

**FIRST AMENDMENT TO THE
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
for
WILLOWBEND PRD**

**A Planned Residential Development
situated in
Spanish Fork, Utah County, Utah**

THIS FIRST AMENDMENT TO THE DECLARATION (hereinafter the "First Amendment") is made and executed this ____ day of October, 1999, by Prestige Properties, Inc., a Utah corporation, (hereinafter the "Declarant"), in its capacity as the owner of the below described real property and as the developer of Willowbend PRD, a Planned Residential Development, Spanish Fork, Utah, (hereinafter the "Project").

RECITALS:

WHEREAS, Declarant is the owner of certain real property in Utah County, Utah, (the "Properties") and more particularly described as:

See Exhibit "A"

WHEREAS, Declarant has previously executed and recorded the Declaration of Covenants, Conditions and Restrictions of Willowbend PRD, a Planned Residential Development, dated May 28, 1999 and recorded June 21, 1999 as Entry No. 72023 in Book 3127 at Page 544 of the County Recorder of Utah County, Utah (the "Original Declaration")

WHEREAS, Declarant, as the Declarant and as the Owner of ninety percent (90%) of the Lots of Willowbend PRD, desires to amend the Declaration in accordance with the provisions of Article XVII Section 3.

NOW, THEREFORE, Declarant hereby amends the Original Declaration as follows:

The description of the Unit contained in ARTICLE IV Section 2 shall be amended to read as follows:

Lot _____, Plat "A", Willowbend, a planned unit development, recorded in the County Recorder of Utah County, Utah, as Entry No. 72022, Map 8111, SUBJECT TO the Declaration of Easements, Covenants, Conditions and Restrictions of Willowbend PRD, a Planned Residential Development, recorded in the office of the Utah County Recorder as Entry No. 72023, in Book 3127, at Page 544, (as the same is amended or modified) TOGETHER WITH a right and

easement of use of the Common Areas as described and provided in the said Declaration and Plat described above.

ARTICLE VI Section 1(k) shall be amended to read as follows:

- (k) provide the maintenance, Full and Partial Services as more fully set forth in Article VII;

ARTICLE VII Section 1 shall be amended to read as follows:

Section 1. Maintenance and Repair.

(a) Each Owner of a Lot (but not including the Townhomes) shall, at his or her sole cost and expense, keep his or her Lot in a clean, sanitary and attractive condition and in a good state of repair, such exterior maintenance shall include without limitation, roof, walls, windows, glass, doors, patios, balconies, gutters, downspouts and fences.

(b) In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Townhome, as follows: paint, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, patios, balconies, and other exterior improvements. Such exterior maintenance shall not include glass surfaces.

(c) Each Owner of a Townhome shall at his or her sole cost and expense, keep the patios, balconies, windows and doors in a clean, sanitary and attractive condition.

(d) In the event an Owner of any Lot or Townhome shall fail to maintain the Lot or Townhome and the improvements situated thereon as provided in above in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right through its agents and employees, to enter upon said parcel and to clean, repair, maintain, and restore the Lot and the exterior of the buildings and other improvements erected thereon and the exterior of the Townhomes. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot or Townhome is subject.

ARTICLE VII Section 3 shall be amended by adding paragraph (d) thereto which shall read as follows:

- (d) Paint, repair and replace the exterior of the Townhomes as provided in Section 1 above;

ARTICLE VIII Section 4 shall be amended to read as follows:

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital

improvement upon the Common Area, including fixtures and personal property related thereto and including any repair or replacement where the insurance proceeds therefor are insufficient to cover the costs of such repair and replacement; provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose and further provided that any such special assessment with respect to repair or replacement of a Townhome where the insurance proceeds thereof are insufficient to cover the costs of the repair and replacement of the damages thereto shall only be assessed to the Owner of such Townhome. Special Assessments shall be paid at such time as shall be voted upon by 2/3 of the Members who vote to approve such special assessment.

The last sentence of ARTICLE VIII Section 6 shall be amended to read as follows:

Subject to the provisions of Section 4 above, Special Assessments shall be allocated at a uniform rate for all Lots, including the Townhomes.

ARTICLE XII Section 1(a) and (c) shall be amended to read as follows:

(a) A multi-peril type policy or policies covering the entire Project (including both the Townhomes and the Common Area, including, without limitation, fixtures, machinery, equipment and supplies maintained for the service of the Project and fixtures, improvements, alterations and equipment within the individual Townhomes but not including the individual furniture, furnishings or other personal property of the Owner of the Townhome) shall be maintained. Such policy or policies shall provide coverage against loss or damage by fire and other hazards covered by the standard extended coverage blanket "all risk" endorsement and by debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as customarily are covered with respect to planned unit developments projects similar to the Project in construction, location, and use. At a minimum, such policy shall provide coverage on a replacement cost basis in an amount not less than that necessary to comply with any co-insurance percentage specified in the policy, but not less than one hundred percent (100%) of the full insurable value of the Project (based upon replacement cost). The deductible for losses to an individual Townhome shall not exceed the lower of \$1,000 or one percent of the Townhome's insurable value. Funds for such deductibles shall be included in the Association's reserves and shall be so designated. Such policy shall include an "Agreed Amount Endorsement" or its equivalent, and if necessary or appropriate, an "Increased Cost of Construction Endorsement" or its equivalent.

(c) The named insured under each policy required to be maintained by the foregoing paragraphs (a) and (b) shall be in form and substance essentially as follows and shall be payable as follows:

(i) The Association with respect to the Common Areas and the proceeds thereof.

(ii) To the Association as trustee for the Owners with respect to the Townhomes and the proceeds thereof.

ARTICLE XII Section 5 shall be amended to read as follows:

Section 5. Other Insurance; Annual Review. The Association may purchase such insurance as it may deem necessary, including, but not limited to, plate-glass insurance, officers' and directors' liability, and errors and omission insurance. The Board shall annually determine whether the amounts and types of insurance it has obtained provide adequate coverage for the Common Area and the Townhomes in light of increased construction costs, inflation, practice in the area in which the Properties are located, or any other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or desirable to protect the interests of the Association. If the Board determines that increased coverage or additional insurance is appropriate, it shall obtain the same.

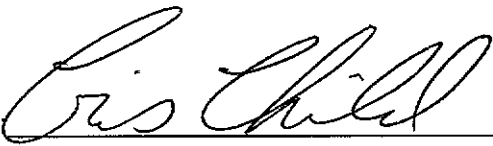
ARTICLE XII Section 6 shall be amended to read as follows:

Section 6. Premiums and Proceeds. Insurance premiums for any such blanket insurance coverage obtained by the Association and any other insurance deemed necessary by the Association shall be a common expense to be included in the annual assessments levied by the Association except that the portion of the hazard insurance premiums attributable to the Townhomes shall be allocated only to the Townhomes as provided in Article VIII, Section 6. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried, or otherwise disposed of at the discretion of the Board, provided, however, that the Board shall not have discretion to use the insurance proceeds relative to damage to a Townhome other than for repair and replacement of such Townhome without the consent of the Owner thereof. The Association is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers. Any two (2) trustees of the Association may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on the Association and the members.

IN WITNESS WHEREOF, the undersigned being the Declarant herein, has hereunto set its hand and seal this 6th day of October, 1999.

DECLARANT:

PRESTIGE PROPERTIES, INC.,
a Utah corporation

By 
Cris Child, President

STATE OF UTAH)
):SS
COUNTY OF UTAH)

On this 6th day of October, 1999, personally appeared before me CRIS CHILD, President of PRESTIGE PROPERTIES, INC., a Utah corporation who acknowledged that it was duly executed by authority of the Board of Directors and that he executed the same on behalf of the corporation.

NOTARY PUBLIC: Janis R. Woodward
Residing At: _____

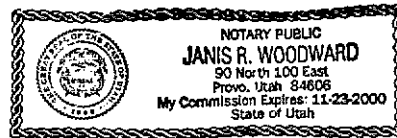


EXHIBIT "A"

A portion of the Southwest 1/4 of Section 17, Township 8 South, Range 3 East, Salt Lake Base & Meridian, more particularly described as follows:

Beginning at a fence corner on the Easterly line of State Road 51 located $N0^{\circ}17'18''W$ along the Section line 527.91 feet and East 355.48 feet from the Southwest Corner of Section 17, T8S, R3E, S.L.B.&M; thence along a fenceline the following courses and distances: $N35^{\circ}55'25''E$ 103.78 feet; thence $N34^{\circ}09'48''E$ 404.28 feet; thence $S87^{\circ}05'35''E$ 542.74 feet; thence $S38^{\circ}35'28''W$ 336.94 feet; thence $S36^{\circ}02'41''W$ 149.21 feet; thence $S89^{\circ}14'34''W$ 532.04 feet to the point of beginning. 4.98 Acres.

NOW KNOWN AS:

All of the property included in Plat "A", WILLOWBEND (A Planned Unit Development) including Lots 1 through 40 and the Common Areas.