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BRENDA NELSON, Recorder
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For BRENT V ANDERSON
MORGAN COUNTY

DECLARATION
FOR
THE RIDGES, INC.
HOMEOWNERS ASSOCIATION

TABLE OF CONTENTS

ARTICLE I DEFINITIONS

ARTICLE II SUBMISSION AND DIVISION OF PROJECT

 2.01 Submission

 2.02 Annexation by Declarants

 2.03 Limitation on Annexation

 2.04 Annexation by the Association

 2.05 No Obligation to Annex or Develop

 2.06 Division into Lots and Common Areas

ARTICLE III MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

 3.01 Membership

 3.02 Voting Rights

 3.03 Multiple Ownership Interests

 3.04 Record of Ownership

ARTICLE IV DUTIES AND POWERS OF THE ASSOCIATION

 4.01 Duties of the Association

 4.02 Powers and Authority of the Association

 4.03 Association Rules

 4.04 Limitation of Liability

ARTICLE V ASSESSMENTS

 5.01 Personal Obligation and Lien

 5.02 Purpose of Assessments

 5.03 Monthly Assessments

 5.04 Special Assessments

 5.05 Quorum Requirements

 5.06 Special Assessment on Specific Residential
 Lots

 5.07 Uniform Rate of Assessment

 5.08 Monthly Assessment Due Dates

 5.09 Certificate Regarding Payment

 5.10 Effect of Nonpayment - Remedies

 5.11 Subordination of Lien to Mortgages

ARTICLE VI PROPERTY RIGHTS AND CONVEYANCES

 6.01 Easement Concerning Common Areas

 6.02 Form of Conveyancing: Leases

 6.03 Transfer of Title to Common Areas

 6.04 Limitation on Easement

- 6.05 Reservation of Access and Utility Easements
- 6.06 Easements for Construction and Development

ARTICLE VII LAND USE RESTRICTIONS AND OBLIGATIONS

- 7.01 General Restrictions and Requirements
- 7.02 Exemption of Declarants
- 7.03 Enforcement of Land Use Restrictions

ARTICLE VIII ARCHITECTURAL CONTROL

- 8.01 Organization of the Design Committee
- 8.02 Actions Requiring Approval
- 8.03 Standard of Design Review
- 8.04 Approval Procedure
- 8.05 Variance Procedure
- 8.06 Nonwaiver
- 8.07 Completion of Construction
- 8.08 Exemption of Declarants
- 8.09 Estoppel Certificate
- 8.10 Disclaimer of Liability

ARTICLE IX INSURANCE

- 9.01 Liability Insurance
- 9.02 Additional Insurance; Further General Requirements
- 9.03 Review of Insurance
- 9.04 Residential Lots Not Insured by Association

ARTICLE X CONDEMNATION

ARTICLE XI RIGHTS OF FIRST MORTGAGEES

- 11.01 Preservation of Regulatory Structure and Insurance
- 11.02 Preservation of Common Area; Change in Method of Assessment
- 11.03 Notice of Matters Affecting Security
- 11.04 Notice of Meetings
- 11.05 Right to Examine Association Records
- 11.06 Right to Pay Taxes and Charges
- 11.07 Exemption from Any First Right of Refusal

ARTICLE XII MISCELLANEOUS

- 12.01 Notices
- 12.02 Amendment

- 12.03 Consent in Lieu of Vote
- 12.04 Declarant's Rights Assignable
- 12.05 Interpretation
- 12.06 Covenants to Run With Land
- 12.07 Duration
- 12.08 Declarants' Right to Amend
- 12.09 Effective Date

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS OF
THE RIDGES, INC.
HOMEOWNERS ASSOCIATION

THIS DECLARATION is made and executed this ____ day of _____, 2004, by BRENT V. ANDERSON, HOLLIE K. ANDERSON, GARY V. BOWEN and MIGNON S. BOWEN (the "Declarants").

R E C I T A L S :

A. Declarants are the record owners of certain tract of land (the "Property") in the County of Morgan, State of Utah, which are more particularly described in Exhibit "A" and Exhibit "B" attached hereto and by this reference made a part hereof. Declarants desire to create on said Property a residential development with permanent landscaped open-spaced areas, natural open-space areas, community and recreation facilities and other Common Areas.

B. Declarants desire to provide for the 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 the Owners thereof, Declarants hereby subject the Property to the covenants, restrictions, easements, charges and liens set forth in this Declaration, which shall be recorded in the official records of Morgan County, State of Utah.

C. Declarants have deemed it desirable, for the efficient preservation of the values and amenities of the Property, to create an entity which possesses the powers to maintain and administer the Common Areas, collect and disburse the assessments and charges provided for in the Declaration and otherwise administer and enforce the provisions of the Declaration. For such purposes, Declarants have caused to be incorporated under the laws of the State of Utah, as a nonprofit corporation, The Ridges of Peterson Homeowners Association (the "Association").

NOW, THEREFORE, for the foregoing purposes, the Declarants declare that the Property shall be subject to this Declaration and that the Property is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth.

ARTICLE I

DEFINITIONS

When used in this Declaration (including in that portion hereof headed "Recitals"), the following terms shall have the meaning indicated:

1.01 Association shall mean The Ridges, Inc., a Utah nonprofit corporation.

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

1.03 Common Areas shall mean all property, including streets, roadways, highways, rights-of-way and utilities, owned or designated on the recorded plat as being intended ultimately to be owned by the Association for the common use and enjoyment of the Owners, together with all improvements thereon and all easements appurtenant thereto.

1.04 Declaration shall mean this Declaration of Covenants, Conditions and Restrictions of The Ridges of Peterson Planned Unit Development.

1.05 Design Committee shall mean the Design Committee established by and referred to in Article VIII of this Declaration.

1.06 Living Unit shall mean a structure which is designed and intended for use and occupancy as a single-family residence, together with all improvements located on the same Residential Lot and used in conjunction with such residence.

1.07 Managing Agent shall mean any person or entity appointed or employed as Managing Agent pursuant to Section 4.02(c) of Article IV of this Declaration.

1.08 Mortgage shall mean any mortgage, deed of trust, or trust deed or the act of encumbering any property by a mortgage, deed of trust or trust deed; and mortgage shall mean any mortgagee of a mortgage and any trustee or beneficiary of a deed of trust or trust deed.

1.09 Owner shall mean any person who is the owner of record (as reflected by the records in the office of the County Recorder of Morgan County, Utah) of a fee or undivided fee interest in any Residential Lot, including contract sellers, but

not including purchasers under contract until such contract is fully performed and legal title is conveyed of record, notwithstanding any applicable theory relating to mortgages, no mortgagee shall be an Owner unless such party acquires fee title pursuant to foreclosure or sale or conveyance in lieu thereof. Declarants shall be Owners with respect to each Residential Lot owned by it.

1.10 Open Space shall mean all common areas, excluding roads and storm run-off detention areas as indicated on the Plat.

1.11 Property shall mean the Property described in Exhibits "A" and "B" attached hereto, which includes all land covered by this Declaration, including common Areas and residential lots.

1.12 Residential Lot shall mean and refer to any one of the seventeen plots of land within the boundary of Exhibits "A" and "B" of the Property as such is shown upon and designated on the Plat for private ownership and individually numbered and are intended to be used and occupied by a single family.

1.13 Undeveloped Land shall, at any point in time, mean all of the land more particularly described in Exhibits "C" and "D" attached hereto and made a part hereof. So long as it is not arbitrary, Declarants' determination as to when any of the land described in Exhibits "C" and "D" ceases to be Undeveloped Land shall be conclusive.

1.14 Plat shall mean and refer to the Plat of The Ridges, a Planned Residential Unit Development, prepared and certified by William L. Holyoak, a Registered Land Surveyor, executed and acknowledged by Declarants on _____, 2004, which is being recorded in the official records of Morgan County, Utah, concurrently with the recording of this Declaration.

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

1.16 Roadways shall mean that portion of the Common Area consisting of the streets and roads within the Property for the use and benefit of the Owners as such are identified and depicted on the Plat.

ARTICLE II

SUBMISSION AND DIVISION OF PROJECT

2.01 Submission. The Property which is and shall be held, transferred, sold, conveyed, and occupied subject to the provisions of this Declaration consists of the real property situated in Morgan County, State of Utah, described in Exhibits "A" and "B" attached hereto and by this reference made a part hereof. The Property is being subdivided into Lots 1 through 17, The Ridges of Peterson, P.R.U.D., as identified in the Plat.

2.02 Annexation by Declarants. Declarants may from time to time and in their sole discretion expand the Property subject to this Declaration by the annexation of all or part of the lands initially constituting the Undeveloped Land. The annexation of any such land shall become effective upon the recordation in the Office of the County Recorder of Morgan County, Utah, of (a) a subdivision plat or map covering the land to be annexed and (b) a supplemental declaration which (i) describes the land to be annexed or incorporated by referenced to the description contained in the subdivision plat (ii) declares that the annexed land is to be held, sold, conveyed, encumbered, leased, occupied and improved as part of the Property subject to this Declaration, (iii) sets forth such additional limitations, restrictions, covenants and conditions as are applicable to the annexed land, (iv) states which portions of the annexed land are Common Ares and which portions are Residential Lots and which portions are within any new land classification, provided that the nature and incidents of any such new land classification shall be fully set forth in such supplemental declaration or in another supplemental declaration previously filed with respect to some portion of the Property, and (v) describes generally any improvements situated on the annexed land. When any such annexation becomes effective, the annexed land shall become part of the Property. Declarants may, at their discretion, designate and construct roads and rights-of-way for ingress and egress from the Property to and from the Undeveloped Land and from the Undeveloped Land to adjacent property to accommodate the development of such adjacent property.

2.03 Limitation on Annexation. Declarants' right to annex land to the Property shall be subject to the following limitations:

- (a) The annexed land must be part of the land which is Undeveloped Land as of the date of this Declaration.

(b) Declarants' right to annex land to the Property shall expire twenty (20) years after this Declaration was first filed for record in the Office of the County Recorder of Morgan County, Utah.

2.04 Annexation by the Association. Notwithstanding the limitations on annexation set forth in Section 2.03 of this Article, the Association may annex land to the Property by satisfying the requirements set forth in Section 2.02 of this Article and by obtaining approval of such annexation from (a) the owner or owners of the land to be annexed and (b) 2/3 of the Members of each class of the Association's voting membership. nothing in this paragraph shall be construed to require any prior approval for, or to limit or present, any annexation performed by Declaration pursuant to Section 2.02 of this Article so long as such annexation satisfies the limitations set forth in Section 2.04 of this Article.

2.05 No Obligation to Annex or Develop. Declarants have no obligation hereunder to annex any additional land to the Property or to develop or preserve any portion of the Undeveloped Land in any particular way or according to any particular time schedule. No land other than the Property as defined on the date hereof and land annexed thereto in accordance with the terms of this Article shall be deemed to be subject to this Declaration, whether or not shown on any subdivision plat or map filed by Declarants or described or referred to in any documents executed or recorded by Declarants.

2.06 Division into Lots and Common Areas. The Property is hereby divided into seventeen (17) Lots, each consisting of a fee simple interest in a portion of the Property as set forth in the Plat. All portions of the Property not designated as Lots shall constitute the Common Area which shall be owned by the Association for the benefits of all Owners in accordance with the provisions of this Declaration.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

3.01 Membership. Every Owner upon acquiring title to a Residential Lot shall automatically become a Member of the Association and shall remain a member thereof until such time as his/her ownership of such Residential Lot ceases for any reason, at which time his/her membership in the Association with respect to such Residential Lot shall automatically cease and the

successor Owner shall become a Member. Membership in the Association shall be mandatory and shall be appurtenant to and may not be separated from the ownership of a Residential Lot.

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

Class "A". Class "A" Members shall be all Owners, but excluding the Declarants until the Class "B" membership ceases. Class "A" Members shall be entitled to one vote for each Residential Lot in which the interest required for membership in the Association is held.

Class "B". Declarants shall be the sole Class "B" Member. The Class "B" Members shall be entitled to three votes for each Residential Lot which they own. The Class "B" membership shall automatically cease and be converted to 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 or exceeds the total number of votes held by the Class "B" Member.

(b) July 31, 2008.

3.03 Multiple Ownership Interests. In the event there is more than one Owner of a particular Residential Lot, the vote relating to such Residential Lot shall be exercised as such Owners may determine among themselves, but in no event shall more than one Class "A" vote be cast with respect to any Residential Lot. 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 entire vote attributable to the Residential Lot concerned unless an objection is made at the meeting by another Owner of the same Residential Lot, in which event a majority in interest of the co-owners as shown on the record of ownership maintained by the Association shall be entitled to cast the vote.

3.04 Record of Ownership. Every Owner shall promptly cause to be duly filed of record the conveyance document to him/her of his/her Residential Lot and shall file a copy of such conveyance document with the secretary of the Association, who shall maintain a record of ownership of the Residential Lots. Any Owner who mortgages his/her Residential 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 record of ownership.

ARTICLE IV

DUTIES AND POWERS OF THE ASSOCIATION

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

(a) The Association shall accept all Owners as Members of the Association.

(b) The Association shall accept title to all Common Areas conveyed to it by the Declaration.

(c) The Association shall maintain, repair, and replace the Common Areas in all phases (including the maintenance and resurfacing of all roadways and snow removal and maintenance of drainage facilities) and, at the discretion of the Board, any Property dedicated to any governmental authority and situated immediately adjacent to the Property if the Board determines that such dedicated Property is not being maintained or landscaped in a condition comparable to the Common Areas.

(d) To the extent not assessed to or paid by the Owners directly, the Association shall pay all real property taxes and assessments levied upon any portion of the Common Areas, provided that the Association shall have the right to contest or compromise any such taxes or assessments.

(e) The Association shall obtain and maintain in force the policies of insurance required by Article IX of this Declaration.

4.02 Powers and Authority of the Association. The Association shall have all the powers set forth in its Articles

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

(a) The Association shall have the power and authority at any time and from time to time 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 Residential Lots (to the extent necessitated by the failure of the Owners of such Residential Lots) or in exercising any of its rights to construct improvements or other work upon any of the common Areas, the Association shall have the power and authority (i) to pay and discharge any and all liens placed upon any 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 otherwise provide for:

(1) Maintenance, repair and replacement of all roadways and appurtenant improvements, including the removal of snow thereon, on such terms and conditions as the Board shall deem appropriate:

(2) Construction, maintenance, repair and landscaping of the Common Areas, including all surface run-off, drainage and detention facilities, on such terms and conditions as the Board shall deem appropriate;

(3) Such insurance policies or bonds as the Board may deem appropriate for the protection or benefit of Declarants, the Association, the members of the Board, the members of the Design Committee

and the Owners;

(4) Such utility services, including (without limitation) culinary water, secondary water, sewer, trash removal, electrical, telephone and gas services, as the Board may from time to time deem desirable;

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

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

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

(c) The Board may delegate to a 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 \$5,000 nor the power to sell, convey, mortgage or encumber any Common Areas.

(d) The Association shall have the power and authority to hire a responsible corporation, partnership, firm, person or other entity, to maintain the grounds of an owner(s) of Lots. The cost to maintain a Lot for an Owner shall be charged to the Owner and may be included in the monthly assessment to the Owner.

4.03 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; (b) the use of any roads or utility facilities owned by the Association; (c) the collection and disposal of refuse; (d) the maintenance of animals on the Property; and (e) other matters concerning the use and enjoyment of the Property and the conduct of residents.

4.04 Limitation of Liability. No member of the Board acting in good faith shall be personally liable to any Owner,

guest, lessee or any other person for any error or omission of the Association, its representatives and employees, the Board, the Design Committee or the Managing Agent.

ARTICLE V

ASSESSMENTS

5.01 Personal Obligation and Lien. Each Owner shall, by acquiring or in any way becoming vested with his/her interest in a Residential Lot, be deemed to covenant and agree to pay to the Association the monthly and special assessments described in this Article, together with late payment fees, interest and costs of collection, if and when applicable. All such amounts shall be, constitute and remain: (a) a charge and continuing lien upon the Residential Lot with respect to which such assessment is made until fully paid; and (b) the personal, joint and several obligation of the Owner or Owners of such Lot at the time the assessment falls due. No Owner may exempt himself or his Residential Lot from liability for payment of assessments by waiver of his rights in the Common Areas or by abandonment of his Residential Lot. In a voluntary conveyance of a Residential lot, the grantee shall be jointly and severally liable with the grantor for all unpaid monthly and special assessments, late payment fees, interest and costs of collection which shall be a charge on the Residential 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.

5.02 Purpose of Assessments. Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of the Property. The use made by the Association of funds obtained from assessments may include payment of the cost of: taxes and insurance on the common Areas; maintenance, repair, and improvements of the Common Areas; management and supervision of the Common Areas; establishment and funding of a reserve to cover major repair or replacement of improvements within the Common Areas; and any expense necessary or desirable to enable the Association to perform or fulfill its obligations, functions or purposes under this Declaration or its Articles of Incorporation. The Association shall maintain an adequate reserve fund or funds for maintenance, repairs and replacement of those elements of the Common Areas that must be maintained, repaired, or replaced on a periodic basis.

5.03 Monthly Assessments. The Board shall from time

to time and in its discretion set the amount of the monthly assessment in an amount reasonably estimated by the Board to be sufficient to meet the obligations imposed by this Declaration and on the basis specified in Section 5.07 below. Initially, the monthly assessment shall be set at \$100.00, which amount shall be reviewed and modified from time to time as deemed appropriate by the Board.

5.04 Special Assessments. From and after the date set under Section 5.08 of this Article, the Association may levy special assessments for the purpose of defraying, in whole or in part: (a) any expense or expenses not reasonably capable of being fully paid with funds generated by monthly assessments; or (b) the cost of any construction, reconstruction, or unexpectedly required repairs or replacement of the Common Areas. Any such special assessment must be assented to by a majority of the votes of the membership which Owners present in person or represented by proxy are entitled to cast at a meeting duly called for that purpose. Written notice setting forth the purpose of such meeting shall be sent to all Owners at least ten (10) but not more than thirty (30) days prior to the meeting date.

5.05 Quorum Requirements. The quorum at any meeting required for any action authorized by Section 5.04 above shall be as follows: At the first meeting called, the presence of Owners or of proxies entitled to cast sixty percent (60%) of all of the votes of each class of membership shall constitute a quorum. If a quorum is not present at the first meeting or any subsequent meeting, another meeting may be called (subject to the notice requirements set forth in Section 5.04) at which a quorum shall be one half of the quorum which was required the immediately preceding meeting. No such subsequent meeting shall be held more than forty-five (45) days following the immediately preceding meeting.

5.06 Special Assessment on Specific Residential Lots. In addition to the monthly assessment and any special assessment authorized pursuant to Section 5.04 above, the Board may levy at any time special assessments (a) on every Residential Lot especially benefitted by any improvement to adjacent roads, sidewalks, planting areas or other portions of the Common Areas made on the written request of the Owner of the Residential Lot to be charged, (b) on every Residential Lot the Owner or occupant of which shall cause any damage to the Common Areas necessitating repairs, and (c) on every Residential Lot as to which the Association shall incur any expense for maintenance or repair work performed, or enforcement action taken, pursuant to Section 4.02(a) or Article IV or other provisions of this Declaration.

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 shall be allocated among the affected Residential 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 special assessment against the Residential Lots benefitted.

5.07 Uniform Rate of Assessment. All monthly and special assessments authorized by Section 5.03 or 5.04 above shall be fixed at a uniform rate for all Residential Lots; provided, however, that until a Residential Lot has been both fully improved with a Living Unit and occupied for the first time for residential purposes, the monthly assessment applicable to such Residential Lot shall be twenty percent (20%) of the monthly assessment which would otherwise apply to such Residential Lot. No amendment of this Declaration changing the allocation ratio of such assessments shall be valid without the consent of the Owners of seventy-five percent (75%) of the Residential Lots adversely affected.

5.08 Monthly Assessment Due Dates. The monthly assessments provided for herein shall commence as to all Residential Lots as of the second month following conveyance to the Association of the common Areas shown on the Plat. At least fifteen (15) days prior to such commencement date and at least fifteen (15) days prior to the effective date of any change in the amount of monthly assessments, the Association shall give each Owner written notice of the amount and first due date of the assessment concerned.

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

5.10 Effect of Nonpayment - Remedies. Any assessment not paid when due shall, together with interest and costs of collection, be, constitute, and remain a continuing lien on the

affected Residential Lot, notice of which may be filed by the Association at any time with the Office of the Morgan County Recorder. If any assessment is not paid within thirty (30) days after the date on which it becomes due, the amount thereof shall bear interest from the due date at the rate of one and one-half percent (1-1/2%) per month; and the Association may bring an action against the Owner who is personally liable or may foreclose its lien against the Residential Lot, or both. Any judgment obtained by the Association in connection with the collection of delinquent assessments and related charges shall include reasonable attorney's fees, court costs and every other expense incurred by the Association in enforcing its rights.

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

ARTICLE VI

PROPERTY RIGHTS AND CONVEYANCES

6.01 Easement Concerning Common Areas. Each Owner shall have a nonexclusive right and easement of use and enjoyment in and to the Common Areas. Such right and easement shall be appurtenant to and shall pass with title to each Residential Lot and in no event shall be separated therefrom. Any Owner may delegate the right and easement of use and enjoyment described herein to any family member, household guest, tenant, lessee, contract purchaser, or other person who resides on such owner's Residential Lot. Notwithstanding the foregoing, no Owner shall have any right or interest in any easements forming a portion of the common Areas except for the necessary parking, access, communication, utility, drainage and sewer purposes for which

such easements are intended for use in common with others.

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

Lot No. ____ of The Ridges according to the Plat thereof recorded in Book ____, Page ____, of the Official Records of Morgan County, which Lot is contained within The Ridges Planned Unit Development identified in the "Declaration of Covenants, Conditions, and Restrictions of The Ridges Planned Unit Development" recorded in Book ____, at Page ____, TOGETHER WITH a right and easement of use and enjoyment in and to the Common Areas described, and as provided for, in said Declaration of Covenants, Conditions and Restrictions, and SUBJECT TO the covenants, conditions, restrictions, easements, charges and liens provided for in said Declaration of Covenants, Conditions and Restrictions.

*BA, HA
MB
Residential
Residential*

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 Residential Lot. Any lease of a Residential Lot shall be in writing and shall provide that the terms of the Lease shall be subject in all respects to the provisions of this Declaration and the Articles of Incorporation and Bylaws of the Association and that any failure by the lessee to comply with the terms of such documents shall be a default under the Lease.

6.03 Transfer of Title to Common Areas. Declarants shall convey to the Association title to the various Common Areas free and clear of all liens (other than the lien of current general taxes and the lien of any nondelinquent assessments, charges, or taxes, imposed by governmental or quasi-governmental authorities), as each such Common Area is substantially completed.

6.04 Limitation on Easement. An Owner's right and easement of use and enjoyment concerning the Common Areas shall be subject to the following:

- (a) The right of the Association to govern by rules and regulations the use of the Common Areas for the Owners so as to provide for the enjoyment of the

common Areas by every Owner in a manner consistent with the preservation of quiet enjoyment of the Residential Lots by every Owner;

(b) No motorized vehicles, including ATV's, motorcycles, and snowmobiles, shall be allowed in the Common Areas;

(c) The right of the Association to suspend an Owner's right to the use of any amenities included in the Common Areas for any period during which an assessment on such Owner's Residential Lot remains unpaid and for a period not exceeding ninety (90) days for any infraction by such Owner of the provisions of this Declaration or of any rule or regulation promulgated by the Board;

(d) The right of the County of Morgan and any other governmental or quasi-governmental body having jurisdiction over the Property to enjoy access and rights of ingress and egress over and across any street, parking area, walkway, or open area contained within the common Areas for the purpose of providing police and fire protection, transporting school children, and providing any other governmental or municipal service; and

(d) The right of the Association to dedicate or transfer any part of the common Areas to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the Association, provided that such dedication or transfer must first be assented to in writing by (1) all holders of first mortgages secured by Residential Lots and (2) the Owners of at least seventy-five percent (75%) of the Residential Lots (not including Residential Lots owned by Declarants). No such dedication or transfer, however, may take place without the Association first receiving approval from the County of Morgan pursuant to all applicable state and county laws, rules and ordinances in effect at the time of such proposed dedication or transfer.

6.05 Reservation of Access and Utility Easements.

Declarants reserve easements for access, electrical, gas, communications, cable television and other utility purposes and for sewer, drainage and water facilities (whether servicing the Property or other premises or both), over, under, along, across

and through the Property, together with the right to grant to the County of Morgan, or any other appropriate governmental agency or to any public utility or other corporation or association, easements for such purposes over, under, across, along and through the Property upon the usual terms and conditions required by the grantee thereof for such easement rights, provided, however, that such easement rights must be exercised in such manner as not to interfere unreasonably with the use of the Property by the Owners and the Association and those claiming by, through or under the Owners or the Association; and in connection with the installation, maintenance or repair of any facilities as provided for in any of such easements, the Property shall be promptly restored by and at the expense of the person owning and exercising such easement rights to the approximate condition of the Property immediately prior to the exercise thereof.

6.06 Easements for Construction and Development Activities. Declarants reserves easements and rights of ingress and egress over, under, along, across and through the Property and the right to make such noise, dust and other disturbance as may be reasonably incident to or necessary for the (a) construction of Living Units on Residential Lots, (b) improvement of the Common Areas and construction, installation and maintenance thereon or roads, walkways, buildings, structures, landscaping, and other facilities designed for the use and enjoyment of some or all of the Owners, (c) construction, installation and maintenance on lands within, adjacent to, or serving the Property of roads, walkways, and other facilities, planned for dedication to appropriate governmental authorities, and (d) development, improvement, use and occupancy of all or any portion of the Undeveloped Land, whether or not such land is intended to be made part of the Property. The reservations contained in this paragraph shall expire twenty (20) years after the date on which this Declaration was first filed for record in the Office of the County Recorder of Morgan County, Utah.

ARTICLE VII

LAND USE RESTRICTIONS AND OBLIGATIONS

7.01 General Restrictions and Requirements.

(a) No improvement, excavation, fill or other work (including the installation of any wall or fence) which in any way alters any Residential Lot from its natural or improved state existing on the date such Residential Lot is first conveyed by Declarants to a purchaser

shall be made or done except upon strict compliance with the provisions of this Article VII and provisions of Article VIII.

(b) Residential Lots shall be used only for single-family residential purposes, and no more than one house shall be constructed on any Residential Lot except that an additional guest house or servants quarters meeting the requirements of all applicable Morgan County zoning requirements and all laws in effect from time to time may be constructed on a Residential Lot with the approval of the Design Committee. The facilities and improvements constituting part of the Common Areas shall be used only for the purposes and uses for which they are designed. Unimproved or landscaped portions of the Common Areas shall be used only for natural recreational uses which do not injure or scar the Common Areas or the vegetation thereof, increase the cost of maintenance thereof or cause unreasonable embarrassment, disturbance or annoyance to Owners in their enjoyment of their Residential Lots and Living Units or the Common Areas.

(c) No noxious or offensive activity shall be carried on upon any Residential Lot, nor shall anything be done or placed thereon which may be or become a nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to other Owners in the enjoyment of their Residential Lots and Living Units or the Common Areas. Without limiting the foregoing, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of the Residential Lot and Living Unit thereon, shall be placed or used upon any Residential Lot without the prior written approval of the Design Committee.

(d) No furniture, fixtures, appliances or other goods and chattels shall be stored in such a manner as to be visible from neighboring Residential Lots, roads, or Common Areas.

(e) Each Residential Lot and all improvements located thereon shall be maintained by the Owner thereof in good condition and repair, and in such manner as not to create a fire hazard, all at the Owner's expense. all walls and fences on common

boundary lines or corners separating two or more Residential Lots shall be maintained jointly in equal shares by the owners of the Residential Lots abutting such fence or wall, provided that each Owner shall be responsible for painting the side of any party wall or fence facing his Residential Lot. No fence or wall in the nature of a fence shall be constructed of any material other than wood unless a variance from this requirement shall be granted by the Board as provided in Section 8.06 below.

(f) Vegetation within any Residential Lot shall be planted and maintained in good condition at the Owner's expense in such a manner as to prevent or retard shifting or erosion. There shall be no clearing of natural vegetation except in the Building Envelopes. No poplar trees or cotton-producing trees may be planted on any Residential Lot.

(g) All garbage, rubbish, and trash shall be kept in covered containers. In no event shall such containers be maintained so as to be visible for neighboring Residential Lots, roads or Common Areas. The storage, collection and disposal of garbage, rubbish and trash shall be in strict compliance with applicable laws and the rules and regulations of the Board.

(h) All Plans of homes or accessory buildings must be submitted for review to the Design Committee prior to commencement of construction. The Plans submitted must be complete original copies and shall have any changes clearly indicated as well as all exterior materials. The Plans must bear the inscription of the square footage of the proposed home and/or accessory building. The set must include a site plan with the house and/or accessory building accurately located, and the Lot number and address inscribed thereon. All homes shall be constructed within the area designated on the plat as dwelling buildable area.

(i) No Residential Lot shall be resubdivided.

(j) All improvements shall be constructed in accordance with applicable building line and setback provisions of zoning ordinances.

(k) All structures constructed on any Residential

Lot or the common Areas shall be constructed with new materials unless otherwise permitted by the Design Committee; and no used structures shall be relocated or placed on any Residential Lot.

(l) No structure or improvement having a height of more than two and one half (2-1/2) stories shall be constructed on any Residential Lot; provided, however, that the height of a structure or improvement may exceed two (2) stories if permitted by law and if the Design Committee determines that the proposed height is compatible with the physical site involved and adjoining properties.

(m) No dwelling shall be permitted on any Lot with the main (ground) floor (footprint) area of the main structure of a size, exclusive of porches, covered patios, decks and garages less than 2,000 square feet. No dwelling shall be constructed of a size less than 3,000 square feet.

(n) Homes in all Residential Lots shall have a minimum of a two (2) car attached garage.

(o) Roof and materials shall be cedar shake, tile, architectural grade asphalt shingle (30-year type), or metal roof (non-reflective) or other high quality roofing materials which are approved by the Design Committee.

(p) Aluminum, vinyl and/or steel siding shall only be allowed in soffit and fascia areas of any homes on a Residential Lot. Metal siding may be used on accessory buildings if approved by the Design Committee.

(q) No dwelling shall be erected or placed on any Lot having less than fifty percent (50%) brick or native stone if the remaining fifty percent (50%) is of bordered stucco or stained wood. Log homes must be approved by the Design Committee.

(r) No home shall be permitted to remain incomplete for a period in excess of one (1) year from the date of commencement of construction unless any delays are approved by the Design Committee.

(s) All accessory buildings built on any Residential Lot shall conform to the following

limitations: (i) all accessory buildings must be built per size requirements of Morgan County and within the buildable area identified as Building Envelopes or as otherwise approved by the Design Committee and Morgan County Planning and Zoning, (ii) the maximum heights of any accessory building shall be 12 feet from the ground to the eave of the building. Any variance to the height restriction shall be approved by the Design Committee.

(t) No exterior lighting of any sort shall be installed or maintained upon any Residential Lot prior to the construction of a Living Unit thereon, except by written permit of the Design Committee; provided that this restriction shall not prohibit (i) temporary construction shelters or facilities maintained during, and used exclusively in connection with, and construction of a Living Unit, or (ii) any structure upon any Residential Lot to be used by Declarants as a sales office or otherwise in conjunction with the development of Residential Lots by Declarants.

(u) No accessory structures shall be constructed, placed or maintained upon any Residential Lot prior to the construction of a Living Unit thereon, except by written permit of the Design Committee; provided that this restriction shall not prohibit (i) temporary construction shelters or facilities maintained during, and used exclusively in connection with, and construction of a Living Unit, or (ii) any structure upon any Residential Lot to be used by Declarants as a sales office or otherwise in conjunction with the development of Residential Lots by Declarants.

(v) No Owner of any Residential Lot, except Declarants, shall build or permit the building thereon of any structure that is to be used as a model or exhibit unless a permit to do so is first granted by the Design Committee.

(w) No structure shall be occupied until the same is substantially completed in accordance with plans and specifications previously approved by the Design Committee.

(x) No improvement which suffers partial or total destruction shall be allowed to remain on any Residential Lot in such a state for more than three (3)

months after the date of such destruction.

(y) No outside toilet, other than self-contained portable toilet units used during construction, shall be placed or constructed on any Residential Lot or the Common Areas, other than in the Common Areas to serve as a community park. All plumbing fixtures, dishwashers, garbage disposals, toilets and sewage disposal systems shall be connected to a sewage system or wastewater disposal system approved by Morgan County.

(z) All fuel tanks or similar storage facilities shall be constructed only with the prior written approval of the Board and in a manner approved by the Design Committee.

(aa) No exterior antenna or satellite dish of any sort shall be installed or maintained on any Residential Lot except of a height, size and type approved by the Design Committee. No activity shall be conducted within the Property which interferes with television or radio reception.

(bb) Landscaping for the front yard of a Residential Lot shall be completed within one (1) years of the date of issuance of a Certificate of Occupancy. Rear yard landscaping shall be completed within two (2) years of issuance of a Certificate of Occupancy.

(cc) Outside clotheslines and other outside clothes drying or airing facilities shall be maintained in such a manner and in such location as not to be visible from roads.

(dd) No drilling (except for a water well expressly permitted), refining, quarrying or mining operations of any kind shall be permitted upon any Residential Lot or the Common Areas, and no derrick, structure, pump or equipment designed for use in any such activity shall be erected, maintained, stored or permitted on an Residential Lot or the common Areas.

(ee) There shall be no blasting or discharge of explosives upon any Residential Lot or the Common Areas except as permitted by the Board; provided that this provision shall in no way limit or restrict Declarants in its activities in connection with and during the development and sale of Residential Lots.

(ff) Signs may only be allowed on a Residential Lot that conform with laws and regulations as set by Morgan County and after receiving approval from the Design Committee, except that the following signs are allowed:

(i) Such signs as may be required by legal proceedings;

(ii) Such signs as Declarants may erect or maintain on a Residential Lot prior to sale and conveyance;

(iii) One "For Sale" or "For Rent" sign having a maximum face area of fifteen (15) square feet and referring only to the premises on which it is situated.

(gg) Except to the extent used by Declarants in connection with and during the development and sale of Residential Lots, no mobile home or similar facility shall be placed upon any Residential Lot, the Common Areas or adjoining public streets except for temporary storage in strict accordance with the rules and regulations of the Board. No stripped down, wrecked or junk motor vehicles shall be kept, parked, stored or maintained on any Residential Lot, the common Areas or adjoining public streets. No large commercial vehicle shall be parked on any Residential Lot, public streets, or the common Areas except within an enclosed structure or a screened area which prevents view thereof from adjoining Residential Lots, roads and Common Areas unless such vehicle is temporarily parked for the purpose of serving such Residential Lot or Common Areas.

(hh) No Owner of any Residential Lot, except as approved by the Design Committee, shall maintain more than one (1) large animal for each three quarters (3/4) of an acre contained in the Residential Lot. For purposes of this paragraph, large animals shall include horses, cows, pigs, and any other animal when full grown weighs more than 200 pounds. All large animals shall be contained within the Residential Lot by a fence approved by the Design Committee. The area of any Residential Lot occupied by a large animal shall be properly maintained so as not to create any noxious or offensive odors or conditions which are or may become a

nuisance or may cause disturbance or annoyance to the other Owners in the Project. Unless otherwise deemed necessary to reduce the potential for fire hazard, no animals shall be permitted on the Common Areas except when accompanied by and under the control of the persons to whom they belong and horses upon paths and other areas from time to time designated as bridle paths by the Association and upon areas developed or maintained as equestrian facilities by the Association. The use and control of large animals shall be subject to further control by rules and regulations promulgated by the Board. No overgrazing shall be allowed.

(ii) Each lot shall have a three-foot by three-foot by four-foot stone column on each side of the driveway entrance, with 32 feet of pine log crossbuck fencing from each stone column along the road. No white fences of any kind shall be allowed. Any other fences (beyond the required 32 feet of pine by crossbuck style) shall be approved by the Design Committee.

(jj) Subject to further control by rules and regulations promulgated by the Board, only a reasonable number of generally recognized house pets shall be kept on any Residential Lot or in any living area. House pets shall be permitted on the Common Areas when accompanied by and under the control of the person to whom they belong.

(kk) There shall be no exterior fires, except fires started and controlled by the Association incidental to the maintenance and preservation of any portion of the Property and barbecue fires in designated fire pits and incinerator fires contained within facilities or receptacles designed for such purposes. No Owner shall cause or permit any condition which creates a fire hazard, creates a nuisance, or is in violation of any fire prevention regulations.

(ll) There shall be no camping upon any Residential Lot or the Common Areas, except as permitted by the Board by written license. There shall be no hunting or discharge of firearms on any Residential Lot or the Common Areas.

7.02 Exemption of Declarants. The provision of Section 7.01 of this Article shall not apply to any improvement

or structure constructed on any Residential Lot or the Common Areas by Declarants prior to the time that such Lot or Common Areas are conveyed by Declarants to a purchaser or the Association as the case may be; and the Declarants shall have the right to use any Residential Lot or Living Unit owned by them, and made part of the 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 or improvement and sale of all Residential Lots owned by Declarants.

7.03 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) Declarants, so long as it has any interest in any of the Property or Residential Lots:
- (b) Any Owner; or
- (c) The Association.
- (d) Morgan County, but only to the extent necessary to protect the health, safety and welfare of the residents and the community.

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

ARTICLE VIII

ARCHITECTURAL CONTROL

8.01 Organization of the Design Committee. There shall be a Design Committee consisting of not fewer than three (3) members. The members of the Design Committee need to be Owners. Declarants shall have the right to appoint, remove and increase the number of members of the Design committee; provided that such right shall vest in the Board upon the expiration of any continuous period of eighteen (18) months during which Declarants at all times own less than ten percent (10%) of the Residential Lots then covered by this Declaration. Declarants may voluntarily relinquish control of the Design committee to the Board at any time. Whenever the Design Committee consists of more than three (3) members, it may designate subcommittees, each

consisting of at least three (3) members. Unless authorized by the Board, the members of the Design Committee shall not receive any compensation, but all members shall be entitled to reimbursement from the Association for reasonable expenses incurred in the performance of any Design Committee function.

8.02 Actions Requiring Approval. No fence, wall, Living Unit, accessory or addition to a Living Unit visible from the Common Areas or public streets within the Property, or landscaping or other improvement of a Residential Lot visible from the Common Areas or public streets within the Property shall be constructed or performed, nor shall any alteration of any structure on any Residential Lot, including a change in exterior color, be made, unless complete plans and specifications showing the nature, color, kind, shape, height, materials and location of the same shall first be submitted to and approved by the Design Committee.

8.03 Standard of Design Review. Before granting any approval of plans and specifications, the Design Committee shall determine to its reasonable satisfaction that such plans and specifications (a) conform to all architectural standards contained in this Declaration and all further architectural standards promulgated from time to time by the Board and (b) provide for a structure, alteration, landscaping or other improvements in harmony as to external design and location with surrounding structures and topography.

8.04 Approval Procedure. The Design Committee and any subcommittees thereof shall meet from time to time as necessary to perform the duties of the Design Committee. The vote or written consent of a majority of the Design Committee or any authorized subcommittee shall constitute the act of the Design Committee. Any plans and specifications submitted to the Design Committee shall be approved or disapproved within thirty (30) days after receipt by the Design Committee.

8.05 Variance Procedure. If plans and specifications submitted to the Design Committee are disapproved because such plans and specifications are not in conformity with applicable architectural standards, the party or parties making such submission may submit a request for variance to the Design Committee, which shall make a written recommendation of approval or disapproval of the requested variance to the Board. The Board shall approve or disapprove the request for variance in writing.

8.06 Nonwaiver. The approval by the Design Committee of any plans and specifications for any work done or proposed

shall not constitute waiver of any right of the Design Committee to disapprove any similar plans and specifications.

8.07 Completion of Construction. Once begun, any improvements, construction, landscaping or alterations approved by the Design Committee shall be diligently prosecuted to completion in strict accordance with the plans and specifications approved by the Design Committee.

8.08 Exemption of Declarants. The provisions of this Article shall not apply to any improvement, construction landscaping or alteration made or performed by Declarants on any Residential Lot or portions of the Common Areas at any time during the twenty-year period following the date on which this Declaration is filed for record in the Office of the County Recorder of Morgan County, Utah.

8.09 Estoppel Certificate. Within thirty (30) days after written demand therefor is delivered to the Design Committee by any Owner and upon payment therewith to the Association of a reasonable fee from time to time to be fixed by the Board, the Design Committee shall issue an estoppel certificate in recordable form executed by any two of its members, certifying with respect to any Residential Lot of such Owner that as of the date thereof either (a) all improvements and other work made or done upon or within such Residential Lot by the Owners, or otherwise, comply with the Declaration, or (b) such improvements or work do not so comply, in which event the certificate shall also (i) identify the nonconforming improvements or work, and (ii) set forth the nature of such noncompliance. Any mortgagee or purchaser from the Owner shall be entitled to rely on such certificate with respect to the matters therein set forth.

8.10 Disclaimer of Liability. Neither the Design Committee nor any member thereof acting in good faith shall be liable to the Association or to any Owner for any damage, loss, or prejudice suffered or claimed on account of (a) the approval or rejection of, or the failure to approve or reject, any plans, drawings and specifications, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, (c) the development or manner of development of any of the Property, (d) the engineering or other defect in approved plans and specifications, or (e) any issue approved by the County.

ARTICLE IX

INSURANCE

9.01 Liability Insurance. The Board shall procure and maintain from a company or companies holding a rating of "AA" or better from Best's Insurance Reports a policy or policies (herein called "the Policy") of Public Liability Insurance to insure the Declarants, the Association, the Board and the Managing Agent and employees of the Association against claims for bodily injury and property damage arising out of the conditions of the common Areas or activities thereon under a Comprehensive General Liability form. Such information shall be for such limits as the Board may decide, but not less than those limits customarily carried by properties of comparable character and usage in the County of Morgan nor less than \$1,000,000 for personal injury and property damage arising out of a single occurrence, such coverage to include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others and such other risks as shall customarily be covered with respect to property similar in construction, location and use. The Policy shall contain a "Severability of Interest" endorsement which shall preclude the insurer from denying the claim of any Owner because of negligent acts of the Association or other Owners and a cross-liability endorsement pursuant to which the rights of the named insureds as between themselves are not prejudiced. The Policy shall provide that the Policy may not be canceled by the insurer unless it gives at least thirty (30) days' prior written notice thereof to the Board and every other person in interest who shall have requested in writing such notice of the insurer. Any such coverage procured by the Board shall be without prejudice to the right of the Owners to insure their personal liability for their own benefit at their own expense.

9.02 Additional Insurance; Further General Requirements. The Board may also procure insurance which shall insure the Common Areas and the Association, the Board, the Managing Agent or the Owners and others against such additional risks as the Board may deem advisable. Insurance procured and maintained by the Board shall not require contribution from insurance held by any of the Owners or their mortgagees. Each policy of insurance obtained by the Board shall, if reasonable possible, provide: (a) a waiver of the insurer's rights of subrogation against the Association, the Owners and their respective directors, officers, agents, employees, invitees and tenants; (b) that it cannot be canceled, suspended or invalidated, due to the conduct of any particular Owner or Owners; (c) that it cannot be canceled, suspended, or invalidated due to the conduct of the Association or any directors, officer,

Owners; (c) that it cannot be canceled suspended, or invalidated due to the conduct of the Association or any directors, officer, agent, or employee of the Association without a prior written demand that the defect can be cured and (d) that any "no other insurance" clause therein shall not apply with respect to insurance maintained individually by any of the Owners.

9.03 Review of Insurance. The Board shall periodically, and whenever requested by twenty percent (20%) or more of the Owners, review the adequacy of the Association's insurance program and shall report in writing the conclusions and action taken on such review to the Owner of each Residential Lot and to the holder of any mortgage on any Residential Lot who shall have requested a copy of such report. Copies of every policy of insurance procured by the Board shall be available for inspection by any Owner.

9.04 Residential Lots Not Insured by Association. The Association shall have no duty or responsibility to procure or maintain any fire, liability, extended coverage or other insurance covering any Residential Lot and Acts and events thereon.

ARTICLE X

CONDEMNATION

10.01 If at any time the Common Areas or any part thereof shall be taken or condemned by any authority having the power of eminent domain, all compensation and damages shall be payable to the Board and shall be used promptly by the Board to the extent necessary for restoring or replacing any improvements on the remainder of the Common Areas. Upon completion of such work and payment in full therefor, any proceeds of condemnation then or thereafter in the hands of the Board which are proceeds for the taking of any portion of the common Areas shall be disposed of in such manner as the Board shall reasonably determine; provided, however, that in the event of a taking in which any Residential Lot is eliminated, the Board shall disburse the portion of the proceeds of the condemnation award allocable to the interest of the Owner of such Residential Lot in the Association and the common Areas to such Owner and any first mortgagee of such Residential Lot, as their interests shall appear, after deducting the proportionate share of said Residential Lot in the cost of debris removal.

ARTICLE XI

RIGHTS OF FIRST MORTGAGEES

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

11.01 Preservation of Regulatory Structure and Insurance. Unless the Owners of at least seventy-five percent (75%) of the Residential Lots (not including Residential Lots owned by Declarants) and such Owners' first mortgagees, if any, shall have given their prior written approval, the Association shall not be entitled:

(a) by act or omission to change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Living Units, the exterior maintenance of Living Units, the maintenance of party walls or common fences and driveways, or the upkeep of lawns and plantings on the Property.

(b) to fail to maintain insurance as required by Article IX.

This Section 11.01 may be amended as provided in Section 13.02 of Article XIII hereof, except that such amendment must be approved by a vote otherwise sufficient to authorize action under this subsection prior to such amendment.

11.02 Preservation of Common Area; Change in Method of Assessment. Unless the Association shall receive the prior written approval of (1) all first mortgagees of Residential Lots and (2) the Owners of at least seventy-five percent (75%) of the Residential Lots (not including Residential Lots owned by Declarants) the Association shall not be entitled:

(a) by act or omission to seek to abandon, partition, subdivide, encumber, sell or transfer the Common Areas, except to grant easements for utilities and similar or related purposes, as reserved in Section 6.05 of Article XIV hereof; or

(b) to change the ratio or method of determining the obligations, assessments, dues or other charges which may be levied against a Residential Lot or the Owner thereof.

This Section 11.02 may be amended as provided in Section 13.02 of Article XIII hereof, except that such amendment must be approved by a vote otherwise sufficient to authorize action under this subsection prior to such amendment.

11.03 Notice of Matters Affecting Security. The Board shall give written notice to any first mortgagee of a Residential Lot requesting such notice whenever:

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

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

(c) there is any condemnation or taking by eminent domain of the Residential Lot subject to the first mortgage or of the Common Areas; or

(d) any of the following matters come up for consideration or effectuation by the Association.

(i) abandonment or termination of the Planned Development established by this Declaration;

(ii) material amendment of the Declaration or the Articles or Bylaws of the Association; or

(iii) any decision to terminate professional management of the Common Areas and assume self-management by the Owners.

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

11.05 Right to Examine Association Records. Any first mortgagee shall have the same right to inspect the books and records of the Association and receive financial statements as the Owner of the Residential Lot securing the mortgage, provided that the foregoing shall not be deemed to impose upon the Association any obligation to cause its financial statements to be audited.

11.06 Right to Pay Taxes and Charges. First mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any portion of the Common Areas and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the common Areas; and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. Declarants, for the Association as owner of the Common Areas, hereby covenants and the Association by acceptance of the conveyance of the Common Areas, whether or not it shall be so expressed in such conveyance, is deemed to covenant and agree to make such reimbursement.

11.07 Exemption from Any First Right of Refusal. Any first mortgagee who obtains title to the Residential Lot subject to the first mortgage pursuant to the remedies provided in the first mortgage, or by foreclosure of the first mortgage, or by deed or assignment in lieu of foreclosure, or by sale pursuant to any power of sale shall be exempt from any "right of first refusal" which would otherwise affect the Residential Lot.

ARTICLE XII

MISCELLANEOUS

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

12.02 Amendment. Except as provided below in this Section 12.02 or in Sections 11.01 and 11.02 of Article XI or in Section 12.08 of Article XII, this Declaration may be amended only as follows:

- (a) by the affirmative vote of a majority of the Owners, and

(b) with the written consent of Declarants, if such amendment is adopted at any time when Declarants holds class "B" membership in the Association, and

(c) any amendment to this Declaration may be made only with the approval of Morgan County, which approval shall not be unreasonably withheld, particularly on issues that do not have an impact on the health, safety, or welfare of the residents and the community, and

(d) by the filing of an instrument for record in Office of the County Recorder of Morgan County, Utah, executed by any two officers of the Association and certifying that such amendment has been duly adopted by the affirmative vote of a majority of the Owners and, if required, has the written consent of Declarants.

12.03 Consent in Lieu of Vote. In any case in which this Declaration requires for authority or approval of a transaction the assent or affirmative vote of a stated percentage of the Owners, whether 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 Owners entitled to cast at least the stated percentage of all membership votes outstanding in connection with the class of membership concerned. The following additional provisions shall govern any application of this Section 12.03:

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

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

(c) Except as provided in the following sentence, any change in ownership of a Residential Lot which occurs after a 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 increase 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 Owners whose membership are appurtenant to the same Residential Lot are secured, the consent of none of such Owners shall be effective.

12.04 Declarants's Rights Assignable. All or any portion of the rights of Declarants under this Declaration or in any way relating to the Property may be assigned.

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

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

12.07 Duration. The covenants and restrictions of this Declaration shall remain in effect in perpetuity from the date this Declaration was first filed in the Office of the county Recorder of Morgan County, Utah. If any of the privileges, covenants, or rights created by this Declaration would otherwise be unlawful or void for violation of (1) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then the provision herein creating such privilege, covenant or right shall, in any

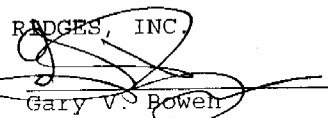
event, terminate upon the expiration of twenty-one (21) years after the death of the last survivor of the now living lawful descendants of George W. Bush, the President of the United States at the time this Declaration was recorded.

12.08 Declarants' Right to Amend. Until all portions of the Undeveloped Land are included in the Development, or until the right to expand the Development through the annexation of all or part of the lands constituting the Undeveloped Land terminates, whichever event first occurs, Declarants shall have, and are hereby vested with, the right to unilaterally amend this Declaration as may be reasonably necessary or desirable: (a) to more accurately express an intent of any provisions of this Declaration in light of then existing circumstances or information; (b) to better ensure, in light of then existing circumstances or information, workability of the arrangement which is contemplated by this Declaration; or (c) to facilitate the practical, technical, administrative, or functional annexation of any Undeveloped Land to the Property. Any such amendments must comply with federal, state, and local laws and are subject to approval by Morgan County or they shall be deemed void. County approval shall not be unreasonably withheld, particularly as to issues that do not relate to the health, safety, or welfare of the residents and community.

12.09 Effective Date. this Declaration and any amendment hereof shall take effect upon its being filed for record in the Office of the county Recorder of Morgan County, Utah.

"Declarants"

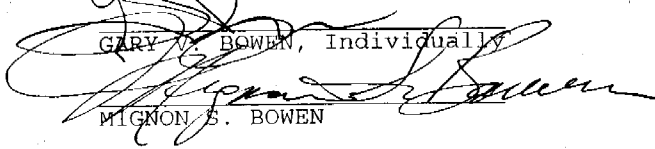
THE RANGES, INC.

By: 
Gary V. Bowen
Its President


BRENT V. ANDERSON

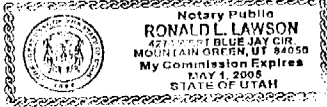

HOLLIE K. ANDERSON

GARY V. BOWEN, Individually


MIGNON S. BOWEN

State of Utah)
) ss.
County of Weber)

On the 23rd day of SEPTEMBER, 2004, personally appeared before me GARY V. BOWEN, who being by me duly sworn did say that he is the President of THE RIDGES, INC., and that said instrument was signed on behalf of said corporation by authority of a resolution of its Board of Directors and the said GARY V. BOWEN duly acknowledged to me that said corporation executed the same.

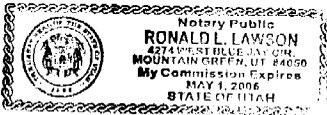


[Signature]

Notary Public

State of Utah)
) ss.
County of Weber)

On the 23rd day of SEPTEMBER, 2004, personally appeared before me BRENT V. ANDERSON, HOLLIE K. ANDERSON, GARY V. BOWEN, and MIGNON S. BOWEN, signers of the foregoing instrument, who duly acknowledged to me that they executed the same.



[Signature]

Notary Public

b:\bowen.dec

EXHIBITS A AND B

(COMING FROM ANDERSON AND BOWEN PARCELS, CONSTITUTING ALL OF
THE RIDGES PRUD SUBDIVISION)

BOUNDARY DESCRIPTION THE RIDGES P.R.U.D.

A TRACT OF LAND SITUATED IN THE NORTHEAST QUARTER OF SECTION 18, THE SOUTHEAST QUARTER OF SECTION 7, THE SOUTHWEST QUARTER OF SECTION 8 AND THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 4 NORTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN, U.S. SURVEY, MORGAN COUNTY, UTAH, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS

COMMENCING AT A BLM BRASSCAP (1952 RESURVEY), MONUMENTING THE NORTHEAST CORNER OF SECTION 18;

THENCE NORTH 00°02'20" EAST 746.01 FEET TO A REBAR AND CAP, THE TRUE POINT OF BEGINNING;

THENCE NORTH 00°02'20" EAST 170.16 FEET TO A REBAR AND CAP;

THENCE SOUTH 49°20'52" EAST 359.58 FEET TO A REBAR AND CAP;

THENCE NORTH 32°27'53" EAST 67.63 FEET TO MILLINER SUBDIVISION;

THENCE SOUTH 49°51'02" EAST 200.73 FEET ALONG SAID MILLINER SUBDIVISION;

THENCE NORTH 32°46'11" EAST 231.19 FEET ALONG SAID MILLINER SUBDIVISION TO THE SOUTHERLY LINE OF MORGAN VALLEY DRIVE AND A REBAR AND CAP;

THENCE SOUTH 57°13'49" EAST 608.73 FEET ALONG SAID SOUTHERLY LINE TO A REBAR AND CAP;

THENCE SOUTH 19°30'23" WEST 239.96 FEET ALONG A FENCE LINE TO A FENCE CORNER AND A REBAR AND CAP;

THENCE SOUTH 07°22'40" WEST 113.93 FEET ALONG A FENCE LINE TO A FENCE CORNER AND A REBAR AND CAP;

THENCE SOUTH 02°47'08" WEST 204.91 FEET ALONG A FENCE LINE TO A FENCE CORNER AND A REBAR AND CAP;

THENCE NORTH 89°10'24" EAST 305.60 FEET ALONG A FENCE LINE TO THE SOUTHWEST CORNER OF ROBERT COX SUBDIVISION AND A REBAR AND CAP;

THENCE NORTH 86°51'10" EAST 249.27 FEET ALONG SAID SUBDIVISION TO A REBAR AND CAP BEING THE NORTHWEST CORNER OF DAVID WRIGHT SUBDIVISION;

THENCE SOUTH 25°02'30" WEST 763.77 FEET ALONG SAID SUBDIVISION TO A REBAR AND CAP;

THENCE SOUTH 18°27'22" WEST 165.87 FEET ALONG SAID SUBDIVISION TO A REBAR AND CAP;

THENCE SOUTH 10°39'51" WEST 630.58 FEET ALONG SAID SUBDIVISION TO A REBAR AND CAP;

THENCE SOUTH 66°05'43" WEST 1143.77 FEET ALONG SAID SUBDIVISION TO A REBAR AND CAP;

THENCE SOUTH 00°20'22" EAST 656.20 FEET ALONG SAID SUBDIVISION TO A 5/8" REBAR;

THENCE SOUTH 89°26'24" WEST 2717.52 FEET TO A REBAR AND CAP;

THENCE NORTH 00°02'32" WEST 2659.83 FEET TO A BLM BRASSCAP MONUMENTING THE NORTH QUARTER CORNER OF SECTION 18;

THENCE NORTH 89°51'30" EAST 1684.65 FEET ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 18 TO A REBAR AND CAP PLACED IN A FENCE LINE;

THENCE NORTH 00°36'48" EAST 216.04 FEET ALONG SAID FENCE LINE TO A REBAR AND CAP;

THENCE NORTH 01°32'56" WEST 373.22 FEET ALONG SAID FENCE LINE TO A REBAR AND CAP PLACED AT A FENCE CORNER;

THENCE NORTH 88°48'56" EAST 229.99 FEET ALONG A FENCE LINE TO A REBAR AND CAP PLACED AT A 3-WAY FENCE CORNER;

THENCE SOUTH 89°30'35" EAST 573.61 FEET ALONG A FENCE LINE TO A REBAR AND CAP PLACED AT A 4-WAY FENCE CORNER;

THENCE NORTH 54°30'48" EAST 274.88 FEET ALONG A FENCE LINE TO THE POINT OF BEGINNING;

THE ABOVE DESCRIBED TRACT OF LAND CONTAINS 17 LOTS, COMMON AREA AND 244.60 ACRES.

THE BASIS OF BEARING IS THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 18 CALLED: NORTH 89°52'40" EAST.

EXHIBIT C

PARCEL 1: IN THE SOUTHEAST QUARTER OF SECTION 7, TOWNSHIP 4 NORTH, RANGE 2 EAST OF THE SALT LAKE BASE AND MERIDIAN. TRUE BEARING. BEGINNING AT THE SOUTHEAST CORNER OF SAID SECTION 7 AND RUNNING THENCE WEST 1015.0 FEET; THENCE NORTH 660.0 FEET; THENCE EAST 1015.0 FEET; THENCE SOUTH 660.0 FEET; TO POINT OF BEGINNING.

PARCEL 2: IN SECTION 18, TOWNSHIP 4 NORTH, RANGE 2 EAST OF THE SALT LAKE BASE AND MERIDIAN. THE NORTHEAST QUARTER; THE EAST HALF OF THE NORTHWEST QUARTER; THE NORTHEAST QUARTER OF THE SOUTHWEST AND THE NORTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 18, TOWNSHIP AND RANGE AFORESAID.

LESS AND EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PROPERTY; A TRACT OF LAND SITUATE IN THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 4 NORTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN, U.S. SURVEY, MORGAN COUNTY, UTAH, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 18, THENCE SOUTH 00°23'04" EAST 3443.516 FEET; THENCE WEST 1828.393 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 36°19'43" EAST 283.587 FEET; THENCE SOUTH 76°20'08" WEST 216.010 FEET; THENCE SOUTH 46°17'08" WEST 166.469 FEET; THENCE NORTH 46°21'42" WEST 43.583 FEET; THENCE NORTH 13°36'03" EAST 239.673 FEET; THENCE NORTH 46°15'18" EAST 190.190 FEET TO THE POINT OF BEGINNING.

01-004-147 & 01-004-259-01

LESS THOSE PORTIONS INCLUDED IN THE RIGDES
PRUD PLAT

EXHIBIT D

01-004-257

PARCEL 2: Lots 1, 2 and 3 of Section 18, Township 4 North, Range 2 East of the Salt Lake Base and Meridian. 01-004-257

01-004-256

PARCEL 3: The South half of the Southeast Quarter of Section 18, Township 4 North, Range 2 East of the Salt Lake Base and Meridian. The North half of the Northeast Quarter and the Southeast Quarter of the Northeast Quarter of Section 19, Township 4 North, Range 2 East of the Salt Lake Base and Meridian.

*01-004-256
*01-004-260

EXHIBIT E

The following described real property located in Utah, County of Salt Lake, State of Utah, is to be:

01-004-258

PARCEL 1: The Southeast 1/4 of the Southwest 1/4 and Lot 4, Section 18, Township 4 North, Range 2 East, Salt Lake Base and Meridian, U.S. Survey.