this Declaration, shall be as follows: At the first meeting called the presence of Members or of proxies entitled to cast sixty percent (60%) of all outstanding votes shall constitute a quorum. If a quorum is not present at the first meeting or any subsequent meeting, another meeting may be called at which a quorum shall be one-half 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.

VII. USE RESTRICTIONS

7.1. Use of Common Areas and Limited Common Areas. The Common Areas and the Limited Common Areas shall be used only in a manner consistent with their community nature and with the use restrictions applicable to Lots and Living Units.

7.2. Use of Lots and Living Units. All Lots are intended to be improved with Living Units and are restricted to such use. No gainful occupation, profession, trade or other non-residential use shall be conducted on any Lot or Living Unit unless consistent with the Association Rules and applicable governmental requirements. Each Living Unit shall be used only as a single-family residence. No Lot or Living Unit shall be used, occupied, or altered in violation of law, so as to jeopardize the support of any other Living Unit, so as to create a nuisance or interfere with the rights of any Owner, or in a way which would result in an increase in the cost of any insurance covering the Common Areas or Limited Common Areas.

7.3. Building Features and Materials.

(a) Building Location. No Living Unit shall be located nearer than five (5) feet to any side yard, fifteen (15) feet to any front yard street and a side yard street for corner lots, or fifteen (15) feet to any rear yard boundary; further provided that no garage (whether or not attached to the Living Unit) may be located nearer than twenty (20) feet to any front yard or side yard street. As set forth above, two (2) front yard set backs are required for corner lots, and the requirement for an additional set back shall not be the basis for granting a variance from Draper City when constructing a Living Unit upon a corner lot.

(b) Garages. Garages must be fully enclosed, accommodate a minimum of two cars, and be equipped with an automatic garage door opener. Carports are not permitted.

(c) Exterior Building Wall Materials. Brick, stone, stucco, vinyl, cultured bricks and stone, and wood are permitted for the exteriors of Living Units and accessory buildings. The use of any other materials for such buildings shall require the prior approval of the Architectural Control Committee.

(d) Roof, Soffit and Facia. Roof, soffit and facia material shall be restricted to wood shingles, or shakes, slate, metal, tile, asphalt shingles or other materials approved by the Architectural Control Committee. Fiberglass is prohibited.

(e) Accessory Structures. Patio structures, trellises, sunshades, gazebos and any other appurtenant buildings shall be constructed of materials consistent with the colors, textures and materials approved for the Living Unit and shall be integral to the architecture of the house and subject to the approval of the Architectural Control Committee.

(f) Chimneys. Chimneys of approved exterior materials may not exceed the height required by appropriate governmental agencies.

(g) Mailboxes. Mailboxes shall be provided and maintained by each Owner. Mailbox location, height, design and color will be subject to the approval of the United States Post Office.

(h) Fences and Walls.

(i) Each Owner of Lots 57 through 83, respectively, shall be required to install, within one (1) year of the purchase of a Lot, and shall thereafter maintain at his own expense, a fence along the northern boundary of an irrigation easement (approximately ten feet inside the south lot boundary line as it traverses such Owner's Lot), such fence to be of a height, color, and material as specified in subparagraph (v) below.

(ii) Each Owner of Lots 84 through 99 (the expected Lot designations for Phase 2), respectively, shall be required to install, within one (1) year of the purchase of a Lot, and shall thereafter maintain at his own expense, a fence on the westerly boundary of his Lot as it abuts the railroad right-of-way, such fence to be of a height, color, and material as specified in subparagraph (v) below.

(iii) Each Owner of Lots 83, 108 through 120, and 126 (Lots 108 through 120 and 126 being the expected designations for Phase 2), respectively, shall be required to install, within one (1) year of the purchase of a Lot, and shall thereafter maintain at his own expense, a fence on the easterly boundary of his Lot as it abuts the canal right-of way, such fence to be of a height, color, and material as specified in subparagraph (v) below.

(iv) The Association shall be responsible for the maintenance of fences located within the Common Areas as they abut the canal right-of-way, street, trails, or adjacent properties (but not Lots).

(v) Fencing as required in subparagraphs (i) through (iv) above shall be six (6) feet in height and shall either be white vinyl privacy fences or black

vinyl-coated chain link with powder-coated posts, in accordance with the fencing requirements and policies of Draper City, Utah.

(vi) All other fences and walls that an Owner may elect to install upon a Lot shall be stucco, masonry, stone, black vinyl coated chain link, vinyl or wrought iron. Such additional fences and/or walls are to be color coordinated with the approved Living Unit colors. Individual Lot Fences which are to be located in front yards (in front of the front face of a Living Unit) shall be approved in writing by the Architectural Control Committee.

(i) Paving. Driveway and other flat paved areas may be concrete, exposed aggregate concrete, stamped concrete, quarry tile, brick or paving blocks. Gravel areas and asphalt are not permitted. All driveways must be able to accommodate the off-street parking of not less than two (2) vehicles.

(j) Solar Equipment. Solar panels are to be integrated into roof design. Panels and frames must be copper or compatible with roof colors and all equipment must be screened from view.

(k) Antennas. All antennas are restricted to the attic or interior of the residence. Satellite dish antennas shall be allowed provided they are screened from view and their location is approved by the Architectural Control Committee.

(l) Pools, Spas, Fountains, Gamecourts. Pools, spas, fountains and gamecourts shall be approved by the Architectural Control Committee and shall be located to avoid impacting adjacent properties with light or sound. No gamecourt shall be located in front or side yards. Pool heaters and pumps must be screened from view and sound insulated from neighboring houses. Nothing herein shall be construed as permitting the construction of skateboard areas and/or ramps, which structures shall be prohibited.

(m) Mechanical Equipment. All air conditioning, heating equipment, swamp coolers and soft water tanks must be screened from view, unless approved to the contrary by the Architectural Control Committee.

(n) Landscape Site Preparation Guidelines. All demolition, clearing, grubbing, stripping of soil, excavation, compaction and grading must be performed within the confines of a Lot.

(o) County and Other Approval. Approval of any improvements by the Architectural Control Committee does not waive the requirement for any other required public agency review or permit approval process. By approving plans, the Architectural Control Committee takes no responsibility for plan conformity to any other criteria other than the requirements of this Declaration and any Architectural Guidelines.

7.4. Landscape Easement. (a) As more particularly set forth on the Plat and in this Declaration, the Declarant has established certain landscape areas for aesthetic purposes. Except as provided below, each Owner of a Lot upon which there is designated a Landscape Easement shall be responsible at his own cost and expense to improve, maintain and water all trees and other landscaping which grows upon the area of such Landscape Easement, which Declarant may have installed upon such area during development of the Subdivision or which is installed by Owner (or predecessor) after approval by the Architectural Control Committee in accordance with the requirements of Section 8.2. The Association shall, nevertheless, have the obligation to maintain and water, as a Common Area Expense, all trees and other landscaping which is contained in the Landscape Easement which runs parallel to Lone Peak Parkway and is located on Lots 1, 24, 56 and 57. All trees, shrubs and other vegetation to be installed upon such Landscape Easement shall be approved by the Architectural Control Committee prior to installation. The addition to, modification of, or removal of trees and other vegetation, without the prior approval of the Architectural Control Committee shall be deemed a violation of the requirements of Owner to maintain such area and the Architectural Control Committee shall have the right to require Owner to restore such area to its prior approved condition at the sole cost of Owner. In the event Owner fails to restore such area as required herein, the Association shall have the right to restore the same and the cost of such restoration together with administrative expenses equal to ten percent (10%) of such costs, shall be added to and become part of the Reimbursement Assessment (as set forth in Section 5.4) to which such Lot is subject. The provisions of this Section relating to the removal of trees and shrubs shall not be applicable or binding upon Declarant with respect to the initial clearing, grading and landscaping of the Property including the development of Common Areas and Limited Common Areas and the installation of utilities serving the Subdivision.

7.5. Recreational Vehicles. No boats, trailers, large trucks and commercial vehicles (herein "Recreation Vehicles") belonging to Owners or other residents of the Property shall be parked on any side, rear, or front yard of any Lot or upon the public streets within the Development, except temporary parking upon public streets not to exceed eight (8) hours. No motor vehicle of any kind shall be repaired, constructed or reconstructed upon any Lot, except that these restrictions shall not apply to emergency repairs to vehicles or repairs made within an enclosed garage.

7.6. Pets. No animals other than household pets shall be kept or allowed on any Lot, or in any Living Unit. Whenever a pet is allowed to leave a Lot, it shall be kept on a lease or in a cage. No animals may be bred for commercial purposes. No pets shall be allowed to make an unreasonable amount of noise or otherwise become a nuisance. The exterior structure for the care, housing or confinement of any such pets shall be maintained by Owner and approved by the Architectural Control Committee. Any Owner or other resident within the Development who violates this Section shall be subject to such penalties or fines as the Board by resolution or as regulation may provide.

7.7. Insurance. No use shall be made of any Living Unit which shall cause the improvements within the Development or any part thereof to be uninsurable against loss

by fire or other perils included in insurance contracts, or cause such insurance to be canceled or suspended, or cause any company issuing such insurance to refuse renewal thereof. Each Owner shall be responsible for securing insurance presently known as homeowners special form coverage (Form 3, or better).

7.8. Machinery and Equipment. No machinery or equipment of any kind shall be placed, used, operated or maintained in or adjacent to any Lot except such machinery or equipment as is usual and customary in connection with the use, maintenance or construction of a Living Unit or appurtenant structures.

7.9. Maintenance and Repair. No Living Unit, building, structure (including interiors thereof), or landscaping upon any Lot shall be permitted to fall into disrepair and, subject to the requirements herein as to approval by the Architectural Control Committee, each such building, structure, or landscaping at all times shall be kept in good condition and as appropriate, adequately painted or otherwise finished by its Owner. Such obligation shall extend, but shall not be limited to, the painting, repair, replacement and care of roofs, gutters, downspouts, and exterior building surfaces.

7.10. Nuisances. No rubbish or debris of any kind shall be placed or permitted by an Owner upon or adjacent to any Lots, so as to render such Lot or portion thereof unsanitary, unsightly, offensive, or detrimental to other Owners. No Living Unit or Lot shall be used in such manner as to obstruct or interfere with the enjoyment of occupants of other Living Units or Lots. Without any of the foregoing, no exterior speakers, horns, whistles, bells or other sound devices (except security devices used exclusively for security purposes) shall be located or placed on Lots or in Living Units.

7.11. Right of Entry. During reasonable hours, any member of the Architectural Control Committee or any member of the Board, or any officer or authorized representative of any of them, shall have the right to enter upon and inspect any building site or Lot, and the improvements thereof, to ascertain whether or not the provisions of this Declaration and the rules and regulations of the Board or of the Association have been or are being complied with.

7.12. Signs. No signs whatsoever (including, without limitation, political signs) shall be erected or maintained on any Lot, except:

- a. Such signs as may be required by legal proceedings.
- b. Construction identification signs of a combined total face area of four hundred thirty-two (432) square inches or less for each Living Unit.
- c. A "For Sale" or "For Rent" sign, to the extent permitted by the Board.

7.13. Trash Containers and Collection. All garbage and trash shall be placed and kept in covered containers of a type and style which shall be approved by the Architectural

Control Committee or Draper City. Insofar as possible, such containers shall be maintained as not to be visible from neighboring Lots except to make them available for collection and then only for the shortest time necessary to effect such collection. Each Owner must at all times and at this expense provide garbage cans.

7.14. Restrictions Regarding Basements. Lots located within the Subdivision, in particular those Lots designated as Class 1 Lots, may require the construction of Living Units without basements below the natural surface of the Lot, basements without sewer service in such basements, or the installation of lift pumps. Such is mandated by the expected elevation of common sewer lines. Each Owner shall be expected to confirm, at his own risk, whether or not a Lot is suitable for basement construction.

7.15. Enforcement of Land Use Restrictions. The following persons shall have the right to exercise or seek any remedy at law or in equity to enforce strict compliance with this Declaration:

- a. Declarant, so long as it has any interest in any of the Property;
- b. Any Owner; or
- c. The Association.

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

7.16. Exception for Declarant. Notwithstanding the restrictions contained in this Article VII, for the seven (7) years following the date on which this Declaration is filed for record in the office of the County Recorder of Salt Lake County, Utah, Declarant shall have the right to use any Lot or Living Unit owned by it, and any part of the Common Areas and Limited Common Areas reasonably necessary or appropriate, in furtherance of any construction, marketing, sales, management, promotional, or other activities designed to accomplish or facilitate improvement of the Common Areas, the Limited Common Areas, or improvement and/or sale of all Lots owned by the Declarant.

VIII. ARCHITECTURAL CONTROL

8.1. Architectural Control Committee. The Board of Trustees of the Association shall appoint a three-member Committee, the function of which shall be to insure that all improvements and landscaping within the property harmonize with existing surroundings and structures. The Committee need not be composed of Owners. If such a Committee is not appointed the Board itself shall perform the duties required of the Committee.

8.2. Submission to Committee. No Living Unit, accessory building or structure or addition to a Living Unit and no landscape additions and changes shall be constructed or

maintained, and no alteration, repainting, or refurbishing of the exterior of any Living Unit, nor of any court enclosure, except as herein otherwise mentioned, shall be performed which is inconsistent with the terms of this Declaration and where otherwise required, unless approved by the Committee.

8.3. Standard. In deciding whether to approve or disapprove of specific requests submitted to it, the Committee shall use its best judgment to insure that all improvements, construction, landscaping and alterations on Lots within the Property conform to and harmonize with existing surroundings and structures and that such proposed improvements enhance the value and aesthetics of the Project.

8.4. Approval Procedure. Any requests, plans and/or specifications submitted to the Committee shall be submitted in triplicate. Upon completion of each review, one set of requests and/or plans will be retained by the Association, one set will be retained by the reviewing architect (if any) and the remaining set of plans will be returned to the property owner.

All requests, plans and/or specifications submitted shall be approved or disapproved by it in writing within thirty (30) days after submission. In the event the Committee fails to take any action within such period it shall be deemed to have approved the material submitted.

8.5. Address for Submittal. Requests, plans and/or specifications for the construction and installation of any and all improvements within Sunrise Station which are required to be approved in accordance with this Declaration shall be submitted and approved by the Architectural Control Committee (prior to submittal to any required governmental agency) at the following address:

Sunrise Station Homeowners' Association
c/o Liberty Homes, Inc.
6985 S. Union Park Center, #135
Midvale, Utah 84047

Attention: Richard Welch

The Board of Trustees of Sunrise Station Homeowners Association has the authority to change the address for the submittal of plans and specifications.

8.6. Construction and Landscaping Obligations.

(a) Once begun, any improvements, construction, landscaping, or alterations approved by the Committee shall be diligently prosecuted to completion as follows:

(i) The exterior construction of all structures on any Lot shall be completed within a period of one (1) year following commencement of construction.

(ii) The front yard of each Lot shall be landscaped within a period of one (1) year following completion or occupancy of the Living Unit.

(iii) Side and rear yards shall be landscaped within a period of two (2) years following completion or occupancy of each Living Unit.

(b) Owners and builders shall clean up all trash and debris on the construction site at the end of each week. Trash and debris shall be removed from each construction site at least once a week to a dumping location off-site of the development. Lightweight material, packaging and other items shall be covered or weighted down to prevent wind from blowing such materials off the construction site. Owners and builders are prohibited from dumping, burying or burning trash anywhere on the lot. During the construction period, each construction site shall be kept neat and shall be promptly removed from public or private roads, open spaces and driveways.

(c) Each property owner and builder shall be responsible for providing adequate sanitary facilities for his construction personnel. Portable toilets or similar temporary toilet facilities shall be located only on the site itself or in areas approved by the Architectural Control Committee.

8.7. Liability for Damages. The Committee shall not be held liable for damages by reason of any action, inaction, approval, or disapproval by it with respect to any request made pursuant to this Article VIII.

8.8. Exception for Declarant. The foregoing provisions of this Article VIII shall not apply to any improvement, construction, landscaping, or alteration which is carried out by Declarant on any Lot or on any part of the Common Areas, or Limited Common Areas, and which occurs at any time during the seven (7) year period following the date on which this Declaration is filed for record in the office of the County Recorder of Salt Lake County, Utah.

IX. RIGHTS OF FIRST MORTGAGEE

Notwithstanding anything to the contrary contained herein, the following provisions shall apply:

9.1. Notice of Default. In the event an Owner neglects for a period of thirty (30) days or more to cure any failure on his part to perform his obligations under this

Declaration, the Association shall give written notice of such fact to the holder of any first mortgage covering such Owner's Lot.

9.2. Abandonment, Termination, Etc. Unless all of the holders of first mortgages on the individual Lots have given their prior written approval, neither the Association nor the Owners acting as a group shall be entitled by act, omission or otherwise:

(a) To abandon or terminate the project or to abandon or terminate the arrangement which was established by the Declarant and the Plat of the Project;

(b) To partition or subdivide any Lot;

(c) To abandon, partition, subdivide, encumber, sell, hypothecate, transfer or otherwise encumber all or any part of the Common Areas or Limited Common Areas, except as may be permitted in accordance with the provisions of Section 4.4 herein; or

(d) To use hazard insurance proceeds resulting from damage to any part of the development for any purposes other than the repair, replacement, or reconstruction of such improvements.

9.3. Rights Upon Foreclosure of Mortgage. The lien of the assessments provided in Section 5.1, Article V shall be subordinate to the lien of any First Mortgage upon such Lot; and the holder of a first mortgage (or deed of trust) on a Lot who comes into possession of the Lot by virtue of foreclosure of such first Mortgage, or in lieu of foreclosure obtains possession by deed or assignment, or any purchaser at a foreclosure sale, will take the Lot free of any claims for unpaid assessments and charges against the Lot which accrue prior to the time such holder comes into possession of the Lot, except for claims for a share of such assessments or charges resulting from a reallocation of such assessments or charges to all Lots including the mortgage Lot.

9.4. Mortgagees' Rights Concerning Amendments. No material amendment to this Declaration, or the By-Laws of the Association shall be accomplished or effective unless at least two-thirds (2/3) of the mortgagees (based on one vote for each mortgagee) of the individual Lots have given their prior written approval to such amendment.

X. MISCELLANEOUS

10.1. Notices. Any notice required or permitted to be given to any Owner or Member under the provisions of this Declaration shall be deemed to have been properly furnished if mailed, postage prepaid, to the person who appears as a Member or Owner, at the latest address for such person appearing in the records of the Association at the time of mailing or if no address is provided, at the address of the Lot.

10.2. Amendment. Subject to the provisions of Article IX of this Declaration any amendment hereto shall require (i) the affirmative vote of at least two-thirds (2/3) of all Class A membership votes, which Members present in person or represent by proxy are entitled to cast at a meeting duly called for such purpose; and so long as the Class B membership exists, (ii) the written consent of the Declarant. Written notice setting forth the purpose of the meeting and the substance of the amendment proposed shall be sent to all Members at least ten (10) but not more than thirty (30) days prior to the meeting date. The quorum required for any such meeting shall be as follows: At the first meeting called the presence of Members or of proxies entitled to cast sixty percent (60%) of all votes of the Class A Membership shall constitute a quorum. If the quorum is not present at the first meeting or any subsequent meeting, another meeting may be called (subject to the notice requirement set forth in the foregoing portion of this Section 3), at which a quorum shall be one-half (1/2) 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. Any amendment authorized pursuant to this Section shall be accomplished through the recordation of an instrument executed by the President or Vice President of the Association, and by the Declarant if the Class B Membership then exists. In such instrument the President or Vice President of the Association shall certify that the vote required by this Section for amendment has occurred.

10.3. Consent in Lieu of Voting. In any case in which this Declaration requires for authorization or approval of a transaction the assent or affirmative vote of a stated percentage of the votes present or represented at a meeting, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Members entitled to cast at least the stated percentage of all membership votes outstanding in connection with the Class of membership considered. The following additional provisions shall govern any application of this Section 10.3:

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

(b) The total number of votes required for authorization or approval under this Section 3 shall be determined as of the date on which the last consent is signed.

(c) Except as provided in the following sentence, 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. A change in ownership which would otherwise result in an increase in the total number of Class A votes outstanding shall, however, be effective in that regard and shall entitle the new Owner to give or withhold his consent.

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

10.4. Lease Provision. Any Owner may lease his Lot and such buildings as are situated thereon; provided, however, that any lease agreement between a Lot Owner and a Lessee must be in writing, and must provide, inter alia, that:

(a) The terms of the lease shall in all respects be subject to the provisions of the Declaration and the Bylaws of the Association; and

(b) Any failure by the Lessee to comply with the terms of such documents shall constitute a default under the lease.

10.5. Declarant's Rights Assignable. All or any portion of the rights of Declarant under this Declaration or in any way relating to the property may be assigned.

10.6. Dissolution. Subject to the restrictions set forth in Article IX of this Declaration pertaining to mortgagee protection, the Association may be dissolved by the affirmative assent in writing of two-thirds (2/3) of the votes of each class membership. Upon dissolution of the Association all of its assets (including the Common Areas and Limited Common Areas) may be dedicated or transferred to an appropriate public agency or authority to be used for purposes similar to those provided for in the By-laws or this Declaration. In the event such dedication or transfer is not made or is not accepted, the Association's assets shall be transferred to a non-profit corporation, trust, or other entity to be used for such similar purposes, and each Owner shall continue to be obligated to make assessment payments for the maintenance and upkeep of the Common Areas and Limited Common Areas on a pro rata basis which conforms substantially with the assessment procedure, terms and conditions set forth in Article V of this Declaration.

10.7. Declarant's Covenant to Construct Common Areas and/or Limited Common Areas. Declarant hereby covenants to construct and complete all Common Area and Limited Common Area improvements and amenities, if any, indicated on the Plat within two (2) years of the filing of this Declaration (or for subsequently filed Supplemental Plats, two years thereafter) in the office of the County Recorder of Salt Lake County, Utah.

10.8. Enforcement by City. Except for those obligations which are the obligation of Draper City in the first instance, if the Association fails to maintain the Common Areas and/or Limited Common Areas in good order and condition, Draper City shall have the right, but not the obligation, upon giving the Association thirty (30) days notice in writing, to step in and do the necessary maintenance and management with the same right to lien the Lots and collect the costs thereof against the Owners as the Association has under this Declaration shall not affect the validity or enforceability of the remainder hereof.

10.9. 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, the whole shall include any party thereof, and any gender shall include the other gender. The invalidity or unenforceability of any

EXHIBIT "A"

[LEGAL DESCRIPTION]

Phase 1:

Beginning at a point that is South 89°46'37" East 366.832 feet along the section line from the South Quarter Corner of Section 24, Township 3 South, Range 1 West, Salt Lake Base and Meridian; and running thence North 107.158 feet; thence North 22°33'02" West 64.967 feet; thence North 105.705 feet; thence East 10.108 feet; thence North 104.200 feet; thence North 14°16'13" West 61.910 feet; North 102.262 feet; thence South 89°37'40" East 103.022 feet; thence North 89°31'08" East 387.569 feet; thence South 09°15'23" East 551.225 feet to a point on said section line; thence continuing along said section line North 89°46'37" West 549.178 feet to the point of beginning.

Contains 6.487 acres and 42 lots.

EXHIBIT "B"

[LEGAL DESCRIPTION OF ADDITIONAL LAND
WHICH MAY BE ADDED]

Phase 2:

Beginning at a point that is the South Quarter Corner of Section 24, Township 3 South, Range 1 West, Salt Lake Base and Meridian; and running thence South 89°54'32" West 478.653 feet to a point on the West property line of the Salt Lake City Corporation Canal Property, described of record on March 20, 1997 in Entry No. 6600742, Book 7625, Page 0637, in the Salt Lake County Recorder's Office; thence continuing along said property line North 35°57'13" East 140.862 feet; thence North 29°30'55" East 165.282 feet; thence North 27°32'59" East 319.682 feet; thence South 89°56'31" East 115.925 feet; thence South 89°37'40" East 387.508 feet; thence South 102.262 feet; thence South 14°16'13" East 61.910 feet; thence South 104.200 feet; thence West 10.108 feet; thence South 105.705 feet; thence South 22°33'02" East 64.967 feet; thence South 107.158 feet to a point on the south section line of said section; thence continuing along said section line North 89°46'37" West 366.832 feet to the point of beginning.

Contains 8.208 acres and 41 lots.

Phase 3:

Beginning at a point that is South 89°54'32" West 560.279 feet from the South Quarter Corner of Section 24, Township 3 South, Range 1 West, Salt Lake Base and Meridian and also along the south line of said section; and running thence along said section line South 89°54'32" West 197.312 feet to a point on the easterly line of the Union Pacific Railroad right of way line; thence North 05°19'58" East 1049.777 feet along said right of way line; thence North 89°54'32" East 676.516 feet; thence South 26°39'42" West 321.715 feet; thence South 27°32'59" West 244.961 feet; thence South 27°32'58" West 283.984 feet; thence South 29°30'55" West 160.438 feet; thence South 35°57'12" West 185.179 feet to the point of beginning.

Contains 10.888 acres and 58 lots.