

DECLARATION OF CONDOMINIUM

OF

THREE FOUNTAINS NORTH OGDEN

THIS DECLARATION OF CONDOMINIUM OF THREE FOUNTAINS NORTH OGDEN, hereinafter called the "Declaration", is made by Homeowners Condominium hereinafter referred to as the "Declarant", pursuant to the provisions of the Utah Condominium Ownership Act.

RECITALS

WHEREAS, Declarant is the owner of all that certain real property subject to this Declaration located in Weber County, Utah, and more particularly described as follows:

Exhibit "B"

A part of Lot 49, Plat "B" North Ogden Survey in the Northeast 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 South 0° 15' West 207.20 feet from the Northeast corner of said Lot 49; running thence South 0° 15' West 201.58 feet along the West line of said Washington Boulevard; thence South 61° 45' West 169.38 feet; thence North 28° 15' West 95.00 feet; thence South 61° 45' West 55.00 feet; thence North 0° 15' West 20.00 feet; thence South 61° 45' West 190.00 feet; thence North 28° 15' West 130.00 feet; thence North 89° 50' West 178.94 feet; thence North 0° 15' East 392.11 feet to the South line of 2550 North Street; thence South 89° 41' 30" East 451.30 feet along the South line of said 2550 North Street; thence South 0° 15' West 42.90 feet; thence North 89° 41' 30" West 3.00 feet; thence South 0° 15' West 102.85 feet; thence South 89° 41' 30" East 3.00 feet; thence South 0° 15' West 102.85 feet; thence South 89° 41' 30" East 208.70 feet to the point of beginning containing 5.574 acres.

hereinafter referred to as the "Real Property," and

WHEREAS, the Real Property consists of the land above described, together with certain residential buildings and certain other improvements heretofore constructed, and

E# 1552958 BK1935 PG1785
DOUG CROFTS, WEBER COUNTY RECORDER
18-JUN-98 3:35 PM FEE 167.00 DEP MB
REC FOR: THREE.FOUNTAINS.CONDO.N..OGDEN

18-059-0001-0072

WHEREAS, Declarant has constructed or will construct residential buildings and other improvements upon the Real Property in accordance with the plans and drawings set forth in the Record of Survey Map Filed for record concurrently herewith, consisting of three (3) sheets, prepared and certified by Lloyd J. Neuffer, Utah Registered Land Surveyor, and

WHEREAS, Declarant desires by filing this Declaration and the said Record of Survey Map to submit the Real Property and the buildings and other improvements constructed thereon to the provisions of the Utah Condominium Ownership Act as a condominium project known as the THREE FOUNTAINS NORTH OGDEN, and

WHEREAS, Declarant desires and has sold the fee title to the individual units contained in such Condominium Project together with an undivided ownership interest in the common areas and facilities appurtenant thereto, to various purchasers, subject to the covenants, limitations, easements and restrictions herein contained.

(SEE ATTACHED ADDENDUM - AGREEMENT BETWEEN SUNBROOK DEVELOPMENT AND THREE FOUNTAINS CONDOMINIUM ASSOCIATION - MARCH 31, 1997)

DECLARATION

NOW, THEREFORE, the Declarant hereby declares and certifies as follows:

1. Definitions. The terms used herein and in the By-laws (attached hereto as Exhibit "B:") shall have the meaning stated in the Utah Condominium Ownership Act and as follows unless the context otherwise requires.

(a) The Act. The term the "Act" shall mean and refer to the Utah Condominium Ownership Act (Title 57, Chapter 8, Utah Code Annotated, 1953) as the same may be amended from time to time;

(b) Condominium Project. The term the "Condominium Project", or sometimes the "Project" shall mean all of the Property, including all structures and other improvements thereon, subject to this Declaration.

(c) Map. The term "Map" shall mean and refer to the Record of Survey map of this Condominium Project filed for record simultaneously herewith by the Declarant.

(d) Common Areas. The term "Common Areas and Facilities" or simply the "Common Areas", shall mean and refer to:

(1) The land on which the buildings and other improvements are constructed;

(2) Those Common Areas and Facilities specifically set forth and designated as such in the Map;

(3) That part of the Condominium Project not specifically included in the respective Units as hereinafter defined;

(4) All foundations, columns, girders, beams, supports, main walls, retaining walls, roofs, stairs, stairways, entrances and exits of the Buildings, exterior walkways, streets, yards, (except as otherwise specified on the Map), gardens, fences, picnic area, club house, swimming pool, open parking spaces (except as otherwise specified on the Map), installation of central services such as power, light, water, gas, all apparatuses and installations existing for common use, such recreational and community facilities as may be provided for, and all other parts of the Real Property necessary or convenient to its existence, maintenance and safety of the Common Areas or normally in common use;

(5) All Common Areas and facilities as defined in the Act, whether or not expressly listed herein;

(e) Unit Owner. The term "Unit Owner" or "Owner" shall mean and refer to any person or entity, including the Declarant, at any time owning a condominium unit including a proportionate share of the Common Areas as defined herein. The term "Unit Owner" or "Owner" shall not refer to any mortgages as herein defined, unless such mortgagee has acquired title pursuant to foreclosure, or any proceeding in lieu of foreclosure;

(f) Property. The term "Property" shall mean and refer to the land above-described, the buildings, all other improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith;

(g) Unit. The term "Unit" means that part of the Property owned in fee simple by Unit Owners intended for independent use as defined in the Act and as shown (single cross-hatched) on the Map. The boundary lines of each Unit are the interior surfaces of its perimeter walls, bearing walls, floors, ceiling, windows and window frames, doors and door frames, and trim, and includes both the portions of the Building so described and the air space so encompassed, together with all fixtures and appliances therein contained;

(h) Common Expenses. The term "Common Expenses" shall mean all items, things and sums described in the Act which are lawfully assessed against the Unit Owners in

accordance with the provisions of the Act, this Declaration, the By-Laws, such rules and regulations and other determinations and agreements pertaining to the Condominium Project as the Management Committee or the Unit Owners may from time to time adopt;

(i) Management Committee. The term "Management Committee" shall mean the governing body of the Project, elected or selected pursuant to paragraph 6 hereof;

(j) Manager. The term "Manager" shall mean the person, persons, corporation, or other entity engaged by the Management Committee to manage the affairs of the Project;

(k) Mortgage. The term "Mortgage" shall mean any mortgage, deed of trust or other security instrument by which a Unit or any part thereof is encumbered;

(l) Mortgagee. The term "Mortgagee" shall mean any person named as a mortgagee or beneficiary under or holder of a deed of trust;

(m) Limited Common Areas. The words "Limited Common Areas and Facilities", or sometimes simply "Limited Common Areas", shall mean those common areas designated herein as reserved for the use of the particular Units to which they are adjacent, attached, appurtenant and/or as designated herein or on the Map to the exclusion of the other Units; and

(n) Incorporation of Act Definitions. To the extent applicable to the tenure hereof and not inconsistent herewith, the definitions contained in the Act are incorporated herein by reference and shall have the same effect as if expressly set forth herein and made a part hereof.

2. Submission to Condominium Ownership. The Declarant hereby submits the above-described land, the buildings and other improvements and structures constructed thereon or hereafter to be constructed thereon, together with all appurtenances thereto, to the provisions of the Act as a Condominium Project to be known as the THREE FOUNTAINS NORTH OGDEN. Declarant hereby declares that the Project and every part thereof is held and shall be held, conveyed, devised, leased, granted, encumbered, used, occupied and otherwise affected in any manner, subject to provisions of this Declaration and the Act. . Each and all of the provisions hereof are hereby declared to be in furtherance of the general plan and scheme of condominium ownership, and are further declared to be for the benefit of the Project and every part thereof, and for the benefit of each Unit Owner. All provisions hereof shall be deemed to run with the land as covenants running with the land, or as equitable servitude, as the case may be, and shall bind all persons hereafter acquiring or owning any interest in the Project however such interest may be obtained.

3. Development Plans.

(a) Buildings. The Project (in addition to recreational and other buildings and facilities provided thereof) includes eight (8) residential buildings (Buildings) as shown on the

5.
Map. Five (5) of the Buildings are numbered 1 to 5, inclusive, and three (3) of the buildings are numbered 7, 9 and 11.

Each of said eight Buildings contains eight Units in two levels (four Units per level).

All Buildings are structurally of wood frame construction with marble-crate panels.

(b) Other Details. All other details involving the respective descriptions and locations of the Buildings, Units, the number of stories, number of Units and other like details are shown on the Map which is filed of record simultaneously, herewith.

(c) Designations. The Building designations and the Unit Number of each Unit are set forth in Exhibit "A" hereto attached and on Sheet 1 of the Map.

4. Nature and Incidents of Condominium Ownership.

(a) Nature of Ownership. The Project is hereby divided into 64 Units each consisting of a fee simple interest in a Unit and an undivided fee simple interest in the Common Areas in accordance with the attached Exhibit "A" setting forth the respective undivided interest (subject to shifting as hereinafter set forth) in the Common Areas appurtenant to each Unit. Such undivided interest in the Common Areas are hereby declared to be appurtenant to the respective Units. The proportionate share of the Unit Owners in the Common Areas is based on the proportionate value that each of the Units bears to the total value of the Property. The percentage of ownership in the Common Areas shall be for all purposes including, but not limited to, voting and assessment for Common Expenses.

(b) Limited Common Areas. The Limited Common Areas shall consist of the following: fenced yard, numbered carports, numbered open parking spaces, and carports with storage.

Each of the Units on the first level of all Buildings has the exclusive right to use and occupy the fenced yard immediately adjacent thereto as shown on the Map.

Each Unit in the Project has one (1) carport as Limited Common Area, identified on the Map with the same number by which the Unit is identified thereon.

Each of the Units on the second level of all Buildings has a patio balcony area connected thereto as Limited Common Area as shown on the Map.

Each of the sixty-four (64) parking spaces and sixteen (16) carports with storage, designated by capital letters A to P, is subject to assignment by the Declarant, in its discretion, to

the Unit concurrently with the sale thereof, which, after such assignment, becomes limited Common Area to the Unit to which it is assigned. Such assignment of said open parking spaces and carports may be included in the deed conveying the Unit or by any other duly recorded instrument, in the discretion of the Declarant.

As indicated on sheet No. 1 of the Map, some of the Limited Common Areas are double cross-hatched while other such areas are otherwise designated thereon.

(c) Holding Title. Title to a Unit may be held or owned by any entity and in any manner in which title to any other real property may be held or owned in the State of Utah, including, but without limitation, joint tenancy or tenancy in common.

(d) No Separation. No part of a Unit or of the legal rights comprising ownership of a Unit may be separated from any other part thereof during the period of condominium ownership prescribed herein, so that each Unit, the undivided interest in the Common Area appurtenant to such Unit, and the exclusive right to use and occupy the Limited Common Area appurtenant to such unit, shall always be conveyed, devised, encumbered and otherwise affected only together and may never be separated from one another. Every gift, devise, bequest, transfer, encumbrance, conveyance or other disposition of a Unit or any part thereof shall constitute a gift, devise, bequest, transfer, encumbrance, or conveyance, respectively, of the entire Unit, together with all appurtenant right created by law or by this Declaration.

(e) No Partition. The Common Areas shall be owned in common by all the Owners of Units, and no Unit Owner may bring any action for partition thereof or subdivide any Unit.

(f) Use of Common Areas and Limited Common Areas. Subject to the limitations contained in this Declaration, any Unit Owner shall have the non-exclusive right to use and enjoy the Common Areas and shall have the exclusive right to use and enjoy the Limited Common Areas designated herein for exclusive use by such Unit Owner.

(g) Unit Maintenance Each Owner shall have the exclusive right at his sole cost and expense to maintain, repair, paint, re-paint, tile, wax, paper or otherwise refinish and decorate the interior surfaces 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 decorating 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.

(h) Maintenance of Limited Common Areas. Each owner shall keep the Limited Common Areas designed for use in connection with his Unit in a clean, sanitary and attractive

condition.

(i) Easement for 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 of 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 encroachment and for the maintenance of the same shall and does exist. Such encroachments shall not be considered to be encumbrances either on the Common Areas or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by an error in the original construction of the building on the Property, 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.

(j) 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 their 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 Areas or to another Unit or Units. The Management Committee shall also have such right independent of the agency relationship. Damage to the interior of any part of a Unit or Units resulting from the maintenance, repair, emergency repairs within another Unit at the instance of the Management Committee or of Unit Owners shall be an expense of all the Unit Owners; provided, however, that if such damage is the result of negligence of the Owner of a Unit, then such Owner shall be financially responsible for all such damage. Such damage shall be repaired and the property shall be restored substantially to the same conditions as existed prior to damage. Amounts owing by Owners pursuant hereto shall be collected by the Management Committee by assessments pursuant to paragraph 7 below.

(k) Right of Ingress, Egress, Lateral Support. 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 each Owner shall have the right to the horizontal and lateral support of a Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

(l) Easement to Management Committee. The Management Committee shall have a non-exclusive easement 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.

(m) Easements for Utility Services. Easements are reserved through the Project as may be required for utility services.

(n) Reciprocal Easements. All conveyances of Units hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as shall give affect to subparagraphs (i), (j), (k), (l) and (m) above even though no specific reference to such easements or to those subparagraphs appears in any such conveyance.

5. Description of a Unit Every conveyance or contract for the sale of a Unit and every other instrument affecting title to a Unit may describe that Unit by the number shown on the Map with the appropriate reference to the Map and to this Declaration, as each shall appear on the records of the County Recorder of Weber County, Utah, in substantially the following fashion:

Unit ____ in Building ____ as shown in the Record of Survey Map for THREE FOUNTAINS NORTH OGDEN, appearing in the records of the County Recorder of Weber County, Utah, in Book ____, Page ____ of Plats, and as defined and described in the Declaration of Condominium for THREE FOUNTAINS NORTH OGDEN, appearing in Such records in Book ____, Page ____ of Records.

Such description will be construed to describe the Unit, together with the appurtenant undivided interest in the Common Areas, and to incorporate all the rights incident to ownership of a Unit and all the limitations on such ownership as described in this Declaration.

6. Management Committee, Rights and Obligations

(a) Management Body The business, property and affairs of the Project shall be managed by the Management Committee composed of five (5) members as provided in the By-Laws.

(b) Rights and Duties. The Management Committee, subject to the rights of the Owners set forth in Paragraph 4 hereof, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including furnishings and equipment related thereto), and shall keep the same in good, clean, attractive and sanitary condition, order and repair. The Management Committee shall be responsible for the maintenance and repair of exterior surfaces of the Buildings, including, without limitation, the painting of the same as often as necessary, the replacement of trim, the maintenance and repair of roofs, the maintenance and repair of other Common Areas and all other improvements or material located within or used in connection with the Common Areas. The Management Committee shall have the exclusive right to contract for all goods, services, and insurance payment of which is to be made from the Common expense fund, subject to the provisions of subparagraph (f) below. The specification of duties of the Management Committee with respect to particular Common Areas shall not be construed to limit its duties with respect to other Common Areas, as set forth in the first sentence in this paragraph. The cost of such management

operation, maintenance and repair by the Management Committee shall be borne as provided in paragraph 7 of this Declaration.

(c) Payment for Services, etc. The Management Committee may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Management Committee shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Management Committee or by any person or entity with whom or which it contracts. The Management Committee may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration. The Management Committee may arrange with others to furnish lighting, water, snow removal, ground maintenance and other common services to each Unit. The cost of such services shall be borne as provided in paragraph 7 of this Declaration.

(d) Personal Property Ownership and Use. The Management Committee may acquire and hold for the use and benefit of all of the Owners tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same proportion as their respective interests in the Common Areas. Such interest shall not be transferable except with the transfer of a Unit. A transfer of a Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto, and such beneficial interest may in no event be reserved by the transferor of a Unit. Each Owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Unit under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosed Unit.

(e) Rules and Regulations. The Management Committee may make reasonable rules and regulations governing the use of the Units and of the Common Areas, which rules and regulations shall be consistent with the rights and duties established in this Declaration. The Management Committee may suspend any Owner's voting rights in the meeting of Unit Owners during any period or periods during which such Owner fails to comply with such rules and regulations, or with any other obligations of such Owner under this Declaration. The Management Committee may also take judicial action against any Owner to enforce compliance with such rules and regulations or other obligations or to obtain damages for noncompliance, all to the extent permitted by law.

(f) Capital Improvements. There shall be no structural alterations, capital additions to, or capital improvement of the Common Areas requiring an expenditure in excess of \$2,500.00 without the prior approval of Unit Owners holding a majority of the voting power.

(g) Other Rights. The Management Committee may exercise any other right or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or

(g) Other Rights. The Management Committee may exercise any other right or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

(h) Acceptance of New Common Areas. The Management Committee shall not accept for maintenance or other purposes new Common Areas with facilities unless and until the same are properly constructed or finished as is appropriate.

7. Assessments.

(a) Agreement to Pay Assessments. Each Owner of any Unit by the acceptance of a deed or contract therefor, whether or not it be so expressed in the deed or 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 in this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided hereunder.

(b) Basis of 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 of furnishing utility services to the Units, which estimates may include, among other things, expenses of Management; ground maintenance; taxes and special assessments levied by governmental authorities until the Units are separately assessed as provided herein; premium for all insurance which the Management Committee is required or permitted to maintain pursuant hereto; common lighting; water charges; repairs and maintenance; 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 Management Committee for the benefit of the Owners under or by reason of this Declaration.

(c) Apportionment of Expenses. Expenses attributable to the Common Areas and to the Project as a whole shall be apportioned among all Units in proportion to their respective undivided interests in the Common Areas. For this purpose Declarant shall be considered to own only the undivided interest in Common Areas based upon Units not conveyed by Declarant.

***See Addendum Attached (Paragraph 7 (d))**

(e) Special Assessments. In addition to the annual assessments authorized hereunder, the Management Committee may levy in any assessment year a special assessment, subject to the provisions of Paragraph 6(f) above, 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

ADDENDUM – PAGE 10
(Insert after Paragraph 7 (c)

(d) Method, Payment of Assessments, etc. Maintenance and gas fees shall be made on a calendar year basis. These dues shall be due and payable in monthly installments on the first (1st) but not later than the tenth (10th) day of each and every month. A late charge of twenty-five dollars (\$25.00) per month shall be assessed for payment received later than the tenth (10th) of each month. The Management Committee shall give each and every Homeowner a copy of this Amendment as soon as it has been recorded in the Weber County Recorder's Office, pursuant to the provisions of Paragraph 17 of the Declaration of Condominiums. No further notice of such monthly installments shall be required.

Change Special Assessments from Paragraph 7 (d) to (e)

Change Lien for Unpaid Assessments from Paragraph 7 (e) to (f)

Change Personal Obligation of Assessments from Paragraph 7 (f) to (g)

Change Information Concerning Unpaid Assessments from Paragraph 7 (g) to (h)

be determined on the same basis set forth in subparagraph (c). 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.

(e) Lien for Unpaid Assessments. All sums assessed to any Unit pursuant to this section, together with interest thereon as provided herein, shall be secured by a lien on such Unit in favor of the Management Committee. Such lien shall be superior to all other liens and encumbrances on such Unit, except only for: (a) valid tax and special assessment liens on the Unit in favor of any governmental assessing authority, and (b) encumbrances on the interest of the Unit Owner recorded prior to the date notice of the lien provided for herein is recorded which by law would be a lien prior to subsequently recorded encumbrances. All other lienors acquiring liens on any Unit after this Declaration shall have been recorded in said records 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 pursuant to this section, the Management Committee may prepare a written notice of 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 a 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 mortgages 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 filing the notice of lien and all reasonable attorneys' fees. All such costs, expenses and fees shall be secured by the lien being foreclosed. The lien shall also secure, and 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. 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 thereof.

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 by this section, and upon such payment such encumbrancer shall be subrogated to all rights of the Management Committee with respect to such lien, including priority.

The Management Committee shall report to any encumbrancer of a Unit any unpaid assessments remaining unpaid for longer than ninety (90) days after the same shall have

become due; provided, however, that such encumbrancer first shall have furnished to the Management Committee written notice of such encumbrance.

(f) Personal Obligation of Assessments. The amount of any annual or special assessment against any Unit shall be the personal obligation of the Owner thereof to the Management Committee. 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 waiver of the use and enjoyment of any of the Common Areas or by abandonment of his Unit.

(g) Information Concerning Unpaid Assessments. Upon payment of a reasonable fee not to exceed ten (\$10.00) and upon written request of any Owner or any 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 portion thereof which has theretofore been paid, 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 persons who rely thereon in good faith, unless such request for a statement of account shall be complied with within ten (10) days, all unpaid assessments which become due prior to the lien of a Mortgagee which became due prior to the date of having 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 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 ten (10) 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.

8. Use of Condominium Units.

(a) Single Family Housing Use. Each of the Units in the Project is intended to be used for single family residential housing and is restricted to such use. No Unit shall be occupied by any person under the age of 18 years. Provided however: (1) That in determining whether foregoing restriction is being abridged, account shall not be taken of occupants who are residing in the Unit concerned in conjunction with a visit lasting less than thirty (30) days; (2) That in determining whether such restriction is being violated, account shall not be taken if a child is born to an occupant of a Unit until the child reaches the age of one (1) year; and (3) That the restrictions imposed by this paragraph may, on a case-by-case basis, be retained by the unanimous written consent of the Management Committee

(b) Restrictions Concerning Common Areas. There shall be no obstruction of the Common Areas by the Owners and/or their guests 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 the Common Areas. Nothing shall be kept or stored on 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 upon the prior written consent of the Management Committee.

(c) Miscellaneous Restrictions. Nothing shall be done or kept in any Unit or in the Common Areas or any part thereof which would result in the cancellation of the insurance on the Project or any part thereof or increase the rate of the 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 other Owners harmless against all loss resulting from any such damage of waste caused by him or his invitee; 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 an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project.

(d) Animals. Household pets may be kept in the Units subject to strict observations to rules and regulations adopted by the Management Committee. No more than two (2) animals will be allowed. Dogs must be on a leash at all times when outside and owner is responsible for droppings. Dogs must not be more than eighteen inches (18") tall at shoulders. Cats must be kept inside; if out, must be on a leash. First time offense -- a warning; second time offence -- a fine imposed; third time offense -- removal of pet by legal means.

(e) No Violation of Rules and Regulations. 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.

(f) Restrictions on Alterations. No structural alterations to any Unit shall be made by any Owner without the prior written consent of the Management Committee.

9. Insurance.

(a) Insurance Coverage. The Management Committee shall obtain and keep in full force and effect at all times the following insurance coverage provided by companies duly authorized to do business in Utah. The provisions of this section shall not be construed to limit the power or authority of the Management Committee to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Management Committee may deem appropriate from time to time.

(1) Casualty and Other Coverages. The Management Committee shall obtain insurance on the Project in such amounts as shall provide for full replacement thereof in the event of damage or destruction from the casualty against which such insurance is obtained, all in the manner in which a corporation owning similar multiple family residential buildings in the vicinity of the Project would, in the exercise of prudent business judgment, obtain such insurance. Such insurance shall include fire and extended coverage, vandalism and malicious mischief, war risk insurance if available and if deemed appropriate by the Management Committee, and such other risks and hazards against which the Management Committee shall deem it appropriate to provide insurance protection. The Management Committee may comply with the above requirements by the purchase of blanket coverage and may elect such "deductible" provisions as in the Management Committee's opinion are consistent with good business practice.

(2) Liability Protection. The Management Committee shall purchase broad form comprehensive liability coverage in such amounts and in such forms as it deems advisable to provide adequate protection. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Management Committee, and activities in connection with the ownership, operation, maintenance and other use of the Project.

(3) Workmen's Compensation Coverage. The Management Committee will require all subcontractors to provide proof of insurance, state and local Workmen's Compensation licenses and to be bonded

(4) Fidelity Coverages. The Management Committee shall purchase, in such amounts and in such forms as it shall deem appropriate, coverage against dishonesty of employees, destruction or disappearance of money or securities and forgery.

(5) Other Coverages. The Management Committee may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Project, including any personal property of the Management Committee located thereon.

(b) Form of Insurance. Casualty insurance shall be carried in a form or forms naming the Management Committee the insured, as trustee for the Owners and for Declarant, whether or not it is an Owner, which policy or policies shall specify the interest of each Unit Owner (Owner's name, Unit number, the appurtenant undivided interest in the Common Areas), and which policy or policies shall provide a standard, noncontributory mortgagee clause in favor of each first mortgagee which from time to time shall give notice to the Management Committee of such first Mortgage. Each policy also shall provide that it cannot be canceled by either the insured or the insurance company until after ten (10) day's prior written notice is first given to each Owner, to Declarant and to each first Mortgagee. All policies of insurance shall, if possible provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Owner guilty of breach of warranty, act, omission, negligence or

noncompliance with any provision of such policy, including payment of the insurance premium applicable to that Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy. All policies of insurance shall, if possible, provide further that the insurance under any such policy, as to the interest of all other insured Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect.

Public liability and property damage insurance shall name the Management Committee the insured, as trustee for the Owners and for Declarant, whether or not they are Owners, and shall protect each Owner and Declarant against liability for acts of the Management Committee in connection with the ownership, operation, maintenance or other use of the Project. Such policies of insurance shall provide that all insured (including, but without limitation, the Declarant, Owners, Management Committee, and officers of the Management Committee) shall be considered as separate insured and coverage shall be afforded each such insured in the same manner as though separate policies had been issued to each such insured and the insurance afforded any person or organization as insured under this policy shall not in any way be prejudiced by the inclusion therein of more than one person and/or organization as insured, but the inclusion of more than one insured under the policy shall not operate to increase the limits of the company's total liability under the policy.

(c) Unit Owner's Insurance on Personal Property. Insurance coverage on the furnishings, initially placed in the Unit by Declarant, except to the extent that the Management Committee pursuant to subparagraph (b) hereof elects to arrange for casualty insurance, and, regardless of the Management Committee's election, insurance coverage against loss from theft on all personal property placed in the Unit by Owners, and casualty and public liability insurance coverage within each individual Unit and for activities of the Owner, not acting by the Management Committee, with respect to the Common Areas shall be the responsibility of the respective owners.

(d) Insurance Proceeds to Management Committee. The Management Committee shall receive the proceeds of any casualty insurance payment received under policies obtained and maintained pursuant to this section. To the extent that reconstruction is required herein, the proceeds shall be used for such purpose.

(e) Right of Unit Owners to Obtain Insurance. Notwithstanding the provisions of subparagraph (a) and (b) above, each Owner may obtain insurance at his own expense providing coverage upon his Unit, his personal property for his personal liability, and covering such other risks as he may deem appropriate, but each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies which the Management Committee obtains pursuant to this section. All such insurance of the Owner's Unit shall waive the insurance company's right of subrogation against the Management Committee, the other

Owners and the servants, agents, guests of any of them, if such insurance can be obtained in the normal practice without additional premium charge for the waiver of rights of subrogation.

10. Casualty Damage or Destruction.

(a) Binding Effect. Title to each Unit is hereby made subject to the terms and conditions hereof which bind the Declarant and all subsequent Owners, whether or not it be so expressed in the deed by which any Owner acquires his Unit.

(b) Authority of Management Committee. As attorney in fact, the Management Committee shall have full and complete authorization, right and power to make, execute and deliver any contract, deed, or other instrument with respect to the interest of a Unit Owner which may be necessary or appropriate to exercise the powers herein granted. Repair and reconstruction of the improvements as used in the succeeding subparagraphs mean restoring the Project to substantially the same condition in which it existed prior to damage, with each Unit and the Common Areas having substantially the same vertical and horizontal boundaries as before.

(c) Management Committee's Duties re Mortgage Purchase. In the event any Mortgagee should not agree not to rebuild, the Management Committee shall have the option to purchase such Mortgage by payment in full of the amount secured thereby if eighty (80) percent of the Owners are in agreement not to rebuild. The Management Committee shall obtain the funds for such purpose by special assessments under paragraph 7 (e) of this Declaration.

(d) Repair or Reconstruction of Damages. As soon as practical after receiving these estimates the Management Committee shall diligently pursue to completion the repair or reconstruction of the part of the Project damaged or destroyed if the Project is damaged or destroyed to the extent of seventy-five (75) percent or less than the value thereof. The Management Committee may take all necessary or appropriate action to effect repair or reconstruction, as attorney in fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith. Such repair or reconstruction shall be substantially in accordance with the original plans and specifications of the Project or may be in accordance with any other plans and specifications the Owners may approve, provided that in such latter event the number of cubic feet and the number of square feet of any Unit may not vary by more than five (5) percent from the number of cubic feet and the number of square feet for such Unit as originally constructed pursuant to such original plans and specifications, and the location of the building shall be substantially the same as prior to damage or destruction. The same easements for encroachments as declared in Section 4 (h) (above) shall and do hereby apply under the provisions of this Section. In the event the Project is destroyed or damaged to the extent of more than seventy-five (75) percent of the value thereof, the Unit Owners shall, at a meeting within 100 days after such damage or destruction duly called by the Management Committee for the purpose, determine whether or not said premises should be rebuilt, repaired or disposed of. Unless Owners representing not less than eighty (80) percent of the undivided interests in the

Common Areas agree to the withdrawal of the Project from the provisions of the Act and to the subsequent disposal, the premises shall be repaired, rebuilt or restored to substantially the same condition they were in immediately prior to such destruction or damage.

(e) Purpose of Insurance Proceeds; Special Assessments. The proceeds of any insurance collected shall be available to the Management Committee for the purpose of repair or reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair or reconstruction, the Management Committee, pursuant to Paragraph 7 hereof, may levy in advance a special assessment sufficient to provide funds to pay such

estimated or actual costs of repair or reconstruction. Such assessment shall be allocated and collected as provided in that paragraph. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair or reconstruction.

(f) Disposition of Insurance Proceeds, etc. The insurance proceeds held by the Management Committee and the amounts received from the assessments provided for in Paragraph 10(f) above constitute a fund for the payment of cost of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for cost or reconstruction or repair shall be made from insurance proceeds; if there is a balance after payment of all costs of such repair or reconstruction, such balance shall be distributed to the Unit Owners in proportion to the contributions each Owner made pursuant to the assessments the Management Committee made under Paragraph 10(e) of this Declaration.

(g) Withdrawal of the Project. If eighty (80) percent of the Unit Owners and all holders of first Mortgages on Units agree not to rebuild, as provided herein, the Project may be removed from the provisions of the Act as prescribed therein.

11. Duty of Owner to Pay Taxes on Unit Owner. It is understood that under the Act each Unit (and its percentage of interest in the Common Areas) in the Project is subject to 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. Accordingly, each Unit Owner will pay the discharge any and all taxes and assessments which may be assessed against him on his Unit.

12. Service of Process. The name of the organization to receive service of process in the cases contemplated by the Act and the place of its residence are:

Three Fountains North Ogden Homeowners Association
325 East 2550 North #121
North Ogden, Utah 84414

13. Transfer of Lease of Units. The Owner, or Owners, of any Unit in the Project who desires to sell his Unit, or to enter into any agreement for the occupancy of his Unit by another

person or persons, shall give the Management Committee ten (10) days advance written notice thereof, which notice shall state the name and address of the proposed purchaser or occupant as the case may be, and the terms and conditions upon which proposed purchaser or occupant agrees to purchase or occupy such Unit. The Management Committee shall have the right, exercisable at any time within ten (10) days after its receipt of such notice, to purchase or enter into an agreement for the occupancy of such Unit upon the same terms and conditions as those specified in that notice; provided, however, that in the event the Management Committee enters into an agreement hereunder for the occupancy of any Unit, it shall have the right to sublet such Unit to any person or persons reasonably suitable to the Management Committee. In the event the Management Committee determines that it desires to purchase, or enter into an agreement respecting the occupancy of a Unit as above provided, but concludes that the price or rental specified in the notice is unreasonable, the Management Committee shall give the Owner or Owners of such Unit written notice thereon within seven (7) days after its receipt of notice of the proposed sale or occupancy arrangement. The notice thus given by the Management Committee shall state that it has elected or thereby elects to purchase said Unit, or enter into an agreement for the occupancy of the same, and shall state further that the Management Committee believes the price or rental specified in the notice given to it is unreasonable. The Management Committee shall thereafter be obligated to purchase such Unit, or enter into an agreement for the occupancy of same, as the case may be, at a price or rental to be determined by a group of three (3) M.A.I. Appraisers to be selected as follows: The Management Committee shall select one appraiser, the Unit Owner or Owners concerned shall select one appraiser, and the two appraisers thus selected shall select the third appraiser. In the event all three appraisers cannot agree on a price or rental to be paid, as the case may be, the decision of any two of the three shall be binding.

The Management Committee, upon written request of any prospective seller, buyer, lessor, tenant or mortgagee, shall furnish a duly acknowledged certificate of compliance with, or a waiver of, the provisions of the immediate preceding paragraph. Such a certificate shall be conclusive evidence of the facts stated therein.

The restrictions upon the sale or lease of Units hereinbefore set forth shall not apply to the Declarant or to any holder of the mortgage which comes into possession of the Units, pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, but any of such persons shall be exempt from said restrictions, hence shall be free to sell or lease without first notifying the Management Committee as required for other Unit Owners.

A Unit Owner may sell or lease his Unit to his spouse or devise his Unit by will or have it pass by intestacy without any restriction.

14 Mortgage Protection. Notwithstanding all other provisions hereof:

(a) The liens created hereunder upon any Unit shall be subject and subordinate to,

and shall not affect the rights of the holder of the indebtedness secured by any recorded first mortgage (meaning a mortgage or a trust deed with first priority over other mortgages) upon such interest made in good faith and for value, provided that after the foreclosure of any such mortgage there may be a lien created pursuant to Paragraph 7 hereof on the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such purchaser as an Owner after the date of such foreclosure sale, which said lien, if any claimed, shall have the same effect and be enforced in the same manner as provided herein.

(b) No amendment to this paragraph shall affect the rights of the holder of any such mortgage recorded prior to recordation of such amendment who does not join in the execution thereof

(c) By subordination agreement executed by a majority of the Management Committee, the benefits of (a) and (b) above may be extended to mortgages not otherwise entitled thereto.

15. Boat, Camper, and Trailer Storage Area, Easements; Restrictions.

(a) Identity of Property. Declarant is the owner in fee simple of the following described real property in Weber County, Utah, to-wit:

(Which real property is located at the Southwest Corner of the Project and designated on the Map as "boat, camper, and trailer storage area," hereinafter referred to as the "Storage Property"). The Storage Property will not be included as a part of the Project, present or future. Declarant, and its successors hereby, irrevocably reserves a perpetual non-exclusive easement over, upon and across the streets of the Project for ingress and egress from the Storage Property.

(b) Use Restrictions of Storage Property, etc. With further reference to the Storage Property, Declarant does hereby irrevocably declare that the Storage Property shall be used after its completion as boats, campers and trailer storage area only for the purposes of storing boats, campers and trailers and other uses incidental thereto by the Unit Owners of the Project. It is further declared that such use restriction hereby imposed shall continue for so long as the Project shall exist as a condominium project under this Declaration or any amendment or amendments thereof, and further, that the same shall constitute covenants running with the said Storage Property, provided, however that, if for any reason whatsoever, the Storage Property ceases to be used for the purposes above mentioned, then, and in that event, the said use restrictions hereby placed thereon shall thereupon immediately cease and determine, and the Declarant, its successors and assigns, may terminate of record such use restrictions by the filing of an affidavit certifying to such termination in the office of the County Recorder of Weber County, Utah. Moreover, a power coupled with an interest is hereby given or reserved to the Declarant, its successors and assigns, as attorney in fact to execute and file for record such affidavit in said office of the County Recorder.

16. Amendment. The Declarant shall have the right to amend this Declaration. Thereafter the Management Committee shall have the right to amend this Declaration upon a two-thirds vote of those in attendance at a duly called and constituted special meeting of the Unit Owners. Any amendment by the Declarant or by the Management Committee shall be recorded in the Weber County Recorder's Office, and if adopted by the Unit Owners shall be accompanied by a certificate of the Chairman or Vice Chairman and Secretary of the Management Committee certifying to the adoption of said amendment. Thereafter the amendment shall be binding upon every Owner, whether the burdens thereon are increased or decreased thereby or whether the Owner of a particular Unit consented thereto. Provided, however, unless all holders of mortgage liens and all Owners of Units have given their prior written approval, no amendment shall be made by Declarant, or by the Unit Owners which changes the pro rata interest or obligation of any Unit for purposes of levying assessments and charges for common expenses and for purposes of determining ownership interest in the Common Areas and right to proceeds of the Project whatever the same may be.

17. Miscellaneous Provisions. Notwithstanding anything to the contrary herein contained, it is hereby declared, certified and agreed as follows:

(a) Mortgagee's Right of Notification of Default. Any holder of the 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 obligations under the Declaration which is not cured within thirty (30) days.

(b) Priority of Mortgages Over Certain Assessments. Any holder of the mortgage which comes into possession of the Unit pursuant to the remedies provided in the Mortgage, foreclosure of the Mortgage, or deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit).

(c) Certain Prohibitions Imposed on Unit Owners. Unless all holders of first mortgage liens on individual Units have given their prior written approval, the Unit Owners of the Project shall not:

(1) Change the pro rate interest or obligations of any Unit for purposes of levying assessments and charges and determining share of the Common Areas and proceeds of the Project; nor

(2) By act or omission seek to abandon the condominium status of the Project except as provided by statute in case of substantial loss to the Units and Common Areas of the Project.

18. Enforcement. Each Unit Owner shall comply strictly with the provisions of this

Declaration and with the administrative rules and regulations drafted pursuant thereto as the same may be lawfully amended from time to time and with the decisions adopted pursuant to this Declaration and the administrative rules and regulations, and failure to comply shall be ground for an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee or Manager on behalf of the Unit Owners, or in a proper case, by an aggrieved Unit Owner. Each Unit Owner shall be responsible for all costs and expenses including attorney's fees incurred by the Management Committee in enforcing the provisions of this paragraph and shall be fully and completely responsible for the tenants, if any, regarding this paragraph.

19. Indemnification of Management Committee. Each member of the Management Committee shall be indemnified and held harmless by the Unit Owners against all cost, expenses, and liabilities whatsoever, including, without limitation, attorney's 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 Committee.

20. Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

21. Severability. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of the Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

22. Topical 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 or otherwise affect the content, meaning or intent of this Declaration or any paragraph or provision hereof.

23. 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 being the Declarant, has caused this instrument to be executed and its seal be affixed hereto this 16th day of June, 1998

Attest:

Oreta O. Norris
Secretary

Sharon L. Eva
Chairman

STATE OF UTAH)
 : ss
County of Weber)

On this 16th day of JUNE, 1998, personally appeared before me
SHARON L. EVA and ORETA O. NORRIS who being by me
duly sworn, did say that they are the Chairman and Secretary, respectively of
THREE FOUNTAINS HOMEOWNERS ASSOCIATION, a Utah _____,
and that the foregoing instrument was signed by them in behalf of said ASSOCIATION
by authority of a resolution of its HOME OWNERS ASSOCIATION and the said each duly
acknowledged to me that said _____ was executed the same and that
the seal affixed is the seal of said _____

My commission expires _____

Douglas W. Crofts
Notary Public residing
at _____



AGREEMENT

THIS AGREEMENT ("Agreement") is given between SUNBROOK DEVELOPMENT, L.L.C., (hereinafter "Sunbrook"), and THE MANAGEMENT COMMITTEE OF THREE FOUNTAINS CONDOMINIUM ASSOCIATION, (hereinafter "Three Fountains"). Sunbrook and Three Fountains are referred to collectively herein as the "Parties" and sometimes individually as a "Party."

RECITALS:

A. Sunbrook is the owner in fee simple of Phases 1 through 5, inclusive, Sunbrook Condominiums (hereinafter "Sunbrook Property"), and is authorized to execute this Agreement and subject the Sunbrook Property to all the terms hereof and to subject the Sunbrook Property to all the easements contemplated hereby. The legal description of the Sunbrook Property is more particularly described in the attached Exhibit "A" which is incorporated herein by reference and made a part hereof.

B. The Management Committee of Three Fountains represents and warrants that it has the authority to bind all phases of Three Fountains (hereinafter "Three Fountains Property"), and to subject the Three Fountains Property to the terms hereof and to bind the Three Fountains Property to all the easements contemplated hereby. The legal description of the Three Fountains Property is more particularly described in Exhibit "B" which is incorporated herein by reference and made a part hereof.

C. The Sunbrook Property is located immediately south of and adjacent to the southern boundary of the Three Fountains Property.

D. Many years past, the Three Fountains Property and the Sunbrook Property were owned by a common owner (hereinafter "Common Owner") who planned to develop both properties into a single project.

E. The Common Owner began the development of the two properties by first developing the Three Fountains Property. The Common Owner never developed the Sunbrook Property which ultimately was purchased by Sunbrook.

F. Sunbrook and Three Fountains are now discovering that certain improvements necessary for the Three Fountains Property encroach upon the Sunbrook Property.

G. The Parties now desire to separate their respective projects, at the least cost possible to the Parties, by entering into this Agreement.

NOW, THEREFORE, the parties hereto intending to be legally bound and in consideration of the respective undertakings made and described herein, do agree as follows:

1. **Recitals.** The above recitals are incorporated herein by reference and made a part hereof.
2. **Swimming Pool.** Three Fountains has maintained a wooden fence as depicted in the plat map attached hereto as Exhibit "C" and by reference made a part hereof, which encroached upon the Sunbrook Property between points 5 and 6 on Exhibit "C". In addition, as part of the swimming pool facilities, Sunbrook has utilized asphalt paving which is currently located south of points 5 and 6. There is also an electrical line which runs along the encroaching fence and which will need to be removed at the time the fence is moved. The aforementioned fence, asphalt paving and electrical line located on or south of segment 5-6 shall hereinafter be referred to collectively as the "Swimming Pool Encroachments". Three Fountains

authorizes Sunbrook to remove, and Sunbrook agree to remove, the following Swimming Pool Encroachments:

- a. Cut and remove the wooden fence located south of segment 5-6.
- b. Cut, by appropriate saw, a straight line between segment 5 and 6 and remove all asphalt south thereof.

Three Fountains agrees to relocate all electrical and underground cable, if any, located around the existing wooden fence. Sunbrook authorizes Three Fountains to locate cable or other electrical wires on or around the new fence to be built according to the terms hereof.

3. **Fence.** Sunbrook, at Sunbrook's expense, agrees to install a 6 foot chain link fence running along the boundary line, except as modified hereinafter, between the Three Fountains Property and the Sunbrook Property. The boundary line is currently monumented by survey stakes and monuments, some of which have been in existence for many years. Sunbrook agrees to install privacy vinyl slats in the fence, commencing at the point of intersection between the new fence and the perpendicular existing fence to the west of the swimming pool, and running thence in a northeasterly direction to the intersection of the new fence and the perpendicular wood fence to the east of the swimming pool. Sunbrook reserves the right to install, at its own cost and expense, additional vinyl privacy slats in other areas, if not all, of the fence.

4. **Sprinkling System.** Portions of the Three Fountains sprinkling system is located within the Sunbrook Property. Three Fountains agrees to remove, at its own cost and expense, all sprinkling system lines and apparatus located within the Sunbrook Property. Any and all damage done to the sprinkling system, wherever located, at the time of installation of the fence

or the improvements to be made pursuant to paragraph 5 below, shall be borne totally by Three Fountains. Because some of the Three Fountain's sprinkling system will not need to be removed from the Sunbrook Property until construction is about to begin, Sunbrook will give Three Fountains thirty (30) days notice prior to the time Sunbrook desires the sprinkling system to be removed.

5. **Eastern Improvements.** Sunbrook, at its own cost and expense, agrees to relocate a portion of the fence, as depicted on Exhibit "D", in order to allow for one additional parking stall on the Three Fountains side of the fence. Specifically, Sunbrook agrees to modify the fence line by varying the fence, commencing at point 1, and running thence in an easterly direction to point 2, thence in a northeasterly direction to point 3, thence to point 4. Sunbrook shall grant a perpetual easement to Three Fountains to use that portion of the Sunbrook Property lying north of points 1, 2 and 3. In addition, Sunbrook agrees to cut out a portion of the curb and remove the grass situated south of the existing sidewalk and to replace the same with a concrete driveway, measuring approximately 10-12 feet by 20 feet. The driveway shall partially be located within the easement area north of points 1, 2 and 3 on Exhibit "D". Prior to cutting the curb and installing the driveway, Sunbrook and Three Fountains shall appoint a representative to assure correct installation of the improvements.

6. **Sewer Line.** The sewer line which the Parties intend will service both properties traverses the Three Fountains Property and intersects point 1 on Exhibit "C". Thereafter, the sewer line traverses the Sunbrook Property from point 1 to point 2 to point 3 to point 4. The sewer line then runs in a northerly direction through the Three Fountains Property. The Parties stipulate and agree that they will sign an Easement Agreement containing the following terms:

- a. That each Party grants to the other a reciprocal sewer easement through their respective properties for the benefit of the other. Specifically, Sunbrook shall grant to Three Fountains a sewer easement through the existing sewer line marked as points 1, 2, 3 and 4. Conversely, Three Fountains shall grant to Sunbrook a sewer easement beginning at point 4 and point 1 and running thence in a northerly direction from both points through the Three Fountains Property.
- b. Sunbrook agrees, at its own cost and expense, to maintain all sewer lines within the Sunbrook Property. Three Fountains agrees, at its own cost and expense, to maintain all sewer lines within the Three Fountains Property, except, Sunbrook and Three Fountains agree to share equally in all costs and expenses associated with the maintenance, replacement and repair of that portion of the sewer line that is north of point 4 and within the Three Fountains Property. Three Fountains shall take responsibility for the maintenance and repair of this section of the sewer line between point 4 and 2550 North and if expenses are incurred, shall submit an invoice to Sunbrook which specifically describes the portion of the sewer line upon which work was performed, the precise nature of the work, and the total cost of the work performed. Sunbrook agrees to pay one-half of the invoice amount within 45 days of receiving the invoice. The easements described in this paragraph 6 shall not include a right for ingress and egress across the others' property for maintenance purposes,

unless the Party charged with maintenance fails to adequately maintain the sewer line, in which case the other party shall cause the work to be done and receive reimbursement from the Party failing to adequately maintain. Each party agrees to hold the other Party harmless for any sewer backup problems caused by or within the other Parties portion of the sewer, except in the case of gross negligence.

- c. Each party to the easement shall reserve the right to relocate the sewer line within its boundaries provided the sewer flow is not interrupted.
- d. Sunbrook reserves the right to allow the owners or future owners of the property located south of and adjacent to the Sunbrook Property to hook into the sewer line, provided the sewer line running through the Three Fountains Property has the capacity to handle the increase in flow.

7. **Authority.** Sunbrook represents and warrants that it has the authority to sign this Agreement and to bind the Sunbrook Property to all easements, agreements, and understandings incorporated herein. Three Fountains represents and warrants that it has the authority to sign this Agreement and to bind the Three Fountains to all easements, agreement, and understandings incorporated herein.

8. **Amendment.** Any amendment, modification, termination, or rescission affecting this Agreement shall be made in writing, signed by the parties, and attached hereto.

9. **Effective Date.** The Agreement shall become effective upon execution.

10. **Successors.** This Agreement shall be binding upon, and inure to the benefit of, the legal representatives, successors and assigns of the parties hereto.

11. **Severability.** Should any portion of this Agreement for any reason be declared invalid or unenforceable, the invalidity or unenforceability of such portion shall not affect the validity of any of the remaining portions and the same shall be deemed in full force and effect as if this Agreement had been executed with the invalid portions eliminated.

12. **Governing Law.** This Agreement and the performance hereunder shall be governed by the laws of the State of Utah.

13. **Waiver.** No waiver of any of the provisions of this Agreement shall operate as a waiver of any other provision, regardless of any similarity that may exist between such provisions, nor shall a waiver in one instance operate as a waiver in any future event. No waiver shall be binding unless executed in writing by the waiving party.

14. **Captions.** The captions preceding the paragraphs of this Agreement are for convenience only and shall not affect the interpretation of any provision herein.

15. **Integration.** This Agreement contains the entire and integrated agreement of the parties as of its date, and no prior or contemporaneous promises, representations, warranties, inducement, or understandings between the parties and not contained herein shall be of any force or effect.

16. **Attorney's Fees.** In the event either party hereto default in any of the covenants or agreements contained herein, the defaulting party shall pay all costs and expenses, including a reasonable attorney's fee, incurred by the other party.

17. **Completion.** Sunbrook shall complete the work described in paragraph's 2 & 3 on pages 2 & 3 of this agreement on or before the 15th day of April, 1997, weather permitting.

18. **Recording.** This agreement shall not be valid until it is recorded at the Weber County Recorders Office against the property described in the attached Exhibits "A" and "B".

DATED this 31st day of March, 1997.

SUNBROOK DEVELOPMENT. L.L.C.
by:

Steven Scofield
Member

**THE MANAGEMENT COMMITTEE OF
THREE FOUNTAINS CONDOMINIUM
ASSOCIATION**
by:

Sharon L. Lee

Margaret Deaton

Timothy R. Pritchard

Beth Gilson

EXHIBIT "A"

Description for Phase No. 1

18-078-0001-0012

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

Description for Phase No. 2

18-081-0001-0008

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 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.

Continuation Exhibit "A"

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

Description of Phase 4

18-056-0041, 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 $0^{\circ}15'00''$ West along the West line of Washington Boulevard and 156.89 feet South $61^{\circ}45'00''$ West from the Northeast Corner of said Lot 49; running thence South $61^{\circ}45'00''$ West 130.78 feet; thence North $27^{\circ}32'53''$ West 137.05 feet; thence North $61^{\circ}00'18''$ East 74.10 feet; thence South $28^{\circ}15'00''$ East 20.00 feet; thence North $61^{\circ}45'00''$ East 55.00 feet; thence North $28^{\circ}15'00''$ 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 $0^{\circ}15'00''$ West along the West line of Washington Boulevard from the Northeast Corner of said Lot 49; running thence South $0^{\circ}15'00''$ West 161.55 feet along said West line; thence North $89^{\circ}15'00''$ West 224.00 feet; thence South $0^{\circ}15'00''$ East 5.50 feet; thence North $89^{\circ}45'00''$ West 63.41 feet; thence North $61^{\circ}45'00''$ East 327.04 feet to the point of beginning.

Continuation Exhibit "A"

Remainder of Property

Any of the following described real property which is not incorporated into Sunbrook Condominiums Phase 1. *18-056-0038, 0043*

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.

EXHIBIT "B"

18-059-0001-0072

Three Fountains No Ogden

A part of Lot 49, Plat "8" North Ogden Survey in the Northeast 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 South $0^{\circ} 15'$ West 207.20 feet from the Northeast corner of said Lot 49; running thence South $0^{\circ} 15'$ West 201.58 feet along the West line of said Washington Boulevard; thence South $61^{\circ} 45'$ West 169.38 feet; thence North $28^{\circ} 15'$ West 95.00 feet; thence South $61^{\circ} 45'$ West 55.00 feet; thence North $28^{\circ} 15'$ West 20.00 feet; thence South $61^{\circ} 45'$ West 190.00 feet; thence North $28^{\circ} 15'$ West 130.00 feet; thence North $89^{\circ} 50'$ West 178.94 feet; thence North $0^{\circ} 15'$ East 392.11 feet to the South line of 2550 North Street; thence South $89^{\circ} 41' 30''$ East 451.30 feet along the South line of said 2550 North Street; thence South $0^{\circ} 15'$ West 42.90 feet; thence North $89^{\circ} 41' 30''$ West 3.00 feet; thence South $0^{\circ} 15'$ West 61.45 feet; thence South $89^{\circ} 41' 30''$ East 3.00 feet; thence South $0^{\circ} 15'$ West 102.85 feet; thence South $89^{\circ} 41' 30''$ East 208.70 feet to the point of beginning containing 5.574 acres.

Exhibit "B"
BY-LAWS
of
THREE FOUNTAINS NORTH OGDEN

April 1998

I

IDENTITY

These are the By-Laws of the THREE FOUNTAINS NORTH OGDEN Condominium Project.

II

APPLICATION

All Unit Owners, tenants, or any other person(s) who might use the facilities of the THREE FOUNTAINS NORTH OGDEN Condominium Project in any manner are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the Units or the mere act of occupancy or use of any of said Units or the Common Areas will signify that these By-Laws are accepted, ratified, and will be complied with by such persons.

III

ADMINISTRATION

1. Place of Meetings. Meetings of the Unit Owners shall be held at such place within the State of Utah as the Management Committee may specify in the notice, except as herein otherwise specified.

2. Semi-Annual Meetings. The semi-annual meetings of the Unit Owners shall be held in the months of April and October, at such place as the Management Committee shall specify. Thereafter, the semi-annual meetings shall be held on such day of each succeeding year; provided, however, that whenever such date falls on 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 semi-annual meeting on such date and at such place as the Management Committee may deem appropriate

3. Special Meetings. Special meetings of the Unit Owners may be called at any time by written notice served by the Management Committee, or by Unit Owners having thirty-five (35) percent of the total votes, delivered not less than seven (7) days prior to the Project or such other place as the Management Committee may specify and the notice thereof shall state the place, date, time and matters to be considered.

4. Notices. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is by mail, it shall be deemed to have been delivered 24 hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to each Unit Owner at the address given by such person to the Management Committee or the Manager for the purpose of service of such notice or to the Unit of such person if no address has been given. Such address may be changed from time to time by notice in writing to the Management Committee or Manager.

5. Quorum. At any meeting of the Unit Owners, of forty (40) percent in the aggregate in interest of the undivided ownership of Common Areas shall constitute a quorum for any and all purposes, except where by express provisions a greater vote is required, in which event a quorum shall be the number required for such vote. In the absence of a quorum the Chairman of the meeting may adjourn the meeting from time to time, without notice other than by announcement at the meeting, until holders of the amount of interest requisite to constitute a quorum shall attend. At any such adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted as originally notified.

6. Voting. When a quorum, as provided in the Utah Condominium Ownership Act is present at any meeting, the vote of Unit Owners representing more than fifty (50) percent of the undivided ownership of Common Areas and facilities, present in person or represented by proxy, shall decide any question of business brought before such meeting, including the election of the Management Committee, unless the question is one upon which, by express provision of the statutes, the Declaration, or of these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question. All votes may be cast either in person or by proxy. All proxies shall be in writing. In the case of proxies for the semi-annual meetings, they shall be delivered to the Secretary prior to the beginning of the meeting.

7. Waivers of Notice. Any Unit Owner may at any time waive any notice required to be given under these By-Laws, or by statutes or otherwise. The presence of a Unit Owner in person at any meeting of the Unit Owners shall be deemed such waiver.

MANAGEMENT COMMITTEE

1. Purpose and Powers. The business, property and affairs of the Condominium shall be managed and governed by the Management Committee pursuant to Paragraph 6 of the Declaration. The Management Committee, as it deems advisable, may enter into such management agreement or agreements with a third person, firm, or corporation to act as the

Manager of the Project.

2. Regular Meetings. A regular annual meeting of the Management Committee shall be held. Regular meetings, other than the semi-annual meetings, shall or may be held at regular intervals and at such times as the Chairman of the Management Committee may from time to time designate.

3. Removal of Officers and Agents. All officers and agents shall be subject to removal, with reasonable cause, at any time by the affirmative vote of the majority of the then members of the Management Committee.

4. Special Meetings. Special meetings of the Management Committee shall be held whenever called by the Chairman, the Vice Chairman, or by three or more members. By unanimous consent of the Management Committee, special meetings may be held without call or notice at any time or place.

5. Quorum. A quorum for the transaction of business at any meeting of the Management Committee shall consist of a majority of the Management Committee then in office.

6. Compensation. Members of the Management Committee, as such, shall not receive any stated salary or compensation, provided that nothing herein contained shall be construed to preclude any member of the Management Committee from serving the Project in any other capacity and receiving compensation therefor.

7. Waiver of Notice. Before or at any meeting of the Management Committee, any member thereof, may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Management Committee at any meeting thereof shall be a waiver of notice by him of the time and place thereof.

8. Adjournments. The Management Committee may adjourn any meeting from day to day or for such other time as may be prudent or necessary, provided that no meeting may be adjourned for longer than thirty(30) days.

9. Fidelity Bonds. The Management Committee may require that all officers and employees of the Management Committee handling or responsible for funds shall require adequate fidelity bonds. The premium on such fidelity bonds shall be paid by the Management Committee.

OFFICERS

1. Designation and Election. The principal officers of the Management Committee will be a Chairman, a Vice Chairman, a Secretary, a Treasurer, and a Board Member, all of whom will be elected for specific positions on the Committee. Three (3) Committee members will be elected to serve a two (2) year term of office. The offices will be a Chairman, a Treasurer, and a Board Member. The following year two (2) members will be elected. They will be the offices of a Vice-Chairman and a Secretary. This procedure will allow an overlapping program of office tenure. At each annual Homeowners meeting in October the outgoing members will be replaced by election to serve for two (2) years.

2. Vacancies. Vacancies which occur in the Management Committee between annual regular elections will be filled by appointments made by the remaining Committee members. Appointees will serve out the term of the member whose place they are being appointed to fill.

3. Removal of Officers and Agents. All officers and agents shall be subject to removal, with reasonable cause, at any time by the then members of the Management Committee.

4. Nomination of Officers. The method for nominating members to serve on the Management Committee will be made from the floor. The person being nominated must indicate a willingness to serve. The ballot will reflect the specific office for which the candidate is nominated.

5. Candidate Requirements. All candidates for positions on the Management Committee must meet the following requirements:

- (a) The candidate must be a homeowner.
- (b) The candidate must be a resident of the complex.
- (c) The candidate must be current on all fees and assessments.

6. Other Officers. The Management Committee may appoint such other officers, in addition to the officers hereinabove expressly named, as it shall deem necessary, who shall have authority to perform such duties as may be prescribed from time to time by the Management Committee.

7. Chairman. The Chairman shall be the chief executive of the Management Committee, and shall exercise general supervision over its property and affairs. He shall sign on behalf of the Condominium Project all instruments and contracts of material importance to its business, shall

do and perform all acts and things which the Management Committee may require of him. He shall preside at all meetings of the Unit Owners and the Management Committee.

8. Vice Chairman. The Vice Chairman shall take the place of the Chairman and perform his duties whenever the Chairman shall be absent, or unable to act. If neither the Chairman nor the Vice Chairman is able to act, the Management Committee shall appoint some other member thereof to do so on an interim basis. The Vice Chairman shall also perform such other duties as shall from time to time be prescribed by the Management Committee.

9. Secretary. The Secretary shall keep the minutes of all meetings of the Management Committee and of the Unit Owners; he shall have charge of the books and papers as the Management Committee may direct; and he shall in general, perform all the duties incident to the office of Secretary.

10. Treasurer. The Treasurer shall have the responsibility for the funds and securities of the Management Committee and shall be responsible for keeping full and accurate accounts of all receipts and of all disbursements in books belonging to the Management Committee. He shall be responsible for the deposit of all monies and all other valuable effects in the name, and to the credit of, the Management Committee in such depositories as may be from time to time be designated by the Management Committee.

11. Board Member. The Board Member will assist in the conduct of the affairs of the Condominium Project.

12. Compensation. No compensation shall be paid to the officers for their services as officers. No remuneration shall be paid to an officer for services performed by him for the Management Committee in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Management Committee before the services are undertaken.

V1

ACCOUNTING

1. Books and Accounts. The books and accounts of the Management Committee shall be kept under the direction of the Treasurer and in accordance with the reasonable standards of accounting procedures.

2. Report. At the close of each accounting year, the books and records of the Management Committee shall be reviewed by a person or firm approved by the Unit Owners. Report of such review shall be prepared and submitted to the Unit Owners at or before the annual October meeting of the Unit Owners; provided, however, that a certified audit by a certified public accountant approved by the Unit Owners shall be made if at least seventy-five

(75) percent of the Owners of undivided interest in the Common Areas determine to do so.

3. Inspection of Books. Financial reports, such as are required to be furnished, shall be available at the principal office of the Management Committee or the Manager for inspection at reasonable times by any Unit Owner.

V11

BUILDING RULES

The Management Committee shall have the power to adopt and establish, by resolution, such building, management and operational rules and regulations as it may deem necessary for the maintenance, operation, management and control of the Three Fountains North Ogden Condominium Project, and it may from time to time, by resolution, alter, amend, and repeal such rules and regulations. Unit Owners shall at all times obey such rules and regulations and use their best efforts to see that they are faithfully observed by their Lessees and the persons over whom they have or may exercise control or supervision, it being clearly understood that such rules and regulation shall be binding upon all Unit Owners of the Condominium Project. Provisions of the Act pertaining to rules and regulations are incorporated herein by reference and shall be deemed a part hereof.

V111

AMENDMENT OF BY-LAWS

These By-Laws may be amended at any duly constituted meeting of the Unit Owners called for the purpose by the affirmative vote of at least fifty-one (51) percent of the Homeowners in attendance.

THREE FOUNTAINS NORTH OGDEN CONDOMINIUM PROJECT

COMMUNITY RULES

1. Residents **WILL NOTIFY** families/guests of these community rules. You need to abide by these rules.
2. Residents should establish communication and good rapport with residents of adjoining units to avoid misunderstandings, and resolve any problems on a personal and immediate basis.
3. In order to be accepted, suggestions and/or asking for service for which the Homeowners Association is responsible - other than emergencies - **must be made in writing, dated, signed** and placed in the Condominium mailbox. Please refer to the Declaration of Condominium in your Homeowner's Manual to ascertain such responsibility. Problems within a unit **are not** the responsibility of the Homeowners Association. Emergency requests inside a unit should be directed to the appropriate utility company or appliance company or, if appropriate, to a member of the Management Committee.
4. Residents and their guests **will refrain** from placing litter of any kind on streets, lawns, or any other areas.
5. All garbage and refuse from units **will be** deposited with care in dumpsters as provided. Unwrapped garbage **will not** be deposited in such containers. Wet garbage should be disposed of in the disposals in each unit rather than in the dumpsters whenever possible. After using the disposals, be sure to run plenty of cold water. Old tires, batteries, and furniture **will not be** placed in the dumpsters or the dumpster areas.
6. Residents **will not make or permit** excessive blowing of any horn from any vehicle in which guests or families are occupants, approaching or upon any of the streets or parking areas serving the area.
7. Residents **will not make or permit** any noises from household appliances between the hours of 10:00 p.m. and 7:00 a.m. that will disturb or annoy the occupants of any of the units in the community, **or do/or permit** anything to be done which will interfere with the rights, comfort, or convenience of other residents.
8. Residents **will keep** the interior of the patios, stairwells, balconies and carports neat and clean and free from dirt, trash, and other obstructions.
9. Articles, including laundry, **will not** be hung or shaken from the doors, windows, balconies, patios, or fences. Residents **will not** sweep or throw, **or permit** to be swept or thrown, any dirt, trash, or other substance from doors or windows.

10. Shades, awnings, window guards, ventilators, fans or air conditioning devices **will not be installed outside the building except** such as have been approved by the Management Committee
11. Signs, notices, or advertisements **will not be inscribed or exposed** at any window or other part of the unit or on any common area. When a unit is put up for sale, one sale sign, not to exceed 18 inches square, may be placed in one window inside of the unit. Any other sign to be placed around a unit must be approved by the Management Committee.
12. Only people authorized by the Management Committee **will be** allowed upon the roof or attics of the units, carports, clubhouse, or any of the walls or fences.
13. Radio, television, or CB aerials **will not be attached to, or hung from the exterior of the units without the permission of the Management Committee.**
14. Residents **will not paint** the exterior of the units, patios, fences, carports, or storage sheds **other than** the original color.
15. The exterior of any unit **will not be permanently decorated by any resident in any manner without prior consent of the Management Committee.**
16. The greens and walkways in front of the units and the entrance ways to the units **will not be obstructed or used for any purpose other than to enter or leave the units.**
17. Bicycles, scooters, or similar vehicles or other personal articles **will not be allowed to stand in any of the common areas outside the individual units**
18. Residents **will be held** responsible for the actions and damages of their families and guests.
19. Bicycle riding, skateboarding, and roller blading is permitted in the streets only, and is not permitted on sidewalks, lawns, or shrubbery areas.
20. Residents will not permit guests or members of their families to use carports owned by other residents.
21. Residents, families, and/or guests will not park vehicles in such a manner as to impede or prevent ready access to another resident's carport or unit. Vehicles will not be parked so as to block crosswalks. Residents, families, and/or guests will obey the parking regulations and any other traffic regulations put into effect for the safety and convenience of all residents. **Residents will not be allowed to park on the street or guest parking except for loading and unloading. Overnight guests must park at west end of project by the fence or at the northeast end by the fence. PARKING ON STREETS OVERNIGHT IS PROHIBITED.**

22. House trailers, motor homes, trailers, boats, large trucks, or similar vehicles will be parked in the west overflow parking areas and will not be parked in the streets of the project nor in other overflow parking areas. Exception is made when loading, unloading, or cleaning such vehicles.
23. Residents, families, and/or guests will obey the speed limit signs. Speed limit is **10** miles per hour within the confines of the Three Fountains Condominiums area.
24. All damage to units or common area structures caused by the moving or carrying of any article therein will be paid for by the resident or homeowner responsible for the presence of such an article.
25. Any damage to the buildings, recreational facilities, or other areas or equipment, caused by children or guests will be repaired at the expense of the resident.
26. Any resident wishing to plant flowers, trees, or shrubs outside of his fenced area in the common area, must obtain consent of the person hired to take care of the grounds.
27. Vegetables will not be planted in the areas outside the patio fences, (common areas). If there is cement up to the inside of the fences, window boxes and/or planters can be used, but do not use the common areas, unless permission is granted by the Management Committee.
28. If anyone has a complaint about the gardening, you must make your complaint in writing, signed, and dated to the Management Committee and not the gardener. Leave the gardener alone!

These Community Rules may be added to, revised, or repealed at any time by the Management Committee.

These Community Rules, dated April 1998, supersede all previous editions. This edition should be read carefully and placed in your Homeowners Manual.

**ADMINISTRATION, HEALTH, AND SAFETY REGULATIONS
FOR
THREE FOUNTAINS NORTH CONDOMINIUM PROJECT SWIMMING POOL**

The intent of these rules and regulations is to assist in the administration and insure the maximum use of the recreational facilities for the benefit of every resident. Violation of these regulations by anyone, will result in the loss of privileges, and other penalties, as the HOA Management Committee will determine.

All residents **must** be a responsible parent and/or host by **observing and enforcing** these rules. Residents using the pool, pool area, or restroom facilities are **responsible for any damage caused by any family member or guest**. The resident responsible will be required to pay for the damage. The individual who did the damage will be restricted from using the pool and pool area for the time determined by the Management Committee. The swimming pool and area and clubhouse are private property and are for the exclusive use of homeowners, renters, and their invited guests.

I. ADMINISTRATION

1. Administration and management of the swimming pool and clubhouse are under the HOA Management Committee.
2. This is a private pool not a public pool, so you **must conform to the rules, and do your part to assist in their enforcement**. Outsiders do not contribute financially and therefore, **are not privileged to use the pool, unless they are your guests**.
3. Residents and their guests are **not allowed** in the pump room at any time.
4. Residents and their guests are **not allowed** in the clubhouse while swimming or wearing swim wear. Treated water destroys carpets, chair covers, etc.
5. **NON-SWIMMERS ONLY** on all redwood furniture.
6. Pool furniture **cannot** be reserved.
7. **Help maintain cleanliness** in the restroom areas. Shower doors **must not** be left open during showering. Toilets clogged with paper, etc., are unpleasant to deal with. **Food or cans will not be dumped** in restroom waste baskets. There are garbage cans for those items in the pool area.
8. All outside cooking **must** be done in pool area on the provided grills. **Do not remove** grills from area.

II. ELIGIBILITY FOR USE OF SWIMMING FACILITIES

1. **Owners and renters who "reside" in the complex.**
2. **Absentee owners when their condominium is vacant.**
3. **Guests of owners and renters.**

III. NOT ELIGIBLE FOR USE OF FACILITIES

1. **Absentee owners whose condominium is occupied.**
2. **Owners or renters who flagrantly disregard regulations or defy responsible management personnel. Such persons will be denied use of the facilities for a period of time as determined by the Management Committee.**
3. **Owners or renters who are delinquent in the payment of Condominium fees, for a period of thirty (30) days or more.**
4. **Non-residents - unless they are guests of eligible residents/renters and wear the appropriate tags.**

IV. SWIMMING POOL REGULATIONS

1. **The swimming pool area includes that area enclosed by the fence and clubhouse, including the restrooms, showers and pool.**
2. **Residents must accompany all guests under 18 years of age or designate an adult 18 years or older to be responsible. REMEMBER - there is no Lifeguard.**
3. **There is a sign-up board on clubhouse wall and it is necessary for residents to sign in.**
4. **Residents and guests must wear swim tags while in the pool or pool area.**
5. **ONLY children in approved swimming pool diapers (which are available now) will be allowed in the pool. The diapers must be removed from pool area by parent or resident. Wet and soiled diapers must be placed in dumpsters or removed from the project. Feminine personal hygiene must be placed in dumpster or removed from project.**
6. **Absolutely no running in pool area. Walk. No rough play (running, shoving, etc.) In pool, pool area, or on the diving board. This is for the safety of all.**
7. **Spitting, spouting water, blowing nose in pool, etc., will not be permitted.**

8. Only one person at a time on the diving board, for safety reasons. Diving board bouncing is not permitted.
9. Long hair must be braided or pulled back into a pony tail. Long hair causes problems in the filter system.
10. Individuals will shower and remove suntan oils and lotions before entering or re-entering the pool.
11. Persons having skin diseases, sore or inflamed eyes, coughs, colds, nasal/ear discharges, or communicable diseases will not be permitted in the pool area.
12. Conventional or appropriate swim wear is required. No cut-offs or street attire will be allowed in the pool. Threads from cut-offs and unhemmed clothing clog the filters.
13. No glassware or glass bottles in pool area.
14. Tobacco, beverages, and food are not allowed within eight (8) feet of the pool.
15. No pets allowed in swimming pool area.
16. Residents and guests having picnics at the pool are asked to clean up when finished. There are paper towels the restrooms to wipe up all spills on the tables and deck. If there is food or crumbs on deck, use the hose to spray them away from the pool. This will help to prevent ants from taking over.
17. Residents are responsible for their own conduct and conduct of their guests.
18. A telephone is available for emergency use. Non-emergency use must be limited to five (5) minutes.

Violation of these rules will be pointed out by any resident in attendance. Violators will be asked to leave.

Monies assessed for the damages that are not paid within thirty (30) days, will be added to the monthly assessment. Renters will be sent a notice. Damage not paid for, or assessments that are ignored, will be forwarded to the HOA attorney of record, and such fees as are required to collect monies will be paid for by the resident.

NOTICE: Swimming pool hours are from 10:00 A.M. to 10:00 P.M. with the following exceptions. Sunday from 6:00 P.M. to closing and all day Tuesday and Thursday is reserved for residents. Each resident is allowed to have two (2) adult guests. No children will be allowed during resident time. **HOLIDAYS WILL BE OPEN FOR RESIDENTS AND GUESTS.**

THESE SWIMMING POOL ADMINISTRATION, HEALTH, AND SAFETY REGULATIONS, DATED APRIL 1998, SUPERCEDES ALL PREVIOUS EDITIONS. THIS EDITION MUST BE READ CAREFULLY. ALL RESIDENTS MUST INFORM FAMILIES AND GUESTS OF THESE RULES.

These Administration, Health, and Safety Regulations may be added to, or repealed at any time by the Management Committee.