

DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF SPRING MOUNTAIN,
A PLANNED UNIT DEVELOPMENT

THIS DECLARATION made on the 31 day of July,
1997 by SPRING MOUNTAIN, L.L.C. by and through JOHN
HENRICHSEN, the managing member of SPRING MOUNTAIN, L.L.C.,
hereinafter referred to as "Declarant."

WHEREAS, Declarant is the owner of certain property in
Springville City, County of Utah, State of Utah, which is more
particularly described as follows:

BEGINNING AT A POINT WHICH IS EAST 19.74 FEET AND SOUTH
337.00 FEET FROM THE NORTH QUARTER CORNER OF SECTION
28, TOWNSHIP 7 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND
MERIDIAN. THENCE SOUTH 38° 03'53" EAST 861.96 FEET ALONG
FOREST SERVICE MONUMENT LINE; THENCE SOUTH 82°24'50"
WEST 134.68 FEET TO THE NORTHEASTERLY LINE OF 1400 NORTH
STREET; THENCE NORTH 79°32'15" WEST 124.48 FEET TO THE
NORTH LINE OF 1400 NORTH STREET; THENCE SOUTH 89°43'56"
WEST 551.01 FEET ALONG SAID NORTH LINE OF 1400 NORTH
STREET; THENCE NORTH 00°13'03" WEST 669.23 FEET; THENCE
NORTH 89°32'31" EAST 282.10 FEET TO THE POINT OF
BEGINNING.

CONTAINING 8.49 ACRES.

NOW THEREFORE, Declarant hereby declares that all of the property or subsequent divisions of property that are contained in the above description shall be held, sold, and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of the real property. These covenants shall run with and be binding on all parties having a right, title or interest in the described property or any part thereof, their heirs, successors and assigns and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1: "Association" shall refer to SPRING MOUNTAIN HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2: "Owner" shall refer to the record owner, or the one or more persons or entities of a fee simple title to any Lot which is a part of the described property including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3: "Properties" shall refer to the real property described herein and any additions thereto as may subsequently be brought within the jurisdiction of the Association.

Section 4: "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners.

Section 5: "Lot " shall mean and refer to any plot of land shown upon any recorded subdivision map of the property with the exception of any designated Common Areas.

Section 6: "Declarant" shall mean or refer to John Henrichsen and SPRING MOUNTAIN, L.L.C. and its successors and assigns if such successors or assigns should require more than one undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II

PROPERTY RIGHTS

Section 1: "Owner's Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the titles of every Lot, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area;

(b) the rights of the Association to suspend the voting rights and right to use of the recreational facilities by any owner for a period during which any assessment against his Lot remains

unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded.

Section 2: Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1: Every owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2: The Association shall have two classes of voting membership:

Class A. Class A members shall be all owners, with the exception of the Declarant, and shall be entitled to one (1) vote for

each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant and he shall be entitled to three (3) votes per each Lot owned. The Class B membership shall cease and be converted to a Class A membership on the happening of either of the following events, whichever occurs first;

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) on the 31 day of July, 19999.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1: Creation of the Lien and Personal Obligation of Assessments. The Declarants, for each Lot owned within the Properties, hereby covenant, and each owner of any Lot by acceptance of a deed therefore, whether or not it shall be expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and

special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2: Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

Section 3: Maximum Annual Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an owner, the maximum annual assessment shall be \$120⁰⁰ per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an owner, the maximum annual assessment may be increased each year not more than five percent (5%) above the maximum annual assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an owner, the maximum annual assessment may be increased above five percent (5%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4: Special Assessments for Capital Improvements. In addition to the annual assessments 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; provided that any such assessment shall have the assent of two-third (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.

Section 5: Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days and not more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all of the votes of each class of membership shall

constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6: Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7: Date of Commencement of Annual Assessments; Due Date. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The due date shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8: Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments not paid within thirty (30) days after the due date shall bear interest from the date due at the rate of ten percent (10%) per annum. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9: Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, or shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials,

and location of the same shall have been submitted to and approved in writing as to the harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VI

NUISANCE ORDINANCE

The following items will not be allowed in the Spring Mountain development:

Section 1: Parking. The storage or parking of recreational vehicles will be allowed in fenced and screened areas of the rear or side yards of private lots only. Also, parking of recreational vehicles, work vehicles, nonfunctioning vehicles, livestock trailers, or any other unsightly or offensive containers in any shape or form shall be allowed in fenced and screened areas only.

Section 2: Animals. Animals will be limited to the single number of one (1) pet per unit. The type of pets allowed will be of

the normal household dog or cat. There will be no exotic animals of any type. The pets shall be required to be kept in the owner's private space. If any such pet becomes a nuisance, the owner will correct the problem or the Association will have the right to decide if the pet will be vacated. Pets will be limited solely to the private area of the owner's units.

Section 3: Activities. There shall be no offensive or obnoxious work performed in the development. This includes, but is not limited to, vehicle repairs, loud or offensive wood working, metal working, etc.

ARTICLE VII

GENERAL PROVISIONS

Section 1: Enforcement. The Association, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2: Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3: Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot owners. Any amendment must be recorded.

Section 4: Annexation. Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of each class of members.

Section 5: FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the financing institution that has financed this project: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, the undersigned, being the Declarant, Managing Member of SPRING MOUNTAIN, L.L.C., having hereunto set his hand this 31 day of July, 1997.



SPRING MOUNTAIN, L.L.C.
by JOHN HENRICHSEN its Managing Member

Subscribed and sworn to before me a notary public in and for the State of Utah by John Henrichsen, Managing Member of SPRING MOUNTAIN, L.L.C. Inc., known to me to be the person and officer of said L.L.C. His name is subscribed to the foregoing instrument and acknowledged to me that his signing was and is the act of said SPRING MOUNTAIN, L.L.C. and that he executed the same as the act of such L.L.C and is authorized by the consent of all of the present members pursuant to their unanimous affirmative vote under such other purposes and considerations herein expressed and in his capacity therein stated.

Dated this 31st day of July, 1997.

Alton W. Johnson
Notary Public