

WHEN RECORDED RETURN TO:
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Salt Lake City, Utah 84109

AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM
OF THREE FOUNTAINS - PROVO CONDOMINIUMS

This AMENDED AND RESTATED DECLARATION OF CONDOMINIUM OF THREE FOUNTAINS - PROVO CONDOMINIUMS is made and executed this 4th day of December, 1996 by the THREE FOUNTAINS - PROVO HOMEOWNERS ASSOCIATION of 4675 North Canyon Road, Provo, Utah 84604 (hereinafter referred to as the "Association").

RECITALS

WHEREAS, the Declaration of Condominium of Three Fountains - Provo, Phase I was recorded in the office of the County Recorder of Utah County, State of Utah on or about November 11, 1972 as Entry No. 19303 of the official records (the "Original Declaration").

WHEREAS, the Original Declaration was amended by a written instrument recorded in the office of the County Recorder of Utah County, State of Utah as Entry No. 17592 of the official records.

WHEREAS, the Declaration was amended by a written instrument recorded in the office of the County Recorder of Utah County, State of Utah on or about August 27, 1991 as Entry No. 33690 of the official records.

WHEREAS, the Project consists of the land below described, together with certain residential buildings and certain other improvements constructed upon said premises; and

WHEREAS, the original Declarant constructed residential buildings and other improvements upon the Project in accordance with the plans and drawings set forth in the Record of Survey Map heretofore recorded, consisting of three sheets, prepared and certified by Ralph L. Rollins, Professional Engineer; and

WHEREAS, the Association desires by filing this Amended and Restated Declaration of Condominium to re-submit the land, the said buildings and other improvements constructed thereon to the provisions of the Utah Condominium Ownership Act as a condominium project known as the THREE FOUNTAINS-PROVO, PHASE I, CONDOMINIUM; and

C. Management and control of the Project has been transferred to the Association by the original Declarant, Kevin Watts and Myrle Watts, or their successors in interest (the "Declarant").

D. Pursuant to Section 24 of the Declaration, the following amendments have been approved by the Unit Owners representing not less than two-thirds (2/3) of the undivided interests in the Common Areas and Facilities.

NOW, THEREFORE, for the reasons recited above, and for the benefit of the Project and the Unit Owners thereof, the Association hereby executes this AMENDED AND RESTATED DECLARATION OF CONDOMINIUM OF THREE FOUNTAINS - PROVO CONDOMINIUMS for and in behalf of all of the Unit Owners.

1. Definitions: The terms used herein shall have the meaning stated in the Utah Condominium ownership Act and as follows unless the context otherwise requires:

a) The term "the Act" shall mean and refer to the Utah Condominium ownership Act as the same may be amended from time to time;

b) The term "Association" shall mean and refer to all of the Owners of Units at THREE FOUNTAINS - PROVO taken as, or acting as, a group.

c) The term "Capital Improvement" shall mean and refer to non-recurring expenses (as opposed to day-to-day items) to repair, maintain and replace significant fixed assets in the Project, such as roofs, roads, siding, sidewalks and recreational facilities or amenities, intended to restore, enhance, improve or ameliorate the utility, value or beauty of the common Areas or Facilities.

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

- (1) The above-described land;
- (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, roof, exterior walkways, parking areas, service street stalls, the Recreation Center, pool, recreational areas and facilities, yards, gardens, fences, storage spaces, all installations of power, light and other utilities to the outlets, and in general all other apparatus, installations and other parts of the property necessary or convenient to the 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) The term "Common Expenses" shall mean and refer to 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 pertaining to the Condominium project as the Management Committee may from time to time adopt, and such other determinations and agreements lawfully made and/or entered into by the Management Committee.

f) The term "the Condominium Project" or sometimes "the Project" shall mean and refer to the entire parcel of real property referred to in this Declaration;

g) The term "Declaration" shall mean and refer to the original Declaration as amended.

h) The term "Land" shall mean and refer to the real property submitted by the Declaration to the Act.

i) The words "Limited Common Areas and Facilities" (or sometimes as "Limited Common Areas") mean and include those Common Areas and Facilities provided in the Declaration as reserved for use of a certain Unit to the exclusion of the other Units.

j) The term "Management Committee" shall mean and refer to those persons duly elected thereto by the Unit Owners as provided by the Declaration of the THREE FOUNTAINS-PROVO CONDOMINIUMS;

k) The term "Manager" shall mean and refer to the person, persons or entities engaged by the Management Committee to manage the affairs of the Condominium Project;

l) The term "Map" shall mean and refer to the Record of Survey Map of THREE FOUNTAINS-PROVO CONDOMINIUMS filed for record herewith by Declarant; The term Improvement shall mean and refer to all existing structures and appurtenances to the property of every kind and

type, including but not limited to all buildings, dwellings, fixtures, walkways, utilities, plumbing, sewer and electrical systems, heating and air conditioning systems, roads, walkways, driveways, parking areas, storage facilities, fences, walls, stairs, landscaping, trees, shrubs, recreational facilities and amenities.

m) The term "Mortgage" shall mean and refer to both a first mortgage or first deed of trust on any Unit. It does not include a uniform real estate contract, land sales contract or other similar security instrument.

n) The term "Mortgagee" shall mean and refer to a mortgagee under a first mortgage or a beneficiary under a first deed of trust on any Unit. It does not include a seller under a uniform real estate contract, land sales contract or other similar security instrument.

o) The term "Owner" shall mean and refer to the Unit Owner.

p) The term "Permanent Resident" shall mean and refer to anyone who resides in a Unit for more than four consecutive weeks or for more than eight weeks in any calendar year.

q) The term "Project" shall mean and refer to the Three Fountains - Provo Condominium Project.

r) The term "Property" shall mean and refer to the land, the buildings, all improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith resubmitted by the Declaration to the Act.

s) The term "Record of Survey Map" shall mean and refer to the "Record of survey Map or Maps of the Three Fountains - Provo Condominium Project." on file with the Utah County Recorder.

t) The term "Tract" shall mean and refer to the real property submitted by the Declaration to the terms of the Act.

u) The term "Unit Owner" shall mean and refer to the person who is the owner of record in the office of the County Recorder of Utah County, Utah of a Unit; provided, however, the term "Unit owner" shall be deemed to include both the buyer and seller under an executory contract of sale, but shall not be deemed to mean or include a mortgagee or a beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof;

v) The term "Unit" or "Units" shall mean and refer to a part of the property intended for any type of independent use as defined in the Act and as designated in the Map;

w) To the extent applicable to the tenure hereof and not inconsistent herewith, 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. Resubmission to Condominium Ownership. The Association hereby resubmits the tract of land, buildings, and other improvements constructed thereon or hereafter to be constructed, together with all appurtenances thereto, to the provisions of the Act as a condominium project to be known as THREE FOUNTAINS-PROVO CONDOMINIUMS described with particularity on Exhibit "C" attached. This Declaration is resubmitted in accordance with the terms and the provisions of the Act and shall be construed in accordance therewith.

3. Covenants to Run with Land. This Declaration and all the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of Association, all other signatories hereto, all parties who hereafter acquire any interest in a unit or in the Project, and their respective grantees, transferees, heirs, devisees, personal representative, successors, and assigns. Each Owner or occupant of a Unit shall comply with, and all interests in all Units shall be subject to, the terms of this Declaration and the provisions of any rules, regulations, agreements instruments, supplements, amendments and determinations contemplated by this Declaration. By acquiring any interest in a unit or in the Project, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

4. Development Plans. The Project (in addition to recreational facilities and other improvements) consists of a number of buildings containing eighty-six (86) Units as shown on the Map, to wit:

<u>Building Designation</u>	<u>Number of Units</u>	<u>Building Designation</u>	<u>Number of Units</u>	<u>Building Designation</u>	<u>Number of Units</u>
M1	4	TH3	6	C7	4
M2	4	TH4	6	C8	4
M3	4	TH5	4	M4	4
C4	4	C1	4	M5	6
C6	4	C2	4	M6	4
TH1	4	C3	4	M7	2
TH2	6	C5	4		

Each Unit in the Project includes a basement. The garages and carports are depicted on the Plat Maps.

Every Unit in the Manor Houses (M) and Cameo Houses (C) contain two bedrooms, two bathrooms and a kitchen-dining-living room area. Each Unit in the Townhouses (TH) contains 2-1/2 bathrooms, 2 bedrooms and a kitchen-dining-living room area.

All the buildings are structurally of frame construction with masonry veneer exterior.

5. Easement for Encroachments and Utilities. If any portion of the Common Areas Facilities encroaches upon any of the residential units, a valid easement shall exist for such encroachment, and for the maintenance of the same, so long as such encroachment exists. In the event the Condominium Project is partially or totally destroyed, and then rebuilt, minor encroachments shall be permitted, as required, upon the individual units, and easements for such encroachments, and for the maintenance of same, shall exist for such period of time as may be reasonably required for the reconstruction or repair of said premises.

Easements are reserved through the Property as may be required for utility services.

6. Ownership of Common Areas. The percentages of ownership in the Common Areas of the Project shall be for all purposes including voting. The Common Expenses shall be allocated among the Unit Owners in accordance therewith. The proportionate share of the separate Unit Owners in the Common Area is based on the proportionate value that each of the Units bears to the total value of all the Units, Such percentages will necessarily change from time to time upon the recordation of the Map(s) and Declaration(s) of subsequent phase or phases. The percentages of ownership in the Common Areas of Unit Owners in Phase I, subject to shifting as specified in paragraph 23 (e), shall be as set forth in Exhibit "A" hereto attached and made a part hereof.

Subject to the limitations contained in the Declaration, any Unit owner shall have the nonexclusive right to use and enjoy the Common Areas and shall have the exclusive right to use and enjoy the Limited Common Areas and Facilities designated herein for exclusive use by such Owner.

7. Limited Common Areas. The Limited Common Areas of the Project are the patios, storage areas, and in the case of Townhouses also the carports, which are set aside and reserved for the use of the respective Units to which they are adjacent or appurtenant and as designated in the Map to the exclusion of the other Units.

8. Management. The Business, Property and affairs of the Three Fountains-Provo Condominium (Phase I and future phase or phases) shall be managed by Management Committee consisting of five (5) members who have ownership of Units in the Project to be elected as provided in the By-Laws. Such Management Committee shall have all the powers, duties and responsibilities as are now or may hereafter be provided by the Act, this Declaration and/or any amendments subsequently filed thereto; provided, however, that the Management Committee may engage the services of a manager and fix and pay a reasonable fee or compensation therefor. Notwithstanding anything herein contained to the contrary, the Declarant, at its option, may act as the Management Committee until the completion and sale of all Units of the final phase of the Project.

The Management Committee shall be responsible for the control, operation and management of the Project in accordance with the provisions of the Act, this Declaration and such administrative, management and operational rules, and regulations as it may adopt from time to time as herein provided, and all agreements and determinations lawfully made and entered into by the Committee.

The Management Committee shall have the authority to provide such facilities, in addition to those for which provision has already been made as it may deem to be in the best interest of the Unit Owners and to effect the necessary amendment of documents and maps in connection therewith.

The Management Committee shall be known by such name or designation as it, or the Unit Owners, at any meeting may assign.

9. Change in Ownership. Whenever there is a change of ownership of a residential unit and its appurtenant rights, for whatever reason, the Management Committee or the Manager may require as condition to recognizing the new Unit Owner or Owners as such, that the new Unit Owner or Owners meet the following:

- a) Furnish evidence substantiating the new ownership;
- b) Sign an agreement accepting and agreeing to be bound by the Declaration, the By-Laws, and the rules and regulations and all amendments thereto.

10. Description of a Unit. Every contract for the sale of a Unit and every other instrument affecting title to a Unit may describe that Unit by its identifying number or symbol as designated in the Map or Maps with the appropriate reference to the Map(s) and to the Declaration, as each shall appear on the records of the County Recorder of Utah County, Utah, in substantially the following fashion:

Unit ____, in Building ____ as shown on the Record of Survey Map for Three Fountains Provo, Condominium, appearing in the records of the County Recorder of Utah County, Utah, in Book ____, at Page ____, of Plats, and as defined and described in the Declaration of Condominium for Three Fountains-Provo, appearing in such records as Entry No. ____, in Book ____, at Page ____, of the Official 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, including all appurtenant undivided interests and all rights and limitations arising as a result of any expansion of the Project pursuant to paragraph 23 of this Declaration.

11. Assessments. Every Unit Owner shall pay his proportionate share on the Common Expenses, Payment thereof shall be in such amounts and at such times as the Management Committee determines in accordance with the Act, the Declaration or the By-Laws, There shall be a lien for non-payment of Common Expenses as provided by the Act. No Unit Owner may exempt himself from his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the Common Areas and Facilities or by abandonment of his Unit.

In assessing Unit Owners or requiring them to pay for the building improvements following the execution of the Declaration, it is agreed that no assessment for a single improvement in the nature of capital expenditure exceeding the sum of \$2,500.00 in cost shall be made without the same having been first approved by vote of owners of 75 percent, or more, of the undivided interests in the Common Areas and Facilities. The foregoing sentence shall not apply in connection with the replacement or reconstruction occasioned by fire or other casualty.

12. Destruction or Damage. In the event the Condominium Project is destroyed or damaged to the extent of Seventy Five (75%) percent or less than the value thereof, the Management Committee shall be responsible for repairing, rebuilding, and/or restoring the same to the condition it was in immediately prior to such destruction or damage, and the Management Committee shall, in this connection, be entitled to use the proceeds of any and all insurance policies which it may have had in force on said premises as of the date of such destruction or damage. In the event the Condominium Project is destroyed or damaged to the extent of more than 75 percent of the value thereof, the Unit Owner shall, at a meeting 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 80 percent of the undivided interests in the Common Areas and Facilities agree to the Project withdrawal of the Condominium project from the provisions of the Act and to its subsequent disposal, the premises shall be repaired, rebuilt or restored to the same condition they were in immediately prior to said destruction or damage. In the event the cost of such repairing, rebuilding, or restoring, the Condominium Project shall exceed the amount realized by the Management Committee from the proceeds of any insurance policy or policies as herein provided, the Unit Owners shall contribute to such cost in relation to their percentage of undivided ownership in the Common Areas and Facilities.

13. Taxes. It is understood that under the Utah Condominium Ownership Act each Unit, and its percentage of undivided interest in the Common Areas and Facilities in the Project are subject to separate assessment and taxation of each assessing unit and the special district for all types of taxes authorized by law, and that as a result thereof, no taxes will be assessed or payable against the Project as such, Each Unit Owner will, accordingly, pay and discharge any and all taxes which may be assessed against him and his percentage of undivided interest in the Common Areas and the Facilities.

14. Insurance. The Management Committee shall secure and maintain the following insurance coverage on the Condominium

a) Fire and Extended Co. The fire insurance, with extended coverage endorsement, for the full insurable replacement value of the Units and Common Areas, which said policy or policies shall provide for a separate loss payable endorsement in favor of the mortgagees of each Unit, if any.

b) Liability Coverage. A policy or policies insuring the Management Committee, the Unit Owners and the Manager against any liability to the public or to the Unit Owners, Common Areas and Facilities, and their invitees or tenants, incident to the ownership and/or use of the Condominium Project, and including the personal liability exposure of the owners. Limits of liability under such insurance shall not be less than \$100,000.00/\$300,000.00 for bodily injury; and shall not be less than \$10,000.00 for property damage for each occurrence. Such limits and coverage shall be reviewed at least annually by the Management Committee and changed at its discretion. Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsement wherein the rights of named insured under the policy or policies shall not be prejudice as in respect to his, her or their action against another named insured.

c) Workman's Compensation. Workmen's Compensation to the extent necessary comply with any applicable law.

d) Other. Insurance for such other risks of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium projects similar in construction, design, and use.

e) Authority to Adjust Losses. Exclusive authority to adjust losses under policies hereafter in force in the project shall be vested in the Management Committee or its authorized representative.

f) Owner's Additional Coverage. By virtue of taking title to or possession of a Unit subject to the terms of this Declaration, each owner and occupant covenants and agrees with all other Owners, occupants and the Association to purchase and maintain that casualty and liability insurance necessary and reasonable to protect his Unit, personal property, belongings, furniture, furnishings and effects, Form 6, its successor, or its substantial equivalent is recommended for unit owners and Form 4, its successor or its substantial equivalent is recommended for Non-Owner occupants. Each Owner shall, upon request, provide the Association or Committee with a certificate of Insurance and a notice of any change or termination of owner's insurance. Each owner may obtain additional insurance at his own expense; provided, however, that no owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amounts which the Management Committee, in behalf of all the owners, may realize under any insurance policy which the Management Committee may have in force on the Project at any particular time.

g) Primary Insurance. The individual insurance policy of any Unit Owner shall provide primary coverage in the event the Unit Owner and the Association have insurance covering the same loss, and the insurance of the Association shall, anything to the contrary notwithstanding, be deemed to be excess insurance.

h) Deductible. The deductible shall be the responsibility of and shall be paid by the party who would be liable for the loss, damage, claim or repair in the absence of insurance, and in the event of multiple responsible parties, the loss shall be allocated in relation to the amount each party's loss bears to the total. Provided, however, if the loss is caused by an act of god or nature, or by an element beyond the control of the committee, the Association or the owner, then the Association shall be responsible for and shall pay the deductible.

D) Flood Insurance. If the Property is or comes to be situated in an area having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program ("NFIP"), or any successor program, a policy of flood insurance shall be maintained covering the Property in an amount deemed appropriate, but not less than the lessor of:

- 1) The maximum limit of coverage available under NFIP for insurable property within a designated flood hazard area; or
- 2) one hundred percent (100%) of current replacement cost of the insurable property.

Such policy shall be in a form which meets the criteria set forth in the most current "Guidelines" on the subject issued by the Federal Insurance Administrator.

k) Earthquake Insurance. Earthquake insurance shall not be required unless a majority of the undivided ownership interest in the Common Areas request it in writing.

1) Disclaimer. The foregoing provisions shall not be construed to limit the power or authority of the Management Committee or Association of Unit Owners 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 or Association may deem appropriate from time to time.

m) Reservation of Rights. Anything to the contrary notwithstanding, the Association reserves the right to elect, in its sole discretion, not to submit a claim to its insurance carrier on behalf of any unit owner or occupant, their families, guests and invitees if:

- 1) It will result in a significant increase in insurance premiums for the Association;
- 2) It will result in a cancellation of the Association's policy of insurance;

The claim or damage was reasonably avoidable and was the result of the claimant's carelessness or negligence; or in the Committee's best judgment the harm which will result from submitting the claim outweighs the benefit to be gained by the submission.

15. Common Area Expenses. Each Unit Owner shall pay his Common Area expenses subject to the following:

a) Purpose. The Common Area Assessments provided for herein shall be use for the general purpose of operating the Project, promoting the recreation, health, safety, welfare, common benefit and enjoyment of the owners and occupants of Units, including the maintenance of real and personal property , all as may be more specifically authorized from time to time by the Management Committee.

b) Creation of Common Area Assessments. There are hereby created Common Area Assessments to pay for the common expenses as may be from time to time specifically authorized by the Management Committee. Each Owner of any Unit, by acceptance of a deed therefore, whether or not it shall be so expressed I n such deed , covenants and agrees to pay to the Association in a timely manner all Common Area Assessments.

c) Budget. Before the annual homeowners meeting each year, the Management committee shall prepare a budget which shall set forth an itemization of the anticipated common expenses for the twelve (12) month calendar year, commencing with the following January 1. The budget shall be based upon advance estimates of cash

requirements by the Management Committee to provide for the payment of all estimated expenses growing out of or connected With the maintenance and operation of the Common Areas, which estimates shall include but are not limited to expenses of management, grounds maintenance, taxes and special assessments, premiums for all insurance which the Committee is required or permitted to maintain, common lighting and heating, water charges, trash collection, sewer service charges, carpeting, painting, repairs and maintenance of the Common Areas and replacement of those elements of the Common Areas that must be replaced on a periodic basis, wages for Management Committee employees, legal and accounting fees, any deficit remaining from a previous period; the creation of a reasonable contingency reserve, surplus or sinking fund, capital improvement reserve, and other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under and by reason of this Declaration. The proposed Budget and the Common Area Assessments shall become effective unless disapproved at the annual meeting by a vote of at least a majority of the percentage of undivided ownership interest in the Common Areas and Facilities. Notwithstanding the foregoing, however, if the membership disapproves the proposed Budget and Common Area Assessments or the Management Committee fails for any reason to establish the Budget and Common Area Assessments for the succeeding year, then and until such time as a new Budget and new Common Area Fee schedule shall have been established, the Budget and the Common Area Assessments in affect for the then current year shall continue for the succeeding year.

d) Payment of Expenses. Each Unit Owner shall pay the Management Committee his allocated portion of the cash requirement deemed necessary by the Management Committee to manage and operate the Condominium Project, including the recreational Facilities thereof, upon the terms, at the times, and in the manner herein provided without any deduction on account of any set-off or claim which the owner may have against the Management Committee and if the owner shall fail to pay any installment within one month of the time when the same becomes due, the owner shall pay interest thereon at the rate of ten (10%) percent per annum from the date when such installment shall become due to the date of the payment thereof.

e) Cash Requirements. The cash requirements above referred to for each year, or portions of the year, are hereby defined and shall be deemed to be such aggregate sum as the Management Committee shall from time to time determine, in its judgment, is to be paid by all the owners of Condominium Project then in existence to enable the Management Committee to pay all estimated expenses and outlays of the Management Committee to the close of such year, growing out of or in connection with the maintenance and operation of such land, buildings and improvements, recreational area and facilities, which sum may include, among other things, the cost of management, special assessments, fire, casualty, and public liability insurance premiums, common lighting, landscaping and the care of grounds, repairs and renovations to Common Areas and Facilities, Social Center, recreation facilities, snow removal, wages, water and charges, legal and accounting fees, management fees, expenses and liabilities incurred by the Management Committee under or by reason of this Declaration, the payment of any deficit remaining from a previous period, the creation of a reasonable contingency of other reserve or surplus fund, as well as all other costs and expenses relating to the Condominium Project. The Management Committee may, from time to time, up to the close of the year for which such cash requirements have been so filed or determined, increase or diminish the amount previously fixed or determined for such year. It may include in the cash requirements for any year, any liabilities or items of expense which accrued or become payable in the previous year, or which might have been included in the cash requirements for a previous year, but were not included therein, and also any sums which the Management Committee may deem necessary or prudent to provide a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

f) Apportionment. The total of such common expenses shall be apportioned among all the Units on the basis of their respective appurtenant percentages of undivided ownership in the interest in the Common Areas and Facilities

g) Method of Payment. The Management Committee shall have discretionary powers to prescribe the manner of maintaining and operating the Condominium Project and to determine the cash requirements of the Management Committee to be paid as aforesaid by the owners under this Declaration. Every such reasonable determination by the Management Committee within the bounds of the Act, and this Declaration shall be final and conclusive as to the owners, and any expenditures made by the Management Committee, within the bounds of the Act and this Declaration shall as against the owner be deemed necessary and properly made for such purpose.

h) Specific Assessments. The Management Committee shall have the power specifically to assess the owners of an individual Unit or Units as, in its sole discretion, it shall deem appropriate. If the Unit Owner has the choice to accept or refuse the benefit, then:

(1) Benefit Only To Some Units. Expenses of the Association which benefit less than all of the Units may be specifically assessed equitably among all of the Units which are benefitted according to the benefit received.

(2) Unequal or Disproportionate Benefit to All Units. Expenses of the Association which benefit all Units, but which do not provide an equal benefit to all, may be specifically assessed equitably among all Units according to the benefit received.

h) Assignment of Rents. If the owner shall at any time let or sublet the Unit and shall default for a period of one month in the payment of any assessments, the Management Committee may, at its option, so long as such default shall continue, demand and receive from any tenant or subtenant of the owner occupying the Unit the rent due or becoming due from payment of such rent to the Management Committee shall be sufficient payment and discharge of such tenant or subtenant and the owner to the extent of the amount so paid.

i) Personal Obligation. Each monthly assessment and each special assessment shall be separate, distinct and personal debts and obligations of the owner against whom the same are assessed at the time the assessment is made and shall be collectible as such.

j) Cumulative Remedies. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same. The amount of any assessment, whether regular or special, assessed to the owner of any condominium (and as they continue to accrue), plus late fees, interest at ten (10%) percent per annum, and costs, including the cost of a foreclosure report and reasonable attorney's fees, shall become a lien upon such unit upon recordation of a notice of lien as provided by the Act. The said lien for non-payment of common expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only: (1) tax and special assessment liens on the unit in favor of any assessment unit, and special district, and (2) encumbrances on the owner's condominium unit (and common areas and facilities) recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

k) Certificate of Indebtedness. Upon written requests the Management Committee shall furnish to any Owner a statement of Common Area Assessments due, if any, on his Unit. Failure to provide the certificate within ten (10) days after a written request, shall be deemed conclusive evidence that all Common Area Assessments are paid current on the Unit. The Association may require the advance payment of a processing charge not to exceed Fifteen Dollars (\$15.00) for the issuance of such certificate. A certificate executed and acknowledged by a majority of the Management Committee stating the indebtedness secured by the lien upon any condominium created hereunder, shall be conclusive upon the Management Committee stating the indebtedness secured by the lien upon any condominium created hereunder, shall be conclusive upon the Management Committee and the owners as to the amount of such indebtedness on the date of the certificate in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any owner or encumbrances or prospective encumbrances of a condominium upon request at a reasonable fee. Unless the request for a certificate of indebtedness shall be complied within ten (10) days, all unpaid common expenses which become due prior to the date of making of such request shall be subordinate to the lien held by the person making the request. Any encumbrances holding a lien on the condominium and upon such payments such encumbrancee shall have a lien on such condominium for the amounts paid of the same rank as the lien of his encumbrance.

l) Release of Lien. Upon payment of a delinquent assessment concerning which such certificate has been so recorded, or other satisfaction thereof, the Management Committee shall cause to be recorded in the same manner as the certificate of indebtedness a further certificate stating the satisfaction and release of the lien thereof. Such lien for non-payment of assessment may be enforced by sale by the Management Committee or by a bank or trust company or title insurance company authorized by the Management Committee, such sale to be conducted in accordance with the provisions of the law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any manner permitted by law. In any foreclosure or sale, the owner shall be required to pay the costs and expenses of such proceedings including a reasonable attorney's fees.

m) Reasonable Rental Value/Foreclosure. In the event of foreclosure, the owner shall be required to pay a reasonable rental for the condominium and the plaintiff in any judicial foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the mortgage security, The Management

Committee or Manager shall have power to bid in the condominium at foreclosure or other sale and hold, lease, mortgage and convey the condominium.

n) Payment of Common Area Assessments. Unless the obligation to pay an annual Common Area Fee is otherwise accelerated, prior to the first day of each month, each owner shall pay to the Committee, as his share of the common expenses, onetwelfth of the annual amount apportioned to his Unit.

o) Owners Liable To Pay Common Area Assessments. Unit Owners, including both the buyer and seller under an executory sales contract, are jointly and severally liable to pay all Common Area Assessments assessed, accruing interest late fees and collection costs, including attorneys fees. Provided, however, no first mortgagee or beneficiary under a first deed of trust, who obtains title to a Unit pursuant to the remedies provided in the mortgage or trust deed shall be liable for unpaid Common Area Assessments which accrued prior to the acquisition of title.

p) Equitable Changes. If the aggregate amount of all monthly payments from all of the Units is too large or too small as a result of unanticipated income or expenses, the Committee may from time to time effect an equitable change in the amount of said payments. Owners shall be given at least thirty (30) days written notice of any changes.

q) Dates and Manner of Payment. The dates and manner of payment shall be determined by the Committee, in its sole discretion, from time to time.

r) Acceleration. Common Area Assessments shall be paid in the manner and on dates fixed by the committee who may, at its option and in its sole discretion, elect to accelerate the entire annual Common Area Assessment for delinquent Unit Owners. Unless the Committee elects to accelerate the entire annual Common Area Assessment, the Assessments shall be paid in equal monthly installments. If, however, the Common Area Fee is accelerated and an Owner subsequently files bankruptcy or the Committee otherwise decides acceleration is not in its best interest, the Committee, at its option and in its sole discretion, may elect to deaccelerate the obligation.

s) Reserve Accounts. The Committee shall establish and maintain adequate reserve accounts to pay for unexpected operating expenses and capital improvements. The operating reserve account should be established to cover the unexpected. Absent special circumstances, the operating reserve should be between two (2%) and five (5%) percent of the total expenses. The reserve accounts shall be funded out of regular or special Common Area Assessments. Capital Reserves are best presented in a table that reflects the reserve item, the quantity of the item, the estimated useful life of the item, the estimated current replacement cost of the item, and the annual amount of reserves that item represents. In a multi year budget format, there should be a schedule of reserve drawdowns that track the projected useful life figures derived from the table discussed above.

t) Supriority of Common Area Assessments to Homestead Exemption. All Common Area Assessments and liens created to secure the obligation to pay Common Area Assessments are superior to any homestead exemptions to which an Owner may be entitled and which each Unit Owner expressly waives hereby.

u) Termination of Utility Service or Right to Use Amenities for Non-Payment. At the sole discretion of the Management Committee, the utility service to any Owner or occupant of any Unit paid for by Common Area Assessments or the privilege to use the recreational facilities or amenities, may be terminated if the Unit Owner or occupant is in arrears on his obligation to pay Common Area Assessments and has failed to cure or make satisfactory arrangements to cure the default after reasonable written notice of at least ten (10) days.

v) Suspension of Right to Vote for NonPayment. At the sole discretion of the Management Committee, the right of a Unit Owner to vote on issues concerning the Association may be suspended if the Owner is delinquent in the payment of his Common Area Assessments, and has failed to cure or make satisfactory arrangements to cure the default after reasonable written notice of at least ten (10) days.

16. Mortgage Protection. Notwithstanding all other Provisions hereof:

a) The liens created hereunder upon any condominium 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 15 hereof on the interest of the purchase 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.

17. Maintenance of Units Each Unit Owner at his expense shall keep the interior of his unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating and painting which may be necessary at any time to maintain the good appearance of his Unit. Except to the extent that the Management Committee is protected by insurance against such injury and elects to submit a claim to its insurance carrier, that decision to be made in its sole and exclusive discretion, the Unit owner shall repair all injury or damage to the building or buildings caused by the act, negligence or carelessness of the owner or that of any Lessee or SubLessee or any member of the Owner's family or of the family of any Lessee or SubLessee or any Agent, employee or guest of the Owner or of his Lessee or SubLessee and all such repairs, redecorating and painting shall be of a quality and kind equal to the original work. In addition to decorating and keeping the interior of the Unit in good repair, the owner shall be responsible for the maintenance or replacement of any plumbing fixtures, refrigerators, air conditioning and heating equipment, dishwashers, disposals, ranges, etc., that may be in or connected with the Unit. The owner shall be entitled to the exclusive use and possession of the patios, carports and storage rooms attached to his Unit and shall be responsible for the maintenance and upkeep of same, provided however, that without the written permission of the Management Committee first had and obtained, the owner shall not make or permit to be made any structural alteration, improvement or addition in or to the unit, patios, carports, and storage rooms, or in or to the exterior of the building, and shall not paint or decorate any portion of the exterior of the building in which his unit is located.

18. Use Restrictions. Each Unit Owner shall be entitled to the exclusive ownership and possession of his Unit and to the ownership of an undivided interest in the Common Areas as set forth herein, subject to the following:

a) Ownership. Each Unit Owner shall have and enjoy the privileges of fee simple ownership of his Unit. There shall be no requirements concerning who may own residential Units, it being intended that they may and shall be owned as with any other property rights by persons, corporations, partnerships, limited liability companies, trusts or other legal entities and in the form of common tenancy.

b) Residential Nature of Community. This Project is a residential community and, as such, the Units shall be used only for residential purposes, except as set forth below. The Common Areas shall only be used in a manner consistent with the residential nature of the Project.

c) Restrictions and Limitations on Use. The use of the Condominium property shall be in accordance with the following provisions, covenants and conditions:

(1) Single Family Residence. Each of the Units shall be occupied by only a single family, its servants, and guests, as a private residence and for no other purpose.

(2) Subdivision or Partition Prohibited. No Unit may be divided or subdivided into a smaller unit not any portion thereof sold or otherwise transferred without first amending this Declaration to show the changes in the Units to be affected thereby.

(3) Common Area Use For the Purpose Intended Only. The Common Areas and Facilities shall be used only for the purpose for which they are intended in the furnishing of services and facilities for the enjoyment of the Units.

(4) Nuisance Prohibited. No use or practice shall be permitted on the Condominium which is bothersome, disturbing or the source of annoyance to residents, or which interferes with the peaceful possession and proper use of the property by its residents. It shall be the responsibility of each owner and occupant to prevent the creation or maintenance of a nuisance on, in or about the Project. This includes but is not limited to the following:

- a) The development of any unclean, unhealthy, unsightly, or unkempt condition on, in or about his Unit or the Common Areas;
- b) The storage of any substance, material, item, property or thing in, on or about a Unit or Common Areas that will cause such Unit or the Common Areas to appear to be in an unclean, cluttered, unsafe, or untidy condition or that will be insightly, distasteful or noxious to the senses;
- c) The storage of any substance, material item or thing upon any Unit or in the Common Areas that will emit foul or noxious odors or that will cause, any noise or other condition that will or might disturb the peace, qui et, safety, comfort, or serenity of the other residents at the Project;
- d) The creation or maintenance of any noxious or offensive situation in or about any Unit;
- e) Actions or activities tending to cause embarrassment, discomfort, annoyance, distress, or disturbance to any other residents, their guests or invitees, particularly if the police or sheriff must be called to restore order.
- f) Maintaining any plants, animals, devices or things of any sort whose activities or existence in any way is illegal, noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of other residents, their guests or invitees;
- g) Creating too much noise in, on or about the Unit or Common Area, especially after 10:00 p.m. and before 8:00 a.m.; and
- h) Creating too much traffic in , on or about any of Unit or the Common Area, especially after 11:00 p.m. and before 8:00 a.m.

(5) Clean and Sanitary Condition. All parts of the Property shall be kept in a clean and sanitary condition, and no rubbish, refuse, or garbage allowed to accumulate nor any fire hazard allowed to exist. No Unit Owner shall permit any use of his Unit or of the Common Areas which will increase the rate of insurance upon the condominium property. No immoral, improper, offensive, or unlawful use shall be made of the Condominium or any part thereof.

(6) Signs. No signs, notices or advertisements shall be displayed on or at any window or other part of the Unit or in the Common Areas without the written approval of the Management Committee.

(7) Unsightly Work, Hobbies or Unkempt Condition. The pursuit of hobbies or other activities including but not limited to the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Project.

(8) Removing Dust & Debris. All rubbish, trash, refuse, waste, dust, debris and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate thereon. Dust and debris shall not be swept off the balcony onto the residential units or Common Areas below, but shall be collected in a vacuum, dust pan or bin and disposed of properly.

(9) Structural Alterations. The Common Area may not be altered or modified in any way without the prior written consent of the Management Committee.

(10) Firearms and Incendiary Devices. The use of firearms and incendiary devices within the Project is prohibited. The term firearms includes but is not limited to all guns, pistols, handguns, rifles, automatic weapons, semiautomatic weapons, BB guns, pellet guns, compression guns, sling shots, wrist-rockets, blow or dart guns

other firearms of all types, regardless of size.

(11) Temporary Structure. No Owner or occupant shall place upon any part of the Project any temporary structures including but not limited to gazebos, canopies, solariums, green houses, atriums, tents, trailers, or sheds, without the prior written consent of the Management Committee.

(12) Utility Lines. No individual overhead utility lines, including lines for cable television, shall be permitted within the Project.

(13) Energy Conservation Equipment. No solar energy collector panels, attendant hardware, or other energy conservation equipment shall be constructed or installed on the Project without the prior written consent of the Management Committee.

(14) Business Use. No commercial trade or business may be conducted in or from any Unit unless: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (b) the business activity conforms to all zoning requirements for the Project; (c) the business activity does not involve persons coming onto the Project who do not reside in the Project or door-to-door solicitation of residents of the Project; and (d) the business activity is consistent with the residential character of the Project and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Project, as may be determined in the sole discretion of the Committee. The terms business and trade, as used in this sub-Section, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time; (b) such activity is intended to or does generate a profit; or (c) a license is required therefor. Notwithstanding the above, the leasing of a Unit shall not be considered a trade or business within the meaning of this sub-Section.

(15) Heating of Units in Colder Months. In order to prevent breakage or leakage of water pipes during colder months of the year, and the resulting water damage, increased common expenses, and increased insurance premiums or cancellation of insurance policies due to numerous damage claim, the thermostats within all vacant or unoccupied Units shall be maintained with the heat in an "ON" position and at a minimum of sixty (60) degrees Fahrenheit (except during power failures or periods when heating equipment is broken) from October through April, inclusive, or whenever the temperature outside is forecasted to or does reach thirty-two (32) degrees Fahrenheit or below. Owners and occupants of Units shall take all steps possible on a timely basis to keep the heating equipment including, but not limited to, the thermostat: in good working order and repair, Notwithstanding any provision in this Declaration or in the ByLaws to the contrary, the committee may, after proper notice and a hearing, fine any owner or occupant up to the amount of the Association's insurance deductible or deny the Owner or occupant the right to make a claim on the Association's policy of insurance for violation of this requirement.

Storage and

(16) Parking and Storage of Vehicles. No motor vehicle or trailer, including but not limited to any automobile, van, mini-van, mini-motor home, commercial vehicle, recreational vehicle, truck, tractor, mobile home or trailer (either with or without wheels), camper, camper trailers, boat or other watercraft, boat trailer, or any other transportation device of any kind may be parked or stationed along the streets or in front of any garage, walkway, driveway or Unit. Owners or occupants may only park their motor vehicles within their garages or carports, or in other designated areas. Visitors may only park temporarily in designated spaces and in accordance with rules and regulations designated and promulgated by the Management Committee. No Owners or occupants shall repair or restore any vehicle of any kind upon any Unit or common Area, except for emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility. No garage or carport may be altered in such a manner that the number of motor vehicles which may reasonably be parked therein after the alteration is less than the number of motor vehicles that could have been reasonable parked in therein as originally designed and constructed. The parking areas are limited and are not designed for recreational or commercial size vehicles. The Management Committee reserves the right to make rules and regulations restricting their use. Unit Owners with oversized or too many motor vehicles may have to find alternate parking outside the Project.

(17) Aerials, Antennas, and Satellite Dishes. Without the prior written consent of the Management Committee, no radio, television, satellite antenna, or other aerial, dish, tower, system or transmitting or receiving structure, or support thereof, shall be erected, installed, placed, or maintained on the Project unless constructed, erected, installed, placed, or maintained entirely within the Unit.

(18) Windows and Window Coverings. No aluminum foil, newspapers, reflective film coatings, or any other similar materials may be used to cover the exterior windows in any Unit. Sun shades and tinted windows are allowed. All windows and window panes in residential Units must be identical in size, design and quality to the other Units in the community.

(19) Overcrowding. Overcrowding of the Units so as to make occupancy unsafe or unhealthy is prohibited.

d) Occupants Bound. The foregoing restrictions shall be binding upon all Unit Owners and occupants, their family members, guests and invitees.

19. Right of Entry. The Management Committee and its duly authorized agents shall have the right to enter any and all of the Units in case of an emergency originating in or threatening such Unit or any other part of the Project, whether or not the owner or occupant thereof is present. At the time, The Committee and its duly authorized agents shall also have the right to enter into any and all of said units at all reasonable times as required for the purpose of making necessary repairs upon the Common Areas and Facilities of the Project for the purpose of performing emergency installations, alterations, or repairs to the mechanical or electrical devices or installations located herein or thereon; provided, however, such emergency installations, alterations, or repairs are necessary to prevent damage or threatened damage to other units in the Project; and provided further, that the apartment owner affected by such entry shall first be notified thereof if available and if time permits.

20. Administrative Rules and Regulations. The Management Committee shall have the power to adopt and establish by resolution such building, management, and operational rules as it may deem necessary for the maintenance, operation, management and control of the project. The Committee may, from time to time, by resolution, alter, amend and repeal such rules. When a copy of any amendment or alteration or provision for repeal of any rule or rules has been furnished to the Unit Owners such amendments, alteration and provision shall be taken to be a part of such rules. Unit owners shall at all times obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision, it being understood that such rules shall apply and be binding upon all Unit Owners and/or occupants of the Condominium.

21. Obligation to Comply Herewith. Each Unit Owner, tenant, or occupant of a Unit shall comply with the provisions of the Act, this Declaration, the By-Laws, and the rules and regulations, all agreements and determinations lawfully made and/or entered into by the Management Committee or the Unit Owners, when acting in accordance with their authority, and any failure to comply with any of the provisions thereof, shall be ground for and action by the Management Committee to recover any loss or damage resulting therefrom or injunctive relief. Should the Association or Committee be required to take action to enforce the Act, this Declaration, the By-Laws, or Administrative Rules and Regulations, or to pursue any other legal or equitable remedy provided hereunder or by applicable law, whether such remedy is pursued by filing suit or otherwise, the Association or Committee may recover all costs and expenses, including a reasonable attorney's fee which may arise or accrue.

22. 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.

23. Amendment. In addition to the amendment provisions provided in Paragraph 6 above, the Unit owners shall have the right to amend this Declaration and/or the Map upon the approval and consent of Unit owners representing not less than two-thirds (2/3) of the undivided interests in the Common Areas and ties, which approval and consent shall be by duly recorded instruments.

24. Transfer or Lease of Units. In order to protect the equity of the Unit Owners, to carry out the purpose for which the Condominium was formed by preserving the character of the Project as a homogeneous residential community of predominantly owner-occupied Units and by preventing the Project from assuming the character of an apartment, renter-occupied complex, and to comply with the eligibility requirements for financing in the secondary mortgage market insofar as such criteria provide that the Project be substantially owner-occupied, leasing of a Unit or Units shall be prohibited, except in the case of undue hardship as provided below:

a) Undue Hardship Defined. The Management Committee shall be empowered, upon written application, to allow reasonable leasing of Units to avoid undue hardship on an Owner. By way of illustration and not by limitation, examples of circumstances which would constitute undue hardship are those in which an Owner must relocate his residence and cannot, within ninety (90) days from the date the Unit was placed on the market, sell the Unit while offering it for sale at a reasonable price no greater than its current appraised market value; the Owner dies and the Unit is being administered by his estate; the Owner takes a leave of absence or temporarily relocates and intends to return to reside in the Unit; the Unit is to be leased to a member of the Owner's immediate family (i.e., children, grandchildren, grandparents, brothers, sisters, parents, and spouses). Those Owners who have demonstrated that the inability to lease their Unit would result in undue hardship and have obtained the approval of the Management Committee may lease their Units for such duration as the Management Committee reasonably determines is necessary to prevent undue hardship.

b) Application Process. Any Owner who believes that he must lease his Unit to avoid undue hardship shall submit a written application to the Management Committee setting forth the circumstances necessitating the leasing, a copy of the proposed lease, and such other information as the Management Committee may reasonably require. Leasing in the case of undue hardship shall be permitted only upon the Management Committee's written approval of the Owner's application. When a lease is approved, a copy of the lease, signed by the lessee and lessor, shall be submitted to the Management Committee within ten (10) days after it has been signed by both parties.

c) Rules and Regulations. The Management Committee shall have the power to adopt and enforce reasonable rules and regulations and to assess fines, in accordance with the Declaration and By-Laws, in order to enforce the provisions of this section. Any transaction which does not comply herewith shall be voidable at the option of the Management Committee.

d) Violation of Project Documents/ Eviction. Any violation of the Declaration, By-Laws, or Administrative Rules and Regulations adopted pursuant thereto by any lessee is deemed to be a violation of the terms and his lease and, by virtue of his occupancy of a Unit, authorizes the Unit Owner to terminate the lease without liability and to evict the lessee in accordance with the laws of the State of Utah. Each Unit Owner hereby delegates and assigns to the Association, acting through the Management Committee, the power and authority to evict a lessee on behalf of and for the benefit of the Unit Owner, in accordance with the terms hereof. In the event the Association proceeds to evict the lessee, any costs, including a reasonable attorney's fee and court costs associated with the eviction, shall be specially assessed against the Unit and the Unit Owner thereof, such being deemed hereby as an expense which benefits the lease Unit and the Unit Owner thereof, and shall be collectible by judgment, lien or foreclosure.

e) No Right of First Refusal. Anything to the contrary notwithstanding, neither the Management Committee nor the Association shall have a right of first refusal to purchase or lease any Unit.

25. Service of Process. The President of the Association shall be the registered agent for purposes of service of process and the registered address of the Association shall be 4675 North Canyon Road, Provo, Utah 84604.

26. Easement Concerning Boat and Camper Storage Area. Declarant is the owner of a certain tract of land, hereinafter referred to as "the Storage Property", adjacent to the next contemplated phase of the Project. Declarant contemplates development of the Storage Property for use as a boat and camper storage area for the use of the Unit Owners at such reasonable rental as may be subsequently arranged. When the Storage Property is developed for such purpose, the Declarant, its successors, and assigns, shall have a perpetual, non-exclusive easement to use the streets of the Project for egress and ingress to and from the Storage Property, together with a right of access to a street in the Project by an access easement, Declarant will delineate said easement in a future phase of the Project.

27. Severability. The invalidity of any one or more phrases, sentences, clauses, paragraphs, or sections hereof shall not effect the remaining portions of this instrument or any part thereof, all of which are inserted conditionally on their being held valid in law and in the event that one or more of the phrases, sentences, clauses, paragraphs or sections contained therein should be invalid or should operate to render this agreement invalid, this instrument shall be construed as if such invalid phrase or phrases, sentence or sentences, clause or clauses, paragraph or paragraphs, section or sections had not been inserted

28. Gender. The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

29. Waivers. No provision contained in this Declaration shall be deemed to have been waived by reason of any failure to enforce it, irrespective of the number of violations which may occur.

30. Topical Headings. The topical headings of the paragraphs contained in this Declaration are for convenience only and do not define, limit or construe the contents of the paragraphs or of this Declaration.

31. Request for Notice. The Association hereby requests that a copy of any notice of default and a copy of notice of sale under any mortgages or deeds of trust filed for record against any Units at the Project be mailed to the Association at 4675 North Canyon Road, Provo, Utah 84604 pursuant to U.C.A. Section 57-1-26 (1953), as amended.

36. Security Measures. The Association may, but shall not be obligated to, maintain or support certain activities within the Project designed to make the Project safer than they otherwise might be. Neither the Association, nor the Committee shall in any way be considered insurers or guarantors of security within the Project, however, and neither the Association, nor the committee shall be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. All Owners and occupants, their family members, guests and invitees hereby assume all risks for loss or damage to their person or property caused by criminal acts or intentional torts of third persons, waive any claim against the Association or Management Committee related thereto, and further acknowledge that the Association and Committee have made no representations, promises or warranties, nor have they relied upon any representations, promises or warranties, expressed or implied, including any warranty or merchantability or fitness for any particular purpose, relative to any security measures taken.

37. Fair Housing. Neither the Association, Management Committee nor any Unit owner, or their employees, agents or representative shall discriminate against any person in the terms, conditions or privileges of the use, sale or rental of a Unit or the Common Areas or in the provisions of services or facilities in connection therewith, because of race, color, religion, sex, disability, familial status, national origin or source of income (receiving income in the form of local, state, or federal government assistance or supplements).

38. Interpretation. To the extent the provisions of the Act are consistent with this Declaration, such provisions shall supplement the terms hereof and are incorporated herein. The captions which precede the Articles and sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both other genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof.

39. Liens Against the Association. All liens for materials, labor or money judgments against the Association or Committee are to be indexed in the public records under the name of the Association and the name of the community. An Owner may pay the pro rata share of the amount of any lien against the Association or Committee and that shall be sufficient to release the lien on his Unit. Such liens will not constitute a lien on the Common Areas of the community, but rather on each unit within the community. Any person or entity who elects to perform labor or provide materials at this Project shall do so subject to the terms of this Section. If the Association has encumbered the Common Areas and thereafter defaults on its obligations, the lienholder must exercise its rights against the common Areas before it may proceed against the Units or the Unit Owners.

40. Effective Date. The effective date of this Declaration shall be the date on which this document is filed for record in the office of the County Recorder of Utah County, Utah.

IN WITNESS WHEREOF, Declarant has executed this instrument the day and year first above written.

THREE FOUNTAINS - PROVO HOMEOWNERS ASSOCIATION

By: *Gilbert R. Horrocks*
Title: Gilbert Horrocks, President

By: *Elaine Winger*
Title: Elaine Winger, Secretary

STATE OF UTAH)
)ss:
COUNTY OF UTAH)

On the 9th day of December, 1996, personally appeared before me Gilbert Horrocks and Elaine Winger, who by me being duly sworn, did say that they are the President and Secretary of the THREE FOUNTAINS - PROVO HOMEOWNERS ASSOCIATION, and that the within and foregoing instrument was signed in behalf of said Association by authority of a resolution of its Board of Directors, and said Gilbert Horrocks and Elaine Winger duly acknowledged to me that said Association executed the same.

Kierstan Smith
NOTARY PUBLIC
Residing At: *Lehi, Utah*
My Commission Expires: *7-1-97*

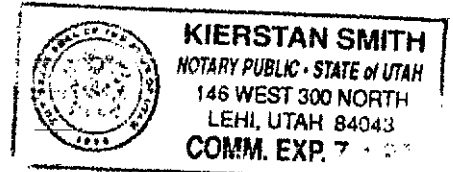


EXHIBIT "A"

THREE FOUNTAINS-PROVO CONDOMINIUMS

<u>UNIT NO.</u>	<u>BUILDING NO.</u>	<u>PERCENTAGE OF OWNERSHIP INTEREST</u>
PHASE I:		
1	M1	1.315
2	"	"
3	"	"
4	"	"
5	M2	"
6	"	"
7	"	"
8	"	"
9	M3	"
10	"	"
11	"	"
12	"	"
29	C4	1.170
30	"	"
31	"	"
32	"	"
37	C6	"
38	"	"
39	"	"
40	"	"
45	TH1	.990
46	"	"
47	"	"
48	"	"
49	TH2	"
50	"	"
51	"	"
52	"	"
53	"	"
54	"	"
PHASE II:		
55	TH3	.990
56	"	"
57	"	"
58	"	"
59	"	"
60	"	"
61	TH4	"
62	"	"
63	"	"
64	"	"
65	"	"
66	"	"

EXHIBIT "A"

THREE FOUNTAINS-PROVO CONDOMINIUMS

<u>UNIT NO.</u>	<u>BUILDING NO.</u>	<u>PERCENTAGE OF OWNERSHIP INTEREST</u>
77	TH5	.990
78	"	"
79	"	"
80	"	"
17	C1	1.170
18	"	"
19	"	"
20	"	"
25	C2	"
26	"	"
27	"	"
28	"	"
21	C3	"
22	"	"
23	"	"
24	"	"
33	C5	"
34	"	"
35	"	"
36	"	"
41	C7	"
42	"	"
43	"	"
44	"	"
73	C8	"
74	"	"
75	"	"
76	"	"
13	M4	1.315
14	"	"
15	"	"
16	"	"
81	M5	"
82	"	"
83	"	"
84	"	"
85	"	"
86	"	"
69	M6	"
70	"	"
71	"	"
72	"	"
67	M7	"
68	"	"

TOTAL PHASE I AND PHASE II

100.000%

EXHIBIT "B"BY-LAWS
OF
THREE FOUNTAINS -- PROVO

I

IDENTITY

These are the By-Laws of the Three Fountains -- Provo Condominium.

II

APPLICATION

All present or future Unit Owners, tenants, or any other person(s) who might use the facilities of the Three Fountains -- Provo Condominium 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 in such place within the State of Utah as the Management Committee may specify in the notice, except as herein otherwise specified.
2. Annual Meetings. The first annual meeting of the Unit Owners shall be held on the first Wednesday of October, 1973, at such place as the Management Committee shall specify. Thereafter, the annual meeting 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 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 35 percent of the total votes, delivered not less than seven days prior to the date fixed for such meeting. Such meeting shall be held on 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, the owners of more than fifty percent in the aggregate in interest of the undivided ownership of Common Areas and Facilities 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 at the meeting 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 at least fifty-one (51%) percent, or more, 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, 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, and in the case of proxies for the annual meeting, they shall be delivered to the Secretary at least three days prior to said annual meeting. Proxies for special Unit Owners' meetings must be of record with the Secretary at least three days prior to said annual 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 statute or otherwise. The presence of a Unit Owner in the person at any meeting of the Unit Owners shall be deemed such waiver.

IV

MANAGEMENT COMMITTEE

1. Purpose and Powers. The business, property and affairs of the Condominium shall be managed and governed by its Management Committee, hereinafter referred to as the

"Management Committee" or "The Committee", consisting of five members, provided, however, that the Declarant may, at its option, act as the Management Committee until the completion of, and the sale of, all the Units of the Project. The Management Committee, as it deems advisable, may enter into such management agreement or agreements with a third person, firm, or corporations to act as the Manager of the Project.

2. Election and Term of Office. Subject to the provisions of the immediately preceding paragraph, at the first meeting (special or annual) of the Unit Owners called for the purpose of electing the initial Management Committee, five members shall be elected to constitute such Management Committee. The term of office of two members thereof shall be fixed for three (3) years. The term of office of two members shall be fixed at two (2) years, and the term of office of one (1) member shall be fixed at one (1) year. At the expiration of the initial term of office of each respective member, his successor shall be elected to serve a term of three (3) years. The members shall hold office until their successors have been elected and hold their first meeting.

3. Vacancies. Vacancies on the Management Committee caused by any reason whatsoever shall be filled by vote of a majority of the remaining members thereof even though they may consist of less than a quorum and each person so chosen shall be a member of the Management Committee until his successor is elected by the Unit Owners at the next annual meeting.

4. Regular Meetings. A regular annual meeting of the Management Committee shall be held immediately after the adjournment of each annual Unit Owners' meeting. Regular meetings, other than the annual meeting, shall or may be held at regular intervals at such places and at such times as either the Chairman of the Management Committee may from time to time designate.

5. Special Meetings. Special meeting 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

V

OFFICERS

1. Designation and Election. The principal officers of the Management Committee shall be a Chairman, a Vice-Chairman, a Secretary, and a Treasurer, all of whom shall be elected by and from the Management Committee. The Management Committee may appoint an assistant secretary and an assistant Treasurer and such other officers as in its judgment may be necessary or desirable. Such election or appointment shall regularly take place at the first meeting of the Management Committee immediately following the annual meeting of the Unit Owners; provided, however, that elections of officers may be held at any other meeting of the Management Committee.

2. 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.

3. Removal of Officers and Agents. All officers and agents shall be subject to removal, with or without cause, at any time by the affirmative vote of the majority of the then members of the Management Committee.

4. 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 conveyances, mortgages and contracts of material importance to its business, and 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. He shall have all of the general powers or duties which are normally vested in the office of the president of a corporation, including but not limited to, the power to appoint committees from among the members from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Condominium Project.

5. Vice-Chairman. The Vice-Chairman shall take 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.

6. 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.

7. 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 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 designated by the Management Committee.

8. 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.

VI

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 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 75 percent of the owners of undivided interest in the Common Areas and Facilities determine so to do.

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

VII

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 -- Provo Condominium Project, and the Management Committee 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 regulations shall apply and 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.

VIII

AMENDMENT OF BY-LAWS

These By-Laws may be amended at any duly constituted meeting of the Unit Owners called for that purpose by the affirmative vote of at least 2/3 of the ownership in the Common Areas.

Exhibit "C"
THREE FOUNTAINS - PROVO CONDOMINIUMS
LEGAL DESCRIPTION

The land described in the foregoing document is located in Utah County, Utah and is described more particularly as follows:

Phase 1:

COMMENCING at a point located East along the Section Line 338.10 feet and South 759.03 feet from the West Quarter corner of Section 18, Township 6 South, Range 3 East, Salt Lake Base and Meridian, and running thence North 20 deg 30' East 434.25 feet; thence East 278.78 feet; thence South 54.41 feet; thence East 154.00 feet; thence South 57.00 feet; thence East 194.00 feet; thence South 6deg 52' East 320.04 feet; thence West 147.31 feet; thence South 0 deg 08' East 31.01 feet; thence South 89 deg 52' West 120.0 feet; thence North 0 deg 08' West 55.00 feet; thence South 89 deg 52' West 549.74 feet to the point of BEGINNING.

Phase 2:

Commencing at a point located East along the section line 1170.94 feet and South 912.55 feet from the West quarter corner of Section 18, Township 6 South, range 3 East, Salt Lake Base and Meridian, thence South 89 deg 52' West 870.24 feet; thence North 11 deg 05' East 117.93 feet; thence North 20 deg 30' East 42.02 feet; thence North 89 deg 52' East 549.74 feet; thence South 0 deg 08' East 23.71 feet; thence East 267.31 feet; thence South 6 deg 52' East 131.58 feet to the point of beginning, containing an area 2.860 acres.

ALSO, Commencing at a point located East along the Section line 928.61 feet and South 254.17 feet from the West quarter corner of Section 18, Township 6 South Range 3 East, Salt Lake Base and Meridian, thence North 89 deg 52' East 163.00 feet; thence South 6 deg 52' East 211.89 feet; thence West 194.00 feet; thence North 57.00 feet; thence West 154.00 feet; thence North 54.41 feet; thence West 278.78 feet; thence North 20 deg 30' East 47.69 feet; thence North 307.40 feet; thence North 89 deg 52' East 391.10 feet; thence South 6 deg 52' East 62.45 feet; thence South 89 deg 52' West 63.46 feet; thence South 121.00 feet; thence East 78.05 feet; thence South 6 deg 52' East 71.81 feet to the point of beginning, containing an area 4.191 acres.