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**CONDOMINIUM DECLARATION
FOR
SUNBROOK CONDOMINIUMS
PHASE NO. 2
A UTAH CONDOMINIUM PROJECT**

18-081 - 0001 TO 0008

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DOUG CROFTS, WEBER COUNTY RECORDER
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TABLE OF CONTENTS

ARTICLE I - SUBMISSION	1
ARTICLE II - DEFINITIONS	1
1. <u>Act</u>	2
2. <u>Declaration</u>	2
3. <u>Declarant</u>	2
4. <u>Record of Survey Map and Map</u>	2
5. <u>Property</u>	2
6. <u>Management Committee</u>	2
7. <u>Association</u>	2
8. <u>Common Areas and Facilities and Common Areas</u>	2
9. <u>Limited Common Area and Facilities and Limited Common Areas</u>	3
10. <u>Percentage Interest</u>	3
11. <u>Condominium Unit and Unit</u>	3
12. <u>Unit Number</u>	3
13. <u>Unit Owner or Owner</u>	4
14. <u>Rules and Regulations</u>	4
15. <u>Common Expenses</u>	4
16. <u>Common Profits</u>	4
17. <u>Condominium Project and Project</u>	4
18. <u>Tract</u>	4
19. <u>Mortgage</u>	5
20. <u>Mortgagee</u>	5
21. <u>Majority of Owners</u>	5
ARTICLE III - COVENANTS, CONDITIONS, AND RESTRICTIONS	5
1. <u>Description of Improvements</u>	5
2. <u>Description of Legal Status of Units</u>	5
3. <u>Contents of Exhibit "D"</u>	5
4. <u>Common and Limited Common Areas</u>	6
5. <u>Computation of Percentage Interests</u>	6
6. <u>Unit Maintenance</u>	6
7. <u>Association Membership</u>	6
8. <u>Easement of Encroachment</u>	7
9. <u>Access for Repair of Common Areas</u>	7
10. <u>Right of Ingress and Egress</u>	9
11. <u>Pipes, Ducts, Cables, Wires, Conduits, Public Utility Lines, and Other Common Facilities Located Inside the Units; Support</u>	9
12. <u>Easement to Management Committee</u>	9

13.	<u>Easement for Utility Services</u>	9
14.	<u>Easement for Use of Recreational Areas and Facilities</u>	9
15.	<u>Use of Units and Common Areas</u>	10
16.	<u>Status and General Authority of Management Committee</u>	11
17.	<u>Manager</u>	12
18.	<u>Composition of Management Committee and Initial Selection Thereof</u>	13
19.	<u>Agreement to Pay Assessment</u>	13
20.	<u>Transition of Management</u>	16
21.	<u>Insurance</u>	17
22.	<u>Damage to Project</u>	19
23.	<u>Certain Provisions Applicable to Declarant</u>	20
24.	<u>Amendment</u>	21
25.	<u>Consent Equivalent to Vote</u>	21
26.	<u>Eminent Domain</u>	21
27.	<u>Service of Process</u>	21
28.	<u>Mortgagee Protection</u>	21
29.	<u>Duty of Owner to Pay Taxes on Unit Owner</u>	24
30.	<u>Covenant to Run With Land; Compliance</u>	24
31.	<u>Information Regarding Transferee of Unit</u>	25
32.	<u>Indemnification of Management Committee</u>	25
33.	<u>Expansion of the Project</u>	25
34.	<u>Maintenance of Culinary Water Line</u>	26
35.	<u>Invalidity</u>	27
36.	<u>Waiver</u>	27
37.	<u>Gender</u>	27
38.	<u>Headings</u>	27
39.	<u>Conflicts</u>	27
40.	<u>Effective Date</u>	27
EXHIBIT "A" - LEGAL DESCRIPTION		29
EXHIBIT "B" - LEGAL DESCRIPTION		30
EXHIBIT "C" - BY-LAWS GOVERNING THE SUNBROOK CONDOMINIUMS		31
ARTICLE I - MANAGEMENT COMMITTEE		31
Section 1.	<u>General Responsibility</u>	31
Section 2.	<u>Operation and Maintenance</u>	31
Section 3.	<u>Committee Vacancies</u>	31
Section 4.	<u>Officers</u>	32
Section 5.	<u>Regular Meetings</u>	32
Section 6.	<u>Special Meetings</u>	32
Section 7.	<u>Quorum</u>	32
Section 8.	<u>Special Committees</u>	32
Section 9.	<u>Additional Facilities</u>	32

ARTICLE II - MEETING OF UNIT OWNERS	32
Section 1. <u>Annual Meeting</u>	32
Section 2. <u>Voting</u>	33
Section 3. <u>Meetings</u>	34
Section 4. <u>Special Meeting</u>	34
Section 5. <u>Calls and Notices of Meetings</u>	34
Section 6. <u>Waiver of Irregularities</u>	34
ARTICLE III - CALLS AND NOTICES OF MEETINGS	34
Section 1. <u>Annual Meeting of Unit Owners</u>	34
Section 2. <u>Special Meetings of Unit Owners</u>	34
ARTICLE IV - ADMINISTRATIVE RULES AND REGULATIONS	34
ARTICLE V - PAYMENT OF EXPENSES	35
Section 1. <u>Assessments</u>	35
Section 2. <u>No Waiver</u>	36
ARTICLE VI - TAXES AND INSURANCE	36
Section 1. <u>Taxes</u>	36
Section 2. <u>Insurance</u>	37
Section 3. <u>Maintenance of Units</u>	39
Section 4. <u>Pets</u>	39
Section 5. <u>No Waiver of Strict Performance</u>	39
ARTICLE XI - AMENDMENTS	40
EXHIBIT "D" - PERCENTAGE OF COMMON OWNERSHIP INTEREST	41
EXHIBIT "E" - ADDITIONAL LAND	42

**CONDOMINIUM DECLARATION
FOR
SUNBROOK CONDOMINIUMS
PHASE NO. 2
A UTAH CONDOMINIUM PROJECT**

THIS CONDOMINIUM DECLARATION FOR SUNBROOK CONDOMINIUMS, PHASE NO. 2, A UTAH CONDOMINIUM PROJECT (hereinafter referred to as "Declaration") is made and executed this 19th day of December, 1997, by SCOFFIELD ENTERPRISES, INC. (hereinafter referred to as "Declarant"), pursuant to the provisions hereinafter defined.

R E C I T A L S:

A. On _____, Declarant caused to be filed in the County Recorder's Office of Weber County, State of Utah, an Amended Condominium Declaration for Sunbrook Condominiums (hereinafter referred to as "Phase 1 Declaration"), as Entry No. _____, in Book _____, at Page _____. The legal description of which is set forth in Exhibit "A" attached hereto and incorporated herein by reference.

B. The Phase 1 Declaration was recorded against Sunbrook Condominiums, Phase 1, and reserves the right to Declarant to expand the Project to include additional phases to be constructed on other real property described in Exhibit "E" attached to the Phase 1 Declaration.

C. Declarant now desires to expand the Project as originally filed under the Phase 1 Declaration by recording the Plat for Sunbrook Condominiums, Phase No. 2, and by recording this Declaration.

ARTICLE I - SUBMISSION

The Declarant, owner in fee simple of the Property particularly described in Exhibit "B" annexed hereto, located in Weber County, Utah (hereinafter the "Property"), hereby submits the Property, together with the buildings, all improvements, all easements, rights and appurtenants thereunto belonging to the provisions of the Act and this Declaration, to be known as SUNBROOK CONDOMINIUMS, PHASE NO. 2. This phase of the Project is described as SUNBROOK CONDOMINIUMS, PHASE NO. 2 on the Record of Survey Map recorded simultaneously herewith.

ARTICLE II - DEFINITIONS

When used in the Declaration and in the By-Laws, which are made a part of this Declaration and are attached hereto as Exhibit "C", the following terms shall have the meaning

E# 1511206 BK1898 PG243

indicated. Any term used herein which is defined by the Act shall, to the extent permitted by the context hereof, have the meaning ascribed by the Act.

1. Act shall mean and refer to the Utah Condominium Ownership Act (Sections 57-8-1 through 57-8-36, Utah Code Annotated, 1953), as the same may be amended from time to time.
2. Declaration shall mean and refer to this instrument, as the same may be amended from time to time.
3. Declarant shall mean and refer to SCOFFIELD ENTERPRISES, INC., their successors and assigns.
4. Record of Survey Map and Map shall mean and refer to the Record of Survey Map simultaneously herewith, consisting of one sheet, prepared and certified by Gary L. Newman of Great Basin Engineering, Inc., a Professional Utah Land Surveyor having Certificate No. 4778.
5. Property shall mean and refer to the land in Exhibit "B", the buildings, all improvements and the structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.
6. Management Committee shall mean and refer to the Management Committee of SUNBROOK CONDOMINIUMS Project as it exists at any given time.
7. Association shall mean and refer to all of the Unit Owners in the Project acting as a group in accordance with the Declaration and By-Laws.
8. Common Areas and Facilities and Common Areas shall mean and refer to, and include:
 - a. The real property and interests in real property in the Project and which this Declaration submits to the terms of the Act.
 - b. All Common areas and Facilities designated as such in the Survey Maps in the Project.
 - c. All Limited Common Areas and Facilities designated as such in the Survey Maps and in the Project.
 - d. All foundations, columns, girders, beams, supports, perimeter walls, roofs, and any entrances and exits which are designated for the use of more than one Unit, parking spaces, access roads, driveways, walkways, pedestrian sidewalks, landscapes and planting areas, fences, street lights, and other common facilities in the Project.

e. All apparatus, installations, and facilities included within the Project and existing for common use.

f. All portions of the Project not specifically included within individual Units.

g. All Common Areas in the Project as defined in the Act, whether or not enumerated herein.

9. Limited Common Area and Facilities and Limited Common Areas shall mean and refer to those Common Areas designated in the maps of the Project as reserved for the use of a certain Unit or Units, to the exclusion of other Units.

10. Percentage Interest means and refers to the percentage undivided interest of each Unit in the Common Areas as set forth in Article III, Paragraph 5.

11. Condominium Unit and Unit shall mean and refer to, and include:

a. A separate physical part of the Property intended for independent use consisting of rooms or space located in a building. Units are shown in the Map by single cross-hatching.

b. Mechanical equipment and appurtenances located within any one Unit, or located without said Unit but designed to serve only one Unit, such as appliances, electrical receptacles and outlets, air-conditioning compressors and other air-conditioning apparatus, fixtures and the like.

c. The upper and lower (horizontal) boundaries of a Unit shall be the following boundaries extended to an intersection with the vertical (parametric) boundaries:

i. Upper boundary: the horizontal plane of the undecorated bottom surface of the ceiling;

ii. Lower boundary: the horizontal plane of the undecorated top surface of the floor.

d. The vertical (parametric) boundary of a Unit shall be the vertical plane which includes the back surface of the plaster board of all walls bounding the Unit extended to intersections with each other and with the upper and lower boundaries.

12. Unit Number shall mean and refer to the number which designates a Unit in the attached Exhibit "D" and in the Map. Units 1, 2, 3 and 4 are the upper units, and Units 5, 6, 7 and 8 are the lower units in Building C.

13. Unit Owner or Owner shall mean and refer to the owner of the fee in a Unit and Percentage Interest in the Common Areas which is appurtenant thereto. In the event a Unit is the subject of an executory contract of sale, the contract purchaser shall, upon notice to the Committee by the Purchaser (unless the seller and purchaser have otherwise agreed and have informed the Committee in writing of such agreement) be considered the Unit Owner for purposes of voting and Committee membership.

14. Rules and Regulations means those rules and regulations adopted from time to time by the Management Committee that are deemed necessary for the enjoyment of the Project, provided they are not in conflict with the Act or Declaration.

15. Common Expenses shall mean and refer to all sums which are expended on behalf of all the Unit Owners and all sums which are required by the Management Committee to perform or exercise its functions, duties or rights under the Act, this Declaration, any Management Agreement for the operation of the Project, and such Rules and Regulations as the Management Committee may, from time to time, make and adopt. By the way of illustration but not limitation, Common Expense shall include:

a. Expense of administration, maintenance, operation, repair, or replacement of those elements of the Common Areas in the Project that must be replaced on a periodic basis, and to other reserves as may, from time to time, be established pursuant to the Declaration;

b. Expenses agreed upon by the Association and lawfully assessed against the Owners in accordance with the Declaration;

c. Expenses declared Common Expenses by the provisions of the Act, this Declaration or the By-Laws; and

d. Any valid charge against the Project as a whole.

16. Common Profits shall mean and refer to the balance income, rents, profits, and revenues from the Common Areas remaining after deduction of the Common Expenses.

17. Condominium Project and Project shall mean and refer to the SUNBROOK CONDOMINIUMS Project as a whole, which includes Sunbrook Condominiums Phases 1 and 2, and any additional phases properly annexed to the Project.

18. Tract shall mean and refer to all real property included in the Project, including the real property of Phases 1 and 2, Sunbrook Condominiums, and any additional real property properly annexed into the Project. The Property which Exhibit "B" of this Declaration submits to the terms of the Act constitutes a Tract.

19. Mortgage shall mean any mortgage, deed of trust or other security instrument by which a Unit or any part thereof is encumbered. First mortgage shall refer to a mortgage which has a lien position prior to any other mortgage.

20. Mortgagee shall mean and refer to any person named as a Mortgagee or beneficiary under (or holder of) a deed of trust.

21. Majority of Owners shall mean and refer to the Owners of the Units to which more than fifty percent (50%) of the votes in the Association appertain.

ARTICLE III - COVENANTS, CONDITIONS, AND RESTRICTIONS

The submission of the Property to the provisions of the Act is made upon and under the following covenants, conditions, and restrictions.

1. Description of Improvements. The improvements included in this phase of the Project are now (or will be) located on the Property described in Exhibit "B" annexed hereto, and all such improvements are described on the Map. The Map indicates the number of stories, the number of Units which are contained in the Buildings which comprise a part of such improvements, the dimensions of the Units, the recreational areas and facilities, if any, and all other Common Areas thereof. This phase of the Project does now (or will) consist of a total of Eight (8) Units: one (1) eight-plex building consisting of eight (8) units. The building is two (2) stories in heights and is (or shall be) constructed with cement footings and foundations, wood framing and exterior of brick veneer, aluminum and stucco siding.

2. Description of Legal Status of Units. The Map shows the Unit and Building designation, its location, dimensions from which the area may be determined, those Limited Common Areas which are reserved for its use, and the Common Areas to which it has immediate access. All Units are residential Units. All Units shall be capable of being independently owned, encumbered, and conveyed.

3. Contents of Exhibit "D". Exhibit "D" to this Declaration furnishes the following information with respect to each Unit:

- a. The Building, Unit Designation, and square footage of each Unit.
- b. Its Percentage Interest. With respect to Percentage Interest in the Project, to avoid a perpetual series of digits and to obtain a total of one hundred percent (100%), the last digit has been adjusted and rounded up or down to a value that is most nearly correct.

4. Common and Limited Common Areas.

a. The Common Areas contained in the Project are described and identified in Article II of this Declaration. Neither the Percentage Interest nor the right of Exclusive use of Limited Common Area shall be separated from the Unit to which it appertains; and even though not specifically mentioned in the instrument of transfer, the Percentage Interest and such right of exclusive use shall automatically accompany transfer of the Unit to which they relate. Each Unit Owner shall, at its own cost, keep the Limited Common Areas designed for exclusive use in connection with his Unit in a clean, sanitary and attractive condition at all times.

b. The use of the Common Areas shall be limited to Owners in residence and to their tenants in residence, and to Owner's guests, invitees and licensee. The use of the Common Areas and Limited Common Areas shall be governed by the Declaration and the Rules and Regulations as initially established by the Declarant and as adopted and amended from time to time by the Management Committee.

c. The covered concrete parking as shown on the Plat shall be Limited Common Area to the Unit so indicated. In addition, the patios to all lower Units and the decks to all upper Units, shall be Limited Common Area to the Unit to which it is attached.

5. Computation of Percentage Interests. Each Unit in the Project shall include an undivided interest in the Common Areas and Facilities. The proportionate share of the Unit Owners in the Common Areas of the Project is based on the square footage that each of the Units bear to the total square footage of all Units. The proportionate ownership in the Common Areas shall be for all purposes including, but not limited to, participation in Common Profits, and assessments for Common Expenses.

6. Unit Maintenance. Each Owner shall at his own cost and expense, maintain, repair, paint, repaint, tile, wallpaper or otherwise refinish and decorate the interior surface of the walls, ceilings, floors, windows and doors forming the boundaries of his Unit and all walls, ceilings, floors, windows and doors within such boundaries. In addition to decoration and keeping the interior of his Unit in good repair and in a clean and sanitary condition, he shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heater, heating equipment, air conditioner, lighting fixtures, refrigerator, dishwasher, disposal equipment, range or other appliances or fixtures that may be in or connected with his Unit. Each Unit shall be maintained so as not to detract from the appearance of the Project and so as not to affect adversely the value of any other Unit.

7. Association Membership. Membership in the Association shall be mandatory, shall be appurtenant to the Unit in which the owner has the necessary interest and shall not be separated from the Unit to which it appertains. The property, business and affairs of the Association shall be governed by the Management Committee as agent of the Association.

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

9. Access for Repair of Common Areas. Some of the Common Areas are or may be located within the Units or may be conveniently accessible only through the Units. The Owners of the other Units shall have the irrevocable right to be exercised by the Management Committee, as its agent, to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Areas located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Area or to another Unit or Units. The Management Committee shall also have such rights independent of the agency relationship. Damage to the interior of any part of a Unit or Units resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Areas or as a result of emergency repairs within another Unit at the instance of the Management Committee or of Unit Owners shall be the responsibility of the Association; provided, that if such damage is determined to be the result of negligence of the Owner of a Unit, then such Owner shall be financially responsible for all such damage, provided the Management Committee follows the procedures as outlined below.

a. Notice of Hearing. The Management Committee shall cause to be mailed, by certified mail, a Notice of Hearing, signed by a majority of the Management Committee and addressed to the Owner at the Owner's last post office address as it then appears on the records of the Management Committee. The Notice of Hearing shall include the following:

(i) Description of damage. A brief description of the damages allegedly caused by the Owner's negligence in sufficient details so as to give the Owner adequate notice of the charges against him;

(ii) Time, date and place of hearing. The Notice shall include the time, date and place of the hearing. The Hearing shall be held on a weekday, unless waived in writing by the Owner and Management Committee, and shall not be set any sooner than thirty (30) days from the date the Notice is mailed to the Owner. The matter shall be heard in the evening, between the hours of 5:00 p.m. and 8:00 p.m., or as agreed upon by the Management Committee and the

Owner. The Hearing shall be held in any convenient location within Weber County; and

(iii) Objection to time or date. The Notice shall inform the Owner that Owner may object to the time and/or date of the Hearing upon a showing of a reasonable conflict. The objection shall be mailed, postage prepaid, to the Management Committee fifteen (15) days before the date of the Hearing. The objection shall also include at least three (3) dates (including times), subject to the limitations of subparagraph (ii) above, Owner can attend a Hearing.

b. Alternative Dates. The Management Committee may accept one of Owner's suggested dates, which it must then confirm in writing, by certified mail, or set a new date pursuant to the procedures of subparagraph (ii) above. If Owner has a reasonable conflict with the new date set by the Management Committee, Owner may again object to either the time or date as allowed in subparagraph (iii) above. The procedures of subparagraphs (ii) and (iii) shall be followed until a time, date and place are selected convenient to the Management Committee and Owner.

c. Representation by Counsel. Owner is entitled to representation by counsel at the Hearing with the Management Committee. If Owner chooses to be represented by counsel, Owner shall first notify the Management Committee, in writing, fifteen (15) days prior to the date of the Hearing in order to give the Management Committee the opportunity to select its own counsel to represent it at the Hearing.

d. Hearing. At the Hearing, Owner shall be given a reasonable opportunity to efficiently and succinctly present his evidence.

e. Decision. The Management Committee shall render its written decision within thirty (30) days following the date of the Hearing. The written decision shall be mailed to the Owner at the Owner's last known address and shall be deemed a final decision in all respects.

f. Appeal of Decision. The decision may only be appealed to the District Court in and for Weber County, State of Utah, within thirty (30) days following Owner's receipt of the Management Committee's written decision. The prevailing party on appeal shall be entitled to receive from the non-prevailing party, all reasonable attorney fees and costs incurred in the appeal.

g. Collection. Amounts owing by the Owner pursuant to the decision of the Management Committee shall be collected by way of assessment against the Owner's Unit.

10. Right of Ingress and Egress. Each owner shall have the right to ingress and egress over, upon and across the Common Areas necessary for access to his Unit and to the Limited Common Areas designated for use in connection with his Unit, and such right shall be appurtenant to and pass with the title to each Unit.

11. Pipes, Ducts, Cables, Wires, Conduits, Public Utility Lines, and Other Common Facilities Located Inside the Units; Support. Each Unit Owner shall have an easement common with Owners of all other Units to use all the pipes, wires, ducts, cables, conduits, public utilities, lines and other Common Facilities located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Facilities serving such other Units and located in such Unit. The Management Committee shall have a right of access to each Unit to inspect the same, to remove said violations therefrom and to maintain, repair or replace the common areas contained therein or elsewhere in the buildings. Every portion of a unit which contributes to the structural support of the building shall be burdened with an easement of structural support to the benefit of all other Units and the Common Areas.

12. Easement to Management Committee. The Management Committee shall have non-exclusive easements to make such use of the Common Areas as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration.

13. Easement for Utility Services. There is hereby created a blanket easement upon, across, over, and under the property described in Exhibit "B" for ingress, egress, installation, replacing, repairing, and maintaining all utilities, including but not limited to water, sewer, gas, telephones, electricity, and other utility services. This blanket easement extends to North Ogden City for the purpose of reading culinary water meters and maintaining the water fire line located within the Project.

14. Easement for Use of Recreational Areas and Facilities.

a. Each Unit Owner and each person lawfully residing in a Unit located on any portion of the described land on Exhibit "B" hereto is hereby granted a non-exclusive right and easement of enjoyment in common with others of the amenities and recreational facilities constituting a portion of the Common Areas of the Project.

b. The right and easements of enjoyment created hereby shall be subject to the following:

(i) the right of the Declarant, prior to termination of the period of Declarant's control, to grant and reserve easements and right-of-ways through, under, over and across the recreational areas for the installation, maintenance, and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone and other utilities; and

(ii) the right of the Management Committee to adopt Rules and Regulations governing the use of the Owners of the recreational areas and facilities.

c. Any person having the right to use and enjoy the recreational areas and facilities may delegate such rights to the members of his family, tenants who reside on the land in the Project and to such other persons as may be permitted by the Management Committee.

d. Each person having the right to use the recreational areas and facilities and each person to whom such right has been delegated shall comply with the Rules and Regulations regarding such use, as such Rules and Regulations may be established and amended from time to time by the Management Committee. Such rights of use may be suspended upon failure of a Unit Owner to pay his assessments.

15. Use of Units and Common Areas.

a. Each of the Units in the Project is intended to be used for single family residential housing and is restricted to such use.

b. There shall be no obstructions of the Common Areas by the Owners, their tenants, guests or invitees without the prior written consent of the Management Committee. The Management Committee may, by Rules and Regulations, prohibit or limit the use of the Common Areas as may be reasonably necessary for protecting the interests of all the Owners or protecting the Units or Common Areas. Nothing shall be kept or stored in any part of the Common Areas without the prior written consent of the Management Committee, except as specifically provided herein. Nothing shall be altered on, constructed in or removed from the Common Areas except on the prior written consent of the Management Committee.

c. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which may result in the cancellation of the insurance on the Project or any part thereof or increase the rate of insurance on the Project or any part thereof over what the Management Committee, but for such activity, would pay without the prior written consent of the Management Committee. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of the Common Areas or any part thereof shall be committed by any Owner or any invitee of any Owner and each Owner shall indemnify and hold the Management Committee and the Owners harmless against all loss resulting from any such damage or waste caused by him or his invitees; provided, however, that any invitee of the Declarant shall not, under any circumstances, be deemed to be an invitee of any other Owner. No noxious, destructive or offensive activity shall be carried on in any Unit or in the Common Areas or any part thereof, nor shall anything be done

therein which may be or may become any annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project.

d. No Owner shall violate the Rules and Regulations for the use of the Units and of the Common Areas as adopted from time to time by the Management Committee.

e. No structural alterations to any Unit shall be made by the Owner without the prior written consent of the Management Committee.

f. No recreational vehicle (boats, campers, trailers, motor homes, or similar items) shall be parked on any portion of the Common Areas except for temporary parking.

g. No signs whatsoever shall be erected or maintained in the Common Areas without the prior written consent of the Management Committee, except:

(i) such signs as may be required by legal proceedings, and

(ii) such signs as Declarant may erect or maintain incident to sale of Units.

h. Notwithstanding anything contained herein to the contrary, unless the Declarant has completed and sold all the Units in the Project, neither the Unit Owners who have purchased Units from the Declarant nor the Management Committee shall interfere with the completion of improvements and sale of the remaining Units in the Project. The Declarant reserves the right to use any Units owned by the Declarant as models, management offices, or sales offices until such times as Declarant conveys title thereto to Unit Owners. Declarant reserves the right to relocate same from time to time within the Project; upon relocation or sale of a model, management office or sales office, the furnishings thereof may be removed. Declarant further reserves the right to maintain on the Project such advertising signs which may be placed in any location on the Project and may be relocated or removed all at the sole discretion of Declarant.

16. Status and General Authority of Management Committee. Notwithstanding anything herein contained to the contrary, SUNBROOK CONDOMINIUMS Project shall be managed, operated, and maintained by the Management Committee exclusively as agent of the Association and any act performed by the Management Committee pursuant to this Declaration or the By-Laws, as the same may be amended from time to time, shall be deemed to be performed by the Management Committee for and on behalf of the Association as its agent. The Management Committee shall have, and is hereby granted, the following authority and powers:

a. The authority, without the vote or consent of the Owners, to transfer or convey utility and similar easements over, under, across, and through the Common Areas and Facilities.

- b. The authority to execute and record, on the behalf of all the Unit Owners, any amendment to the Declaration or Map which has been approved by the consent necessary to authorize such amendment.
- c. The power to sue and be sued.
- d. The authority to enter into contracts which in any way concern the Project, so long as any vote or consent of the Unit Owners necessitated by the subject matter of the agreement has been obtained.
- e. The power and authority to convey or transfer any interest in real property authorized by the Owners having an interest therein.
- f. The power and authority to purchase, otherwise acquire, and accept title to any interest in real property, so long as such action has been authorized by any vote or consent which is necessary under the circumstances.
- g. The authority to license persons not otherwise entitled to use any of the recreational areas and facilities, to use the same from time to time as the Management Committee deems appropriate upon the payment of fees prescribed by it to help defray the cost maintenance thereof.
- h. The power and authority to borrow money, provided no indebtedness for borrowed funds shall exceed at any given time the sum of Five Thousand Dollars (\$5,000.00) without the prior approval of the Majority of Owners.
- i. The authority to promulgate such reasonable Rules and Regulations, and procedures as may be necessary or desirable to aid the Management Committee in carrying out any of its functions or to insure that the Project is maintained and used in a manner consistent with the interests of the Owners.
- j. The power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions as agent for the Association.

Any instrument executed by the Management Committee that recites facts which, if true, would establish the Management Committee's power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.

17. Manager. The Management Committee may carry out any of its functions which are capable of delegation through a Project Manager. Any Manager retained for such purpose must be an individual or entity experienced and qualified in the field of property management. The Manager so engaged shall be responsible for managing the Project for the benefit of the

Unit Owners and shall, to the extent permitted by law and the terms of the agreement with the Management Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself. Any Management Agreement must be terminable for cause upon thirty (30) days notice and run for a reasonable period from one (1) to three (3) years (unless negotiated by the Declarant in which case the Management Agreement shall not exceed two (2) years), and be renewable by consent of the Association and the Management Committee.

18. Composition of Management Committee and Initial Selection Thereof. Until the election of the Management Committee takes place at the first annual meeting of the Association as provided in Section 1, Article II of the By-Laws, the Management Committee shall consist of such persons as shall have been designated by the Declarant. From and after the first annual meeting of the Association, the Management Committee shall be composed of five persons, all of whom shall be officers, directors, or designees of Owners or spouses of Owners, or Mortgagees (or designees of Mortgagees) of Units. The Declarant shall have the right in its sole discretion to replace such members of the Management Committee as may be so selected and designated by it, and to select and designate their successors. In all other cases of vacancy, the remaining Management Committee members shall elect a replacement to sit on the Management Committee until the expiration date of the term for which the member being replaced was elected. Declarant may, by a written instrument duly recorded, waive its right to select the members of the Management Committee at any time prior to the termination of the right to select Management Committee members reserved hereunder.

19. Agreement to Pay Assessment. Each Owner of any Unit by the acceptance of a deed therefor, whether or not it be expressed in the deed, or by entering into a sale and/or purchase contract, shall be deemed to covenant and agree with each other and with the Management Committee to pay to the Management Committee annual assessments made by the Management Committee for the purposes provided in this Declaration, and special assessments for capital improvements and other matters as provided for in this Declaration. Such assessments shall be fixed, established, and collected from time to time in the manner hereinafter provided.

a. Amount of Total Annual Assessments: The total annual assessments against all Units shall be based upon advance estimates of cash requirements by the Management Committee to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Areas, which estimates may include, among other things, expenses of management, grounds maintenance, taxes and special assessments, (until the Units are separately assessed as provided herein), premiums for all insurance which the Management Committee is required or permitted to maintain pursuant hereto, common lighting and heating, water charges, trash collection, sewer charges, repairs and maintenance of the Common Areas and replacement of those elements of the Common Areas that must be replaced on a periodic basis, wages for Management Committee employees, legal and accounting fees, any deficit remaining from a previous period; the creation of a reasonable contingency

reserve, surplus and/or sinking fund; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owner under or by reason of this Declaration.

b. Apportionment of Annual Assessments: Expenses attributed to the Common Areas and to the Project as a whole shall be apportioned among all the Owners in proportion to their respective Percentage Interests in the Common Areas.

c. Notice of Annual Assessments and Time for Payment Thereof: Annual assessments shall be made on a calendar year basis. The Management Committee shall give written notice to each Owner as to the amount of the annual assessment with respect to his Unit not less than thirty (30) days nor more than sixty (60) days prior to the beginning of the next calendar year. Such assessments shall be due and payable in monthly installments on the first day of each and every month of each year, provided, however, that the first annual assessment shall be for the balance of the calendar year remaining after the date filed by the Management Committee as the date of commencement of the Project. Such assessment shall be due and payable within thirty (30) days after written notice of the amount thereof shall have been given to the respective Owner of a Unit. Each monthly assessment shall bear interest at the rate of twelve percent (12%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date. Failure of the Management Committee to give timely notice of any assessment as provided herein shall not effect the liability of the Owner of a Unit for such assessment, but the date when payment shall become due in such case shall be deferred to a date thirty (30) days after such notice shall be given.

d. Special Assessments for Capital Improvements: In addition to the annual assessments authorized above, the Management Committee may, in any assessment year, levy a special assessment, payable over such a period as the Management Committee may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expense incurred or to be incurred as provided in this Declaration. This Section shall not be construed as an independent source of authority for the Management Committee to incur expenses, but shall be authorized by other Sections hereof. Any amounts assessed pursuant hereto shall be assessed to the Owners in proportion to their respective Percentage Interests in the Common Areas. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Owners and no payment shall be due less than thirty (30) days after such notice shall have been given. A special assessment shall bear interest at the rate of twelve percent (12%) per annum from the date it becomes due and payable if not paid within thirty (30) days after such date. Notwithstanding anything to the contrary herein contained, additions or capital improvements to the Project which cost no more than Five Thousand Dollars (\$5,000.00) may be authorized by the Management Committee alone. Additions or capital improvements, the cost of which will exceed such amount must, prior to being constructed, be authorized by the Majority of the Owners.

Any addition or capital improvement which would materially alter the nature of the Project must, regardless of its cost and prior to being constructed, be authorized by vote of Unit Owners in person or by proxy of not less than sixty-seven percent (67%) of the Percentage Interest at a meeting of the Association, special or annual, at which a quorum is present.

e. Lien for Assessments. All sums assessed to any Unit pursuant to this Declaration, together with interest thereon as provided herein, shall be secured by a lien on such Unit in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Unit, except only for: (i) valid tax and special assessment liens on the Unit in favor of any governmental assessing authority; and (ii) a lien for all sums unpaid on the first Mortgage, or on any Mortgage to Declarant, duly recorded in the Official Records of Weber County, Utah, including all unpaid obligatory advances to be made pursuant to such Mortgage and all amounts advanced pursuant to such Mortgage and secured by a lien thereof in accordance with the terms of such instrument. All other lienors acquiring liens shall be deemed to consent that such liens shall be inferior to future liens for assessments as provided herein whether or not such consent be specifically set forth in the instruments creating such liens.

To evidence a lien for sums assessed hereunder, the Management Committee may prepare a written notice of the lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Unit, and a description of the Unit. Such notice shall be signed by the Management Committee and may be recorded in the Office of the County Recorder of Weber County, Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial foreclosure by the Management Committee in the same manner in which trust deeds on real property may be foreclosed in Utah. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of the filing of the notice of lien and all reasonable attorney's fees. All such costs, expenses, and fees shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Management Committee any assessments against the Unit which shall become due during the period of foreclosure.

In event of foreclosure, after the institution of the action, the Unit Owner shall pay a reasonable rental for his use of the Unit and the Management Committee shall, without regard to the value of the Unit, be entitled to the appointment of a receiver to collect any rentals due from the Owner or any other person. The Management Committee shall have the right and power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner hereof.

A release of notice of lien shall be executed by the Management Committee and recorded in the Office of the County Recorder of Weber County, Utah, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of

lien. Any encumbrancer holding a lien on a Unit may pay, but shall not be required to pay, any amounts secured by the lien created hereunder, and upon such payment such encumbrancer shall be subrogated to all rights of the Management Committee with respect to such lien, including priority.

The Committee shall report to any encumbrancer of a Unit any unpaid assessments remaining unpaid for thirty (30) days after the same shall become due; provided, however that such encumbrancer first shall have furnished the Management Committee written notice of such encumbrance.

f. Personal Obligation of Owner: The amount of any annual or special assessment against any Unit shall be the personal obligation of the Owner thereof to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Management Committee without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any personal obligation by waiving the use and enjoyment of any Common Areas or by abandoning or selling his Unit.

g. Statement of Account: Upon payment of a reasonable fee or such other amount as may in the future be allowed by the Act, and upon written request of any Owner or Mortgagee, prospective Mortgagee or prospective purchaser of a Unit, the Management Committee shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Unit; the amount of the current yearly assessment and the date that such assessment becomes or has become due; credit for advanced payments or prepaid items, including, but not limited to, an Owner's share of prepaid insurance premiums; and such statement shall be conclusive upon the Management Committee in favor of person who rely thereon in good faith. Unless such request for a statement of account shall be complied with within twenty (20) days, all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such a request, both the lien for such unpaid assessments and the personal obligations of the purchaser shall be released automatically if the statement is not furnished within the twenty (20) day period provided herein and thereafter an additional written request is made by such purchaser and is not complied with within ten (10) days, and the purchaser subsequently acquires the Unit.

h. Personal Liability of Purchaser for Assessment: Subject to the provisions of subparagraph (g) a purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

20. Transition of Management. Notwithstanding anything to the contrary contained in paragraph 18 above:

a. Declarant may, at any time, relinquish its reserved right to select members of the Management Committee and to transfer the management of the Project to the Management Committee elected by Unit Owners. If and when the Declarant elects to do so, Declarant shall notify Owners in writing of the effective date of such transfer (Transfer Date) at least forty-five (45) days prior thereto. Thereupon, Unit Owners shall call a meeting to elect the members of Management Committee to take office as of the Transfer Date. Declarant covenants to cooperate with Unit Owners in effecting orderly transition of management. Moreover, Declarant shall cause all obligation for Common Expense of the Management Committee prior to the Transfer Date to be paid in full on or before such date. Accordingly, it is intended that the cash position of the Management Committee as of the Transfer Date be zero (0).

b. Declarant shall relinquish all special rights, expressed or implied, through which the Declarant may directly or indirectly control, direct, modify or veto any action of the Association, its Management Committee, or a majority of Unit Owners, and control of the Association shall pass to the Owners of Units within the Project not later than the earlier of the following:

(i) 120 days after the date by which 75% of the Units have been conveyed to unit purchasers; or

(ii) At the end of seven (7) years following the first conveyance of a Unit to a purchaser.

c. The requirements of paragraph 20 b. shall not affect Declarant's rights, as a Unit Owner, to exercise the votes allocated to Units which Declarant owns.

21. Insurance. The Management Committee shall secure, and at all times maintain, the following insurance coverage:

a. A multi-peril policy or policies of fire and casualty insurance, with extended coverage and all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location and use on a replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based upon replacement costs). Each such policy shall contain the standard mortgage clause which must be endorsed to provide that any proceeds shall be paid to the Association for the use and benefit of Mortgagees as their interests may appear. The insured shall be the Association.

b. A comprehensive policy of public liability insurance insuring the Association, the Management Committee, the Manager, and the Unit Owners against any liability incident to ownership, use or operation of the Common Areas and public ways of the Project or of any Unit which may arise among themselves, to the public or to any invitees or tenants of the Project or of the Unit Owners. Limits of liability under such

insurance shall be not less than One Million Dollars (\$1,000,000.00) per occurrence, for personal property injury and/or property damage. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of negligent act of the Association or other Unit Owners. The scope of the coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for similar projects in location, construction and use.

c. The Association shall maintain fidelity coverage to protect against dishonest acts on the part of Management Committee Members, Manager, employees or volunteers responsible for handling funds belonging to or administered by the Association. The fidelity bond or insurance must name the Association as the named insured and shall be written in an amount sufficient to provide protection which in no event shall be less than one and one-half times the insured's estimated annual operating expenses and revenues. In connection with such coverage, an appropriate endorsement to the policy to cover any person who serves without compensation shall be added if the policy would not otherwise cover volunteers.

The following additional provisions shall apply with respect to insurance:

a. In addition to the insurance and bond coverage described above, the Management Committee shall secure and at all times maintain insurance against such risks as are, or hereafter may be, customarily insured against in connection with all condominium projects similar to the Project in construction, nature or use.

b. Each hazard insurance policy shall be written by a company holding a financial rating of Class VI or better from Best's Insurance Reports. Each insurer must be specifically licensed to transact business within the State of Utah. Policies are unacceptable where: (i) under the terms of the carrier's charter, by-laws or policy, contributions or assessments may be made against the Borrower or SUNBROOK DEVELOPMENT, L.L.C. or its designee; or (ii) by the terms of the carrier's charter, by-laws or policy loss payments are contingent upon action by the carrier's board of directors, policyholders, or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent SUNBROOK DEVELOPMENT, L.L.C. or the borrower from collecting the insurance proceeds.

c. The Management Committee shall have the authority to adjust losses.

d. Insurance secured and maintained by the Management Committee shall not be brought into contribution with insurance held by individual Unit Owners or their Mortgagee.

e. Each policy of insurance obtained by the Management Committee shall provide:

(i) a standard mortgagee clause commonly accepted by private institutional mortgage investors in the Area in which the Project is located;

(ii) a waiver (if available) of the insurer's subrogation rights with respect to the Management Committee, the Manager, the Unit Owners, and their respective servants, agents and guests;

(iii) that it cannot be cancelled, suspended, or invalidated due to the conduct of any particular Unit Owner or Owners;

(iv) that it cannot be cancelled, suspended, or invalidated due to the conduct of any member, office or employee of the Management Committee or the Manager without a prior written demand that the defect be cured;

(v) that any "no other insurance clause" therein shall not apply with respect to insurance held individually by the Unit Owners;

(vi) and that a mortgage clause endorsement which must provide that the insurance carrier shall notify the first Mortgagee (or trustee) named at least ten (10) days in advance of the effective date of any reduction in or cancellation of the policy.

f. Any Unit Owner may obtain additional insurance at his own expense, as long as such additional insurance does not have the effect of decreasing the amount which may be realized under any policy maintained by the Management Committee. Any Unit Owner who individually obtains insurance covering any portion of the Project shall supply the Management Committee with a copy of his policy within thirty (30) days after he acquires such insurance.

g. The Project is not located in an area identified by the Secretary of Housing and Urban Development as an area having specialized flood hazards. In the event that at some future time the Project should be declared to be in such flood area, a blanket policy of flood insurance on the Project shall be maintained in the amount of the aggregate of the outstanding principal balances of the mortgage loans on the Units comprising the Project or the maximum coverage limit available under the National Flood Insurance Act of 1968, as amended, whichever is less. The name of the insured under each required policy must be in form and substance as that required by the Federal Home Loan Mortgage Corporation at any given time.

22. Damage to Project. In the event of damage of or destruction of part of all of the improvements in the SUNBROOK CONDOMINIUM Project, the following procedures shall apply:

a. If proceeds of the insurance maintained by the Management Committee are alone sufficient to repair or reconstruct the damage or destroyed improvements, such repair or reconstruction shall be carried out.

b. If less than seventy-five percent (75 %) of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Management Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all Unit Owners shall be assessed for any deficiency on the basis of their respective Percentage Interest.

c. If seventy-five percent (75 %) or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Management Committee are not alone sufficient to accomplish restoration, and if the Unit Owners do not, within one hundred (100) days after the destruction or damage and by a vote of at least seventy-five percent (75 %), elect to repair or reconstruct the affected improvements, the Management Committee shall promptly record with the Weber County Recorder a notice setting forth such facts. Upon the recording of such notice the provisions of subsections one (1) through four (4) of Section 57-8-31, Utah Code Annotated (1953), shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units.

Any reconstruction or repair which is required to be carried out by this Paragraph 22 regarding the extent of damage to or destruction of Project improvements shall be made by three MAI appraisers selected by the Management Committee. The decision by any two such appraisers shall be conclusive.

23. Certain Provisions Applicable to Declarant. Notwithstanding any other provision herein contained, for so long as Declarant continues to own any of the Units, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve the Declarant from any obligations as Unit Owner to pay assessments, except as herein otherwise provided, as to each Unit owned by Declarant in accordance with the Declaration.

a. Declarant specifically disclaims any intent to have made any warranty or representation in connection with the Project or the Declaration, except as specifically set forth herein or in any agreement for sale of a Unit, and no person shall rely upon any warranty or representation not so specifically made therein.

b. No amendment may be made to the Declaration without the written consent of Declarant so long as Declarant retains the ownership of two (2) or more Units; provided, however, that the obligation to acquire written consent of Declarant shall cease on a date two (2) years from the date of the final phase of the Declaration.

24. Amendment. The vote of at least sixty-seven percent (67%) of the Percentage Interest of the Unit Owners in person or represented by proxy at a meeting of the Association at which a quorum is present shall be required to amend the Declaration, Bylaws, Map, or other enabling documentation. Any such proposed amendments to the Declaration, Bylaws, Map or other enabling documentation, must first be reviewed and approved by the Secretary of Veteran Affairs before becoming effective or ready for recordation. Any such amendments so authorized by the Unit Owners and approved by the Secretary of Veteran Affairs shall be accomplished through the recordation of an instrument executed by the Management Committee. In such instrument, the Management Committee shall certify that the vote of the Unit Owners and the approval of the Secretary of Veteran Affairs as required by this Paragraph for amendment have been obtained. The foregoing right of amendment shall be subject to the following: Notwithstanding anything to the contrary contained in the Declaration, neither the insurance provisions of Paragraph 21, the Mortgage protection provisions of Paragraph 28, nor the maximum\minimum Percentage interest in the Common Areas provision, shall be amended without the written approval of all institutional first Mortgages.

25. Consent Equivalent to Vote. In those cases in which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for the authorization or approval of a transaction, such requirements may be fully satisfied by obtaining with or without a meeting, consents in writing to such transaction from Unit Owners who collectively hold at least the necessary percentage of undivided ownership interest.

26. Eminent Domain. Whenever all or part of the Common Areas shall be taken, injured, or destroyed as a result of the exercise of eminent domain, each Unit Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, but in any proceeding for the determination of damages, such damages shall be determined for such taking, injury, or destruction as a whole and not for each Unit Owner's interest therein. After such determination each Unit Owner shall be entitled to a share in the damages in the same portion as his Percentage Interest in the Common Areas.

27. Service of Process. Steven Scoffield, whose address is 1772 West 200 North, Kaysville, Utah, 84015, is the person to receive service of process in cases authorized by the Act. The Management Committee shall, however, have the right to appoint a successor substitute process agent. Such successors or substitute agent and his address shall be specified by an appropriate instrument filed in the office of the County Recorder of Weber County, State of Utah.

28. Mortgagee Protection. Notwithstanding anything to the contrary contained in the Declaration:

a. An adequate reserve fund for repair, maintenance, and replacement of those elements of the Common Areas that must be replaced on a periodic basis must be established and funded by regular monthly payments rather than by special assessments.

b. There shall be established a working capital fund for the initial months of operation of the Project equal to a minimum amount of two months' estimated Common Areas charge for each Unit.

c. In the event of damage or destruction of any Unit, which loss exceeds One Thousand Dollars (\$1,000.00), or any part of the Common Areas, which loss exceeds ten Thousand Dollars (\$10,000.00), the institutional holder of any first mortgage on a Unit shall be entitled to timely written notice of any such damage or destruction. No Unit Owner or other party shall be entitled to priority over such institutional holder with respect to the distribution to such Unit Owner of any insurance proceeds, regardless of the amount of loss. Upon request of any first Mortgage, the Association must provide a letter to said first Mortgagee wherein the Association agrees to notify the first Mortgagee or any organization it designates at the address indicated by the Mortgagee whenever:

(i) damage to the Unit is covered by the first Mortgagee's Mortgage exceeds One Thousand Dollars (\$1,000.00), or

(ii) damage to the Common Areas and related facilities exceeds Ten Thousand Dollars (\$10,000.00).

d. If any Unit or portion thereof or the Common Areas or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the institutional holder of any first Mortgage of a Unit shall be entitled to timely written notice of any such proceeding or proposed acquisition. No Unit Owner or other party shall have priority over such institutional holder regardless of the amount of the condemnation award with respect to the distribution to such Unit Owner of the proceeds of any award or settlement.

e. With the exception of a lender in possession of a Unit following default in a first Mortgage, a foreclosure proceeding of any deed or other arrangement in lieu of foreclosure, no Unit Owner shall be permitted to lease his Unit for transient or hotel purposes. No Unit Owner may lease less than the entire Unit. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to provisions of the Declaration and By-Laws and that any failure by the lessee to comply with the terms of such documents shall be at default under the lease. All leases shall be in writing. A Lessee and a Renter shall be treated the same.

f. Each holder of a first Mortgage lien on a Unit who obtains title to a Unit by virtue of remedies provided in the Mortgage, including but not limited to, foreclosure of the Mortgage, Trust Deed or by deed of assignment in lieu of foreclosure, shall take the Unit free of unpaid charges and shall not be liable for any unpaid claims or

assessments and charges against the Unit which accrue prior to the acquisition of title of such Unit by Mortgagee.

g. Any holder of a Mortgage is entitled to written notification from the Management Committee of any default by the Mortgagor of such Unit in the performance of such Mortgagor's obligation under the Declaration which is not cured within sixty (60) days.

h. Unless at least seventy-five percent (75%) of the first Mortgagees (based on one vote for each Mortgage owner) of Units have given their prior written approval, neither the Management committee, Declarant, nor Association shall:

(i) By act or omission, seek to abandon or terminate the Project.

(ii) Change the pro-rata interest or obligations of any Unit for:

(a) purposes for levying assessment or charges or allocating distributions of hazard insurance proceeds or condemnation award, or for

(b) determining the pro-rata share of ownership of each Unit in the appurtenant Common Areas.

(iii) Partition or sub-divide any Unit.

(iv) Make any material amendment to the Declaration or to the By-Laws of the Association, including but not limited to, any amendment which would change the Percentage Interests of the Unit Owners in the Common Areas.

(v) By act or omission, seek to amend, partition, subdivide, encumber, sell, abandon, or transfer, the Common Areas. (The granting of easements for public utilities or for other public purposes consistent with the intended use for the Common Areas of the Project shall not be deemed a transfer within the meaning of this subparagraph).

(vi) Use of hazard insurance proceeds for losses to any condominium property (whether to Units or to the Common Areas) for other than repair, replacement, or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the Units and/or the Common Areas of the Project.

i. The Management Committee, on behalf of the Association, shall make available to all Unit Owners, lenders and the holders, insureds and guarantors of the first mortgage on any Unit, current copies of the Declaration, Bylaws and other rules governing the Project, and other books, records, and financial statements of the

Association. The Management Committee shall also make available to prospective purchasers current copies of the Declaration, Bylaws, other rules governing the Project, and the most recent annual audited financial statement, if such is prepared. "Available" as used in this paragraph shall at least mean available for inspection, upon request, during normal business hours or under other reasonable circumstances.

j. Whenever there is a change of ownership of a Unit, the Management Committee shall require that the new Unit Owner furnish the Management committee with the name of the holder of the first Mortgage (or Trust Deed) affecting the Unit. The Management committee or Manager shall maintain a current roster of the Unit Owners and of the holders of the first Mortgages (or Trust Deed) affecting the Units in the Project.

k. Notwithstanding anything to the contrary in this Declaration, the Declaration may not be amended and the Project may not be merged with a successor condominium regime without the prior written approval of the Secretary of Veteran's Affairs. This paragraph shall not limit Declarant's right to expand the Project without the prior written approval of the Secretary of Veteran's Affairs if the expansion is in accordance with a previously approved general plan for the total development. However, a copy of the amendment to the Declaration or other annexation document which adds each phase to the Project must be submitted to the Secretary of Veteran's Affairs in accordance with Title 38 C.F.R. §36.4360a(b)(6).

29. Duty of Owner to Pay Taxes on Unit Owner. It is understood that under the Act, each Unit (and its Percentage Interest in the Common Areas) in the Project is subject to a separate assessment and taxation of each taxing authority and the special district(s) for all types of taxes and assessments authorized by law, and that as a result thereof, no taxes will be assessed or levied against the Project as such, except for certain personal properties thereof. Accordingly, each Unit Owner will pay and discharge any and all taxes and assessments which may be assessed against him or his Unit.

30. Covenant to Run With Land; Compliance. This Declaration and all the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of the Declarant and all parties who hereafter acquire any interest in a Unit, in the Project, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. Each Owner or occupant of a Unit shall comply with, and all interests in all Units shall be subject to, the terms of the Act, terms of this Declaration, the By-Laws, and the provisions of any rules, regulations, agreements, instrument, and determinations contemplated by this Declaration, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee on behalf of Unit Owners, or, in a proper case, by an aggrieved Unit Owner. By acquiring any interest in a Unit or in the Project, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

31. Information Regarding Transferee of Unit. Any Unit Owner who sells, leases, or otherwise disposes of his Unit shall submit to the Management committee pertinent information regarding the transferee or new occupant within one week of any transfer of title or possession on a form furnished by the Management Committee.

32. Indemnification of Management Committee. Each member of the Management Committee shall be indemnified and held harmless by the Unit Owners against all costs, expenses and fees reasonably incurred by him in connection with any proceeding to which he may become involved by reason of his being or having been a member of said Management Committee. This Indemnification shall not extend to nor cover actions on the part of any member of the Management Committee who intentionally or knowingly violates local, state or federal laws or who clearly acts in bad faith.

33. Expansion of the Project.

a. Reservation of Right to Expand. The Property is all of the land upon which Phase No. 2 of the Project shall be developed. However, Declarant contemplates that it will develop and construct additional phases to the Project on any portion or on all of the land (hereinafter "Additional Land") described in Exhibit "E". Accordingly, Declarant hereby reserves the right to expand the Project to include additional Units and the Common Areas to be constructed on other real property then owned by Declarant. Upon completion of each phase of expansion of the Project, each Unit Owner's percentage of ownership of the Common Areas will be changed by the Declarant, based on the Computation of Percentage Interest of Article III paragraph 5. The initial interest of an Owner in the Common Areas shall be the percentage for the Units in Phase I as set forth on Exhibit "D". The expanded Project will be managed, treated and governed as a Condominium Project without regard to phases.

b. Expansion Deadline. At any time within seven (7) years after this Declaration is filed for record, Declarant may file an Amendment or various Amendments to the Declaration and Map, at different times, relating to an additional phase or phases of the Project.

c. Right of Declarant to Adjust Percentages of Common Areas. Each deed of a Unit shall be deemed to irrevocably reserve to the Declarant the power to appoint to Unit Owners, from time to time, the percentage in the Common Areas set forth in the Amendment to the Declaration. A power coupled with an interest is hereby reserved to Declarant, its successors and assigns, as attorney-in-fact to shift percentages of the Common Areas in accordance with said Notices and each deed of a Unit in the Project shall be deemed a grant of such power to said attorney-in-fact. Various provisions of this Declaration and deeds and mortgages of the Units may contain clauses designed to accomplish a shifting of the Common Areas. None of said provisions shall invalidate the other, but each shall be deemed supplementary to the other toward the end that a valid shifting of the percentages of ownership of the Common Areas can be accomplished. In

periodically adjusting and recomputing the undivided ownership interest appurtenant to the Units then in the Project, Declarant shall recompute the Common Area percentages among the Units by calculating the square footage that each of the Units bear to the total square footage of all Units in the Project.

d. No Obligation to Expand. Except to the extent specifically indicated herein, this Declaration is not intended, and shall not be construed so as, to impose upon Declarant any obligation respecting, or to restrict Declarant in any way with regard to, either the submission of any portion of the Additional Land to Condominium Ownership or the creation, construction or addition to the Project, of any future phase or phases. Unless and until there is recorded with respect to a portion of the Additional Land an Amendment to the Declaration and Map in which Declarant specifically expresses its intention that said portion constitutes a phase of the Project, such portion shall in no way be burdened or affected by any of the provisions of this instrument, and Declarant may deal with such portion in any lawful manner.

e. No Owners Consent Required. Declarant may expand the Project according to the terms of this Declaration without the consent of any Unit Owners.

f. Future Phases. If future phases are added to the condominium project, such phases may be added at different times without limitation i) as to which Additional Land is added to the project, ii) as to the boundaries of the land to be added, iii) as to the locations of any improvements that may be made on any portions of the Additional Land added to the condominium project, and iv) as to the order in which future phases are added to the condominium project.

g. Maximum\Minimum Number of Units. If portions of the Additional Land are added to the Project, each portion or phase may contain no more than 28 units per acre added to the Project. The minimum number of Units in the Project is 20 which gives each Unit Owner a maximum percentage of interest in the Common Areas and Facilities of 5%. The maximum number of Units in the Project, once fully expanded, shall be 140 Units which gives each Unit Owner a minimum percentage of interest in the Common Areas and Facilities of .7143%.

h. Improvements Upon Additional Land. Any and all improvements upon portions of the Additional Land shall be consistent with the improvements in terms of quality of construction as that in Phases 1 and 2. Other than the foregoing assurance, Declarant gives no other assurances with respect to the type of improvements, units, common areas and facilities, and limited common areas to be built, if any, upon the Additional Land, other than the assurance that any improvements shall be restricted exclusively to residential use.

34. Maintenance of Culinary Water Line. In addition to the other duties and responsibilities of the Homeowners Association to maintain Common Areas and Facilities, the

Homeowners Association, at the cost of expense of the Homeowners, shall maintain, repair and replace, if and when needed, the four-inch water line, commencing from the connection at the value on the west side of 400 East and running along the West end of the project and all service lateral lines within the same.

35. Invalidity. the invalidity of any provisions of this Declaration, or any portion thereof, shall not be deemed to impair or affect in manner the validity, enforceability, or effect of the remainder of this Declaration and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

36. Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

37. Gender. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

38. Headings. The headings appearing at the beginning of the paragraphs of this declaration are only for convenience of reference and are not intended to describe, interpret, define, limit, extend, or otherwise affect the content, meaning, or intent of this Declaration or any paragraph or provisions hereof.

39. Conflicts. This Declaration is set forth to comply with the requirements of the Act. In event of any conflict between this Declaration and the provision of the Act, the provisions of the latter shall control.

40. Effective Date. This Declaration shall take effect upon recording in the Office of the County Recorder of Weber County, Utah.

IN WITNESS WHEREOF, the undersigned, as executed this instrument on this 19th day of December, 1997.

SCOFFIELD ENTERPRISES, INC.
by:


Steven Scofield
Its: President

STATE OF UTAH)
 : ss
COUNTY OF WEBER)

On the 19 day of December, 1997, personally appeared before me, Steven Scoffield, who, being duly sworn, did say that he is the President of Scoffield Enterprises, Inc., and that the within and foregoing instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors and said Steven Scoffield duly acknowledged to me that said corporation executed the same on behalf of said corporation.

Jane B. Simpson
Notary Public
Residing at: Ray, UT

My Commission Expires: 2-1-99



EXHIBIT "A" - LEGAL DESCRIPTION

Description for Phase No. 1.

A part of Lot 49, Plat "B", North Ogden Survey being a part of the Northwest Quarter of Section 32, Township 7 North, Range 1 West, Salt Lake Base and Meridian, U.S. Survey:

Beginning at a point on the West line of Washington Boulevard said point being South 0°15'00" West 596.50 feet along said West line from the Northeast Corner of said Lot 49; running thence South 0°15'00" West 60.50 feet along said line; thence North 89°45'00" West 217.00 feet; thence North 0°15'00" East 24.00 feet; thence North 89°45'00" West 250.00 feet; thence South 0°15'00" West 24.00 feet; thence North 89°45'00" West 193.00 feet; thence North 0°15'00" East 270.62 feet; thence South 89°13'10" East 174.95 feet to a point of curvature; thence Southeasterly along the arc of a 14.34 foot radius curve to the right a distance of 15.43 feet (Long Chord bears South 58°23'02" East 14.70 feet) to a point of tangency; thence South 27°32'53" East 121.36 feet; thence North 89°45'00" West 105.09 feet; thence South 0°15'00" West 102.00 feet; thence South 89°45'00" East 94.00 feet; thence South 0°15'00" East 14.00 feet; thence South 89°45'00" East 203.00 feet; thence South 0°15'00" West 28.50 feet; thence South 89°45'00" East 174.00 feet; thence North 0°15'00" West 23.00 feet; thence South 89°45'00" East 50.00 feet to the point of beginning.

Contains 1.56 acres

EXHIBIT "B" - LEGAL DESCRIPTION

Description for Phase No. 2.

A part of Lot 49, Plat "B", North Ogden Survey: being a part of the Northwest Quarter of Section 32, Township 7 North, Range 1 West, Salt Lake Base and Meridian, U.S. Survey:

Beginning at a point 596.50 feet South 0°15'00" West along the West line of Washington Boulevard; 224.00 feet North 89°45'00" West, 5.50 feet North, 0°15'00" East and 145.52 feet North 89°45'00" West from the Northeast Corner of said Lot 49; running thence North 89°45'00" West 57.48 feet; thence South 0°15'00" West 14.00 feet; thence North 89°45'00" West 94.00 feet; thence North 0°15'00" East 102.00 feet; thence South 89°45'00" East 105.09 feet; thence South 27°32'53" East 99.48 feet to the point of beginning.

Contains 0.289 Acres

ALSO:

Beginning at a point on the Southerly Line of Sunbrook Condominiums Phase No. 1, North Ogden City, Weber County, Utah, said point being South 0°15'00" West 657.00 feet and 467.00 feet North 89°45'00" West from the Northeast Corner of Lot 49, Plat "B", North Ogden Survey, North Ogden City, Weber County, Utah; running thence two courses along the boundary of said Phase No. 1 North 0°15'00" East 24.00 feet; & South 89°45'00" East 80.00 feet; thence South 0°15'00" West 24.00 feet; thence North 89°45'00" West 80.00 feet to the point of beginning.

Contains 0.044 Acres

18-081-0001 — 18-081-0008

EXHIBIT "C" - BY-LAWS GOVERNING THE SUNBROOK CONDOMINIUMS

ARTICLE I - MANAGEMENT COMMITTEE

Section 1. General Responsibility. The business and property comprising of SUNBROOK CONDOMINIUMS Project shall be managed by a management committee consisting of five (5) unit owners to be selected by the unit owners as hereinafter provided. Such management committee shall have all the powers, duties, and responsibilities as are now or may hereafter be provided by law, the Declaration filed contemporaneously herewith, and/or any amendments subsequently filed thereto, and these By-laws as the same may from time to time be altered or amended; provided, however, subject to the limitations of Article III, paragraph 17 of the Declaration, the Management Committee may engage the services of a resident manager and/or a property management firm and fix and pay reasonable fees or compensation therefore; and delegate duties and functions thereto; provided further, that until (i) One Hundred Twenty Days (120) days after the date by which seventy-five percent (75%) of the Units have been conveyed to Unit Purchasers, or (ii) at the end of seven (7) years following the first conveyance of a Unit to a purchaser, whichever occurs first, each Unit Owner by accepting a deed to any Unit irrevocably consents that Steven Scoffield may act as the project manager and shall have all the rights, powers, duties and responsibilities conferred upon the manager and shall have all the rights, powers, duties and responsibilities conferred upon the Management Committee and/or the managers under the Condominium Ownership Act, the Declaration and these By-laws. The engagement of a property manager shall be a financial decision and subject to a vote of the Unit Owners and the limitations contained in paragraph 17 of the Declaration.

Section 2. Operation and Maintenance. The committee shall be responsible for the control, operation and management of the Project, in accordance with the provisions of the Utah Condominium Ownership Act, the Declaration whereby the project is established and submitted to the provisions of said Act, these by-laws, and such administrative, management and operational rules and regulations as the committee or owners association may adopt from time to time as herein provided, and all agreements and determinations lawfully made and entered into by the committee. The committee shall, in this connection, provide for the proper and reasonable control, operation and management of the project and of the maintenance and repair of the common areas and facilities appurtenant thereto. The operation of the project shall be conducted for the committee by a professional agent or agents, having requisite skills in condominium operations and maintenance.

Section 3. Committee Vacancies. In case of any vacancy in the management committee, the remaining members thereof may elect a successor to hold office until the next meeting of the unit owners.

Section 4. Officers. The management committee shall appoint or elect from among its membership a chairman, a vice chairman, secretary, and a treasurer, who shall hold office at the pleasure of the committee. The chairman of the committee, or in his absence, the vice-chairman, shall preside at all meetings of the committee and at all meetings of the unit owners. The secretary shall take and keep minutes of all meetings. He shall perform such other services as the committee may impose upon him. The treasurer shall have the custody and control of the funds of the committee, subject to the action of the committee, and shall, when requested by the chairman to do so, report the state of finances of the committee at each annual meeting of the unit owners and at any meeting of the committee. He shall perform such other services as the committee may require of him.

Section 5. Regular Meetings. A regular meeting of the committee shall be held immediately after the adjournment of each annual unit owners meeting at the place at which such unit owners meeting was held. Regular meetings, other than the annual meeting, shall be held at regular intervals and at such places and at such times as the committee may from time to time by resolution designate. Notice must be given of regular meetings of the committee.

Section 6. Special Meetings. Special meetings shall be held whenever called by the chairman, vice-chairman, or by a majority of the committee. Written notice of such special meeting shall be given not less than 24 hours in advance of said meeting; provided, however, that by unanimous consent of the committee, special meetings may be held without call or notice of any time or place.

Section 7. Quorum. A quorum for the transaction of business at any meeting of the committee shall consist of the majority of the committee then in office.

Section 8. Special Committees. The management committee, by resolution, may designate one or more special committees, each committee to consist of two (2) or more of the unit owners, which exercise the powers in said resolution set forth. Such special committee or committees shall have such name or names as may be determined from time to time by the management committee. Such special committees shall keep regular minutes of their proceedings and report the same to the management committee when required. The chairman of the management committee may appoint persons to fill vacancies on each of said special committees occasioned by death, resignation, removal or inability to act for any extended period of time.

Section 9. Additional Facilities. The management shall have the authority to provide such facilities, in addition to those for which provision has already been made, as it may deem to be in the interest of the members, for conducting the business of the committee.

ARTICLE II - MEETING OF UNIT OWNERS

Section 1. Annual Meeting. The annual meeting of all unit owners shall be held at 7:00 o'clock p.m. on the third Thursday of January each year, at such place as shall be stated

in the notice of meeting or in a duly executed waiver of notice; provided, however, that whenever such date falls upon a legal holiday, the meeting shall be held on the next succeeding business day, and provided, further, that the management committee may, by resolution, fix the date of the annual meeting at such other date as it shall deem appropriate. At such meeting the unit owners shall elect committee members for two (2) year terms, which terms shall commence as of February 1; provided, however, that at the first election two (2) of the five committee members shall be elected for terms of not more than one (1) year, which terms shall commence upon election and shall expire on the next February 1 after such election, and three (3) of said committee members shall be elected for not more than two (2) years, which terms shall commence upon election and shall expire on the second February 1 after such election; provided, further, that the term of any duly elected appointed committee member shall not expire until his successor is elected and qualifies.

Section 2. **Voting.** At any meeting of the owners, each owner including Declarant, shall be entitled to cast one vote for each unit owned. Any owner may attend and vote at such meeting in person, or by an agent duly appointed by an instrument in writing signed by the owner and filed with the management committee or the manager. Any designation of an agent to act for an owner may be revoked at any time by written notice to the management committee or manager, and shall be deemed revoked when the management committee or the manager shall receive actual notice of the death or judicially declared incompetence of such owner or of the conveyance of such owner of this condominium. Where there is more than one record owner, any or all of such persons may attend any meeting of the owners, but it shall be necessary for those present to act unanimously in order to cast the votes to which they are entitled. Any designation of an agent to act for such persons must be signed by all such persons. Declarant shall be entitled to vote with respect to any condominium owned by Declarant.

In the event that a notice of default is recorded by any mortgagee who holds a mortgage which is a first lien on a condominium against the owner of the condominium covered by the mortgage, then and in the event and until the default is cured, the right of the owner of such condominium to vote shall be transferred to the mortgagee recording the notice of default. Mortgagee shall mean any creditor that holds a first note on the property; example, Trust Deed or Uniform Real Estate Contract.

Section 3. **Meetings.** The presence at any meeting of owners having a majority of the total votes shall constitute quorum. In the event that a quorum is not present at any meeting, the owners present, though less than a quorum, may adjourn the meeting to a later date and give notice thereof to all the owners in accordance with the provisions of paragraph 4 hereof, and at that meeting the presence of owners holding in excess of thirty percent (30%) of the total votes shall constitute a quorum for the transaction of business; but in the event a quorum is not present at that meeting, the owners present though less than a quorum, may give notice to all the owners in accordance with paragraph 4 of an adjourned meeting, and at that meeting whatever owners are present shall constitute a quorum. Unless otherwise expressly provided in this Declaration, any action may be taken at any meeting of the owners upon the affirmative vote of a majority

of the voting power of the owners present and voting provided that a quorum is present as provided for above.

Section 4. Special Meeting. Special meetings of the owners may be called at any time for the purpose of considering matters which, by the terms of this Declaration require the approval of all or some of the owners, or for any other reasonable purpose, said meeting shall be called by written notice, signed by a majority of the management committee, or by the owners having one-third (1/3) of the total votes and delivered not less than fifteen (15) days prior to the date fixed for said meeting. Said notices shall specify the date, time and place of the meeting, and the matters to be considered thereat.

Section 5. Calls and Notices of Meetings. The calls and notices of all meetings of the unit owners shall conform to the provisions of Article III of these By-laws.

Section 6. Waiver of Irregularities. All inaccuracies and/or irregularities in calls, notices of meeting and in the matter of voting, and method of ascertaining those present, shall be deemed waived if no objection is made at the meeting.

ARTICLE III - CALLS AND NOTICES OF MEETINGS

Section 1. Annual Meeting of Unit Owners. At least five (5) days, inclusive of the date of meeting, before the date of any annual meeting of the unit owners, the secretary shall cause a written notice setting forth the time and place to be delivered personally or deposited in the mail, with postage prepaid, addressed to each unit owner as his last post office address as it then appears on the records of the management committee.

Section 2. Special Meetings of Unit Owners. Special meetings of the unit owners may be called by the management committee, or by one-third (1/3) in number of the unit owners, and notice of such meeting shall be given to each unit owner in writing at least 48 hours before the time fixed for the meeting and such notice shall advise each unit owner as to the time, place and general purpose of the meeting and shall be delivered personally, or mailed, postage prepaid, to each unit owner at his last post office address as it appears on the books of the management committee. Whenever all of the members shall meet in person, such meeting shall be valid for all purposes without call or notice, or waiver of call or notice. No call or notice of any meeting of members shall be necessary if waiver of call and notice be signed by all of the members.

ARTICLE IV - ADMINISTRATIVE RULES AND REGULATIONS

The committee shall have the power to adopt and establish by resolution such building, management, and operational rules as the committee may deem necessary for the maintenance, operation, management and control of the project, and the committee may, from time to time by resolution, alter, amend and repeal such rules. When a copy thereof has been furnished to

the owners they shall be taken to be a part hereof. Unit owners shall at all times obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision, it being understood that such rules shall apply and be binding upon all unit owners and/or occupants of the project. Rules and regulations may be altered or amended or abolished at a meeting of owners properly called and properly voted.

ARTICLE V - PAYMENT OF EXPENSES

Section 1. Assessments. Each unit owner shall pay the management committee his pro-rata portion of the cash requirements deemed necessary by the committee to manage and operate SUNBROOK CONDOMINIUMS upon the terms, at the times, and in the manner herein provided without any deduction on account of any setoff or claim which the owner may have against the management, and if the owner shall fail to pay any installment within one (1) month from the time when the same becomes due, the owner shall pay interest thereon at the rate of twelve percent (12%) per annum from the date when such installment shall become due to the date of the payment thereof.

The cash requirements above referred to for each year, or portion of the year, are hereby defined, and shall be deemed to be such aggregate such as the management committee from time to time shall determine, in its judgment, is to be paid by all the owners of SUNBROOK CONDOMINIUMS then in existence to enable the committee to pay all estimated expenses and outlays of the committee to the close of each year, growing out of or connected with the maintenance and operation of such land, buildings, and improvements, which sum may include, among other things, the cost of management, special assessments, fire, casualty, and public liability insurance premiums, common lighting and heating, and pool expenses, landscaping and care of grounds, repairs and renovations to common areas and facilities, garbage collections, wages, water charges, sewer fees, legal and accounting fees, management fees, expenses and liabilities incurred by the management committee under or by reason of the Declaration and these by-laws, the payment of any deficit remaining from a previous period, the creation of a reasonable contingency or other reserve or surplus fund, as well as all other costs and expenses relating to SUNBROOK CONDOMINIUMS. The management committee may, from time to time, up to the close of the year for which such cash requirements have been so fixed or determined, increase or diminish the amount previously fixed or determined for such year. The committee may include, in the cash requirements for any year, any liabilities or items of expense which accrued or became payable in a previous year, or which might have been included in the case requirements for a previous year, but were not included therein; and also any sums which the management committee may deem necessary or prudent to provide a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

The pro-rata portion payable by the owner in and for each year or portion of year shall be a sum within the limits and on the conditions hereinabove provided bearing to the aggregate amount of such cash requirements for such year, or portion of year, determined as aforesaid, the ratio of the owner's unit to the total of all units, and such assessments, together with any

additional sums accruing under the Declaration and these By-laws shall be payable monthly in advance, or in such payments and installments as shall be required by the management committee, and at such times as shall be provided by the committee.

The management committee shall have discretionary powers to prescribe the manner of maintaining and operating SUNBROOK CONDOMINIUMS and to determine the cash requirements of the management committee to be paid as aforesaid by the owners under the Declaration and these By-laws. Every such reasonable determination by the committee, within the bounds of the condominium Ownership Act, the Declaration, and these By-laws, shall, as against the owner, be deemed necessary and properly made for such purpose.

First mortgagees of all family units shall have the right to examine the books and records of the homeowners association.

If the owners shall at any time let or sublet the unit, and shall default for a period of one (1) month in the payment of any management assessments, the management committee may, at its option and so long as such default shall continue, demand and receive from any tenant or sub-tenant of the owner occupying the unit the rent due or becoming due from such tenant or sub-tenant to the owner up to an amount sufficient to pay all sums due from the owner to the management committee, and any such payments of such rent to the committee shall be sufficient payment and discharge of such tenant or sub-tenant as between such tenant or sub-tenant and the owner to the extent of the amount so paid.

Section 2. No Waiver. The omission of the management committee, before the expiration of any year, to fix the management assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the covenants, conditions, or restrictions of the Declaration and these By-laws, or a release of the owner from the obligation to pay the assessments, or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment shall be fixed.

ARTICLE VI - TAXES AND INSURANCE

Section 1. Taxes. It is acknowledged that under the Condominium Ownership Act each of said units in each of said unit's percentage of the undivided interest in the common areas and facilities of the project are subject to separate assessment and taxation by each assessing unit and special district for all types of taxes authorized by law, and that as a result thereof no taxes will be assessed or payable against the project as such. Each member will, therefore, pay and discharge any and all taxes which may be assessed against any of said units of which he is the owner, against the percentage of undivided interests in the common areas and facilities of any such unit, and/or against any items of personal property located in or upon any unit of which he is the owner.

Section 2. Insurance. The committee shall secure and maintain the following insurance coverage on the project:

A. Fire and Extended Coverage. The management committee shall secure and at all times maintain, in its name as trustee for the owners, a policy or policies of fire and extended coverage insurance on the project in an amount which shall be equal to its maximum insurance replacement value, excluding foundation and excavation costs, or in such greater or lesser sum as the committee may from time to time determine to be necessary, proper and adequate. As between unit owners, participation in any proceeds realized by the committee from said insurance policy or policies will be on the basis of any damage sustained. In the event such unit owners cannot agree on the amount of damage sustained by each, the decision of the committee respecting the appraisal of such damage shall be conclusive. Each unit owner shall be responsible for securing and maintain insurance coverage on the interior of his unit and furniture, appliances, and all personal property which he may have in or on his particular unit.

B. Public Liability Coverage. The committee shall secure and at all times maintain, in its own name a policy of comprehensive general liability insurance for bodily injury and property damage in the aggregate amount of \$1,000,000.00. Said minimum coverage limit may be increased or decreased by the committee from time to time as it may deem to be in the interest of its members.

It is intended that the insurance policies herein provided for include coverage for any act or omission of the committee, its officers, agents and employees, or of the occupants of any office unit in the project, respecting the ordinary and anticipated use, occupancy, operation and/or maintenance of the project. It is not intended, however, that said insurance policies include any coverage or recognize any liability with respect to any act or omission on the part of any unit owner or occupant, or their employees, respecting acts or omissions other than those arising out of the ordinary and anticipated use, occupancy, operation and/or maintenance of the project or of any of said units.

ARTICLE VII

RIGHT OF ENTRY

Section 1. By the Committee. The committee and its duly authorized agents - shall have the right to enter any and all of the said units in case of an emergency originating in or threatening such unit or any other part of the project, whether the owner or occupant thereof is present at the time or not. The committee and its duly authorized agents shall also have the right to enter any and all of said units at all reasonable times as required for the purpose of making necessary repairs upon the common areas and facilities of the project.

Section 2. By Unit Owner. All unit owners and their duly authorized agents and representatives shall have the right to enter any of said units contained within the project for the

purpose of performing emergency installations, alterations, or repairs to the mechanical or electrical devices or installations located therein or thereon; provided, however, such emergency installations, alterations, or repairs are necessary to prevent damage or threatened damage to other units in the project; and provided, further, that the unit owner affected by such entry shall first be notified thereof if available and if time permits.

ARTICLE VIII

REIMBURSEMENT FOR DAMAGES

Each unit owner shall promptly perform or cause to be performed all maintenance and repair work within any of said units owned by him which, if omitted, will adversely affect the building in which said unit is located in its entirety, or any part of the project, and shall be liable in damages for any failure on his part to do so. Each member shall also reimburse the committee for the full value of any repairs or replacements to the common areas and facilities made necessary through the negligence or fault, as established by the procedure set out in Article III, Paragraph 9. of the Declaration, of such unit owners or such unit owner's tenants.

ARTICLE IX

NUISANCE

No unit owner shall cause, permit or suffer any nuisance to be created or carried on in any unit of which he is the owner or occupant.

ARTICLE X

USE AND OCCUPANCY

Section 1. Obstruction of Common Areas and Facilities. No member shall cause or allow nor permit any person over whom he has or may exercise supervision or control to cause or allow any roadway, driveway, or sidewalk in or on the project to be obstructed or to be used for any purpose other than for ingress to or egress from said units or the project.

Section 2. Use of Unit. No owner or occupant of any of said units, shall, without the prior written consent of the committee, occupy or use any of said units, nor permit any person over whom such owner or occupant has or may exercise supervision and control to occupy or use the same, for any purpose other than a private dwelling, or to permit or suffer anything to be done or kept in or upon any of said units which would constitute a nuisance or a violation of any law, ordinance, or regulation, which would increase the rate of fire insurance on the project or which might otherwise interfere with the rights of other owners or occupants of the project. No sign, signal, advertisement, or illumination shall be inscribed or exposed on or at

any window or outside wall of the project, except upon specific approval of the management committee.

Section 3. Maintenance of Units. Each unit owner at his own expense shall keep the interior of his unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance of his unit. Except to the extent that the management committee is protected by insurance against such injury, the owner shall repair all injury or damage to the building or buildings caused by the act, negligence or carelessness of the owner of that of any lessee or sublessee or any member of the owner's family or of the family of any lessee or sublessee, or of any guest, employee or agent of the owner or his lessee or sublessee, and all such repairs, redecorating, painting and varnishing shall be of a quality and kind equal to the original work. In addition to decorating and keeping the interior of the unit in good repair, the owner shall be responsible for the maintenance or replacement of any plumbing fixtures, heating and air conditioning equipment, compactors, dishwashers, disposers, ranges, etc., that may be in or connected with the unit. The owner shall be entitled to the exclusive use and possession of the patio and garage areas attached to his unit and shall be responsible for the maintenance and upkeep of said patio and garage areas, provided, however, that without the written permission of the management committee first had and obtained, the owner shall not make or permit to be made any structural alteration, improvement, or addition in or to the unit, patio, and garage areas or in or to the exterior of the buildings, and shall not paint or decorate any portion of the exterior of the building in which his unit is located.

No radio or T.V. antenna or aerial shall be installed on the outside of any building contained within the project without prior written consent of the committee.

Section 4. Pets. No pet shall be kept or harbored in the project unless the same in each instance be expressly permitted by the management committee. In no event shall pets be permitted in any of the common areas and facilities of the project unless carried or upon a leash. The owner shall indemnify the committee and hold it harmless against any loss or liability of any kind or character whatsoever arising from or growing out of having any pet in the project. One pet under 20 pounds (such as a cat or dog) may be authorized.

Section 5. No Waiver of Strict Performance. The failure on the part of the committee to insist, in one or more instances, upon a strict performance of any of the terms, covenants, or conditions of the aforesaid Act, Declaration, record of survey map, rules, regulations, agreements, determinations and/or these By-laws, or to exercise any right or option wherein contained, shall not constitute, nor be construed as, a waiver or relinquishment of any other right which the committee may have thereunder or which it may thereafter acquire.

ARTICLE XI - AMENDMENTS

These By-laws may only be altered, amended, or repealed in accordance with Article III, Paragraph 24 of the Declaration and by the affirmative vote of sixty-seven percent (67%) of the percentage interest of the Unit Owners in person or represented by proxy at any regular meeting of such Unit Owners, or at any special meeting if notice of the proposed alteration or repeal be contained in the notice of such special meeting.

EXHIBIT "D" - PERCENTAGE OF COMMON OWNERSHIP INTEREST

BUILDING AND UNIT NO.	UNIT SQUARE FOOTAGE	% OF OWNERSHIP IN COMMON AREAS
Building A		
1	1018	5%
2	1018	5%
3	1018	5%
4	1018	5%
5	1018	5%
6	1018	5%
7	1018	5%
8	1018	5%
Building B		
1	1018	5%
2	1018	5%
3	1018	5%
4	1018	5%
Building C		
1	1018	5%
2	1018	5%
3	1018	5%
4	1018	5%
5	1018	5%
6	1018	5%
7	1018	5%
8	1018	5%

EXHIBIT "E" - ADDITIONAL LAND

Description of Phase No. 3

18-056-0045
A part of Lot 49, Plat "B", North Ogden Survey; being a part of the Northwest Quarter of Section 32, Township 7 North, Range 1 West, Salt Lake Base and Meridian, U.S. Survey:

Beginning at a point 596.50 feet South 0°15'00" West along the West line of Washington Boulevard, 224.00 feet North 89°45'00" West 5.50 feet North 0°15'00" East and 63.41 feet North 89°45'00" West from the Northeast Corner of said Lot 49; running thence North 89°45'00" West 82.11 feet; thence North 27°32'53" West 131.03 feet; thence North 86°22'10" East 79.70 feet; thence North 62°48'16" East 15.05 feet; thence North 61°00'18" East 24.11 feet; thence South 27°32'53" East 137.05 feet; thence South 61°45'00" West 39.37 feet to the point of beginning.

Description of Phase 4

18-056-0046
A part of Lot 49, Plat "B", North Ogden Survey; being a part of the Northwest Quarter of Section 32, Township 7 North, Range 1 West, Salt Lake Base and Meridian, U.S. Survey:

Beginning at a point 434.95 feet South 0°15'00" West along the West line of Washington Boulevard and 156.89 feet South 61°45'00" West from the Northeast Corner of said Lot 49; running thence South 61°45'00" West 130.78 feet; thence North 27°32'53" West 137.05 feet; thence North 61°00'18" East 74.10 feet; thence South 28°15'00" East 20.00 feet; thence North 61°45'00" East 55.00 feet; thence South 28°15'00" East 118.00 feet to the point of beginning.

Description of Phase 5

18-056-0047
A part of Lot 49, Plat "B", North Ogden Survey; being a part of the Northwest Quarter of Section 32, Township 7 North, Range 1 West, Salt Lake Base and Meridian, U.S. Survey:

Beginning at a point 434.95 feet South 0°15'00" West along the West line of Washington Boulevard from the Northeast Corner of said Lot 49; running thence South 0°15'00" West 161.55 feet along said West line; thence North 89°15'00" West 224.00 feet; thence North 0°15'00" East 5.50 feet; thence North 89°45'00"

West 63.41 feet; thence North 61°45'00" East 327.04 feet to the point of beginning.

Remainder of Property

- 18-078-0001 TO 0012
18-056-0038, 0043,

Any of the following described real property which is not incorporated into the prior phases of Sunbrook Condominiums.

A part of Lot 49, Plat "B", North Ogden Survey: being a part of the Northwest Quarter of Section 32, Township 7 North, Range 1 West, Salt Lake Base and Meridian, U.S. Survey:

Beginning at a point on the West line of Washington Boulevard said point being South 0°15'00" West 596.50 feet along said West line from the Northeast Corner of said Lot 49; running thence South 0°15'00" West 60.50 feet along said line; thence North 89°45'00" West 660.00 feet; thence North 0°15'00" East 270.62 feet; thence South 89°13'10" East 174.95 feet to a point of curvature; thence Southeasterly along the arc of a 14.34 foot radius curve to the right a distance of 15.43 feet (Long Chord bears South 58°23'02" East 14.70 feet) to a point of tangency; thence South 27°32'53" East 121.36 feet; thence North 89°45'00" West 105.09 feet; thence South 0°15'00" West 102.00 feet; thence South 89°45'00" East 94.00 feet; thence North 0°15'00" East 14.00 feet; thence South 89°45'00" East 203.00 feet; thence South 0°15'00" West 5.50 feet; thence South 89°45'00" East 224.00 feet to the point of beginning.

Contains 1.79 acres

Property to the South

Part of Lot 55, Plat B, North Ogden Survey, Weber County, Utah: Beginning at the Northeast corner of Lot 55, running thence North 89° 45' West 1320 feet, thence South 0° 15' West 247.5 feet, thence South 89° 45' East 1320 feet, thence North 247.5 feet to beginning.

Land Serial No. 18-056-0018 ✓