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Presented to the Board of Commissioners
AND APPROVED

OCT 25 1979

Mildred V. Higham
CITY RECORDER

DECLARATION OF CONDOMINIUM OF

THE CANYON SHADOWS CONDOMINIUM

Index to Provisions and Exhibits

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KATIE L. DIXON
RECORDER
SALT LAKE COUNTY,
UTAH

BOOK 5059 PAGE 615

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EXHIBITS:

- A. Record of Survey Map of the the Canyon Shadows Condominium
- B. Unit Number and Percent of Undivided Interest in Common Areas and Facilities
- C. Articles of Incorporation of the Canyon Shadows Condominium Owners Association
- D. Bylaws of the Canyon Shadows Condominium Owners Association

THIS DECLARATION OF CONDOMINIUM of the Canyon Shadows Condominium, hereinafter referred to as the "Declaration", is made and executed by MOHAMMED MASHHOON and BEHDJAT SADEGHI, his wife, hereinafter collectively referred to as "declarant", pursuant to the provisions of the Condominium Ownership Act, Utah Code Annotated, (1953), Section 57-8-1 through 57-8-36, as the same may be amended from time to time, hereinafter referred to as the "Act."

ARTICLE I

RECITALS

1.01 Declarant, and the persons joining in this declaration are the owners of the real property and improvements, hereinafter referred to as the "Property" or the "Project", located in Salt Lake City, Salt Lake County, Utah, hereinafter more particularly described.

1.02 Declarant, by recording this Declaration, submits the Property to the provisions of the Act.

1.03 The covenants, conditions, and restrictions contained in this declaration and in the Exhibits hereto shall be enforceable equitable servitudes and shall run with the land.

1.04 Declarant has filed simultaneously herewith a Record of Survey Map attached hereto as Exhibit "A", incorporated herein by reference, and hereinafter referred to as the "Map", depicting the location and dimensions of the submitted Property, and plans of every structure which contains all or part of any unit or units.

1.05 The Project shall be known as the Canyon Shadows Condominium. The address of the Project is 1627 South 1300 East, Salt Lake City, Utah 84105.

1.06 The Project is an expandable condominium. Declarant anticipates that the Project hereby created and herein described will be but the initial phase of a larger condominium project which may ultimately come into being. Accordingly, Declarant hereby reserves the right, in its sole discretion, to add each additional phase, if any, to the Project.

ARTICLE II

DEFINITIONS

The terms used herein shall have the same meaning as set forth in the Act and as follows, unless the context otherwise requires:

2.01 "additional land" - The real property described in Article XVIII which has not yet been submitted to the provisions of the Act,

but may hereafter be added as a whole or in part to the Project as provided in Article XVIII.

2.02 "articles of incorporation" - The Articles of Incorporation of the Canyon Shadows Condominium Owners Association, a Nonprofit Corporation, attached hereto as Exhibit "C", incorporated herein by reference, and hereinafter referred to as the "Articles."

2.03 "association" - All of the unit owners acting as a group to govern the affairs of the Project.

2.04 "building" - A structure containing one or more units that has been or shall hereafter be constructed on the land which is hereby made a part of or hereafter added to the Project.

2.05 "bylaws" - The Bylaws of the Canyon Shadows Condominium Owners Association, attached hereto as Exhibit "D", incorporated herein by reference, and hereinafter referred to as the "Bylaws."

2.06 "common areas and facilities" - The land within the condominium project which is hereby submitted to the provisions of the Act or which may hereafter be added to the Project as provided in Article XVIII; all common areas and facilities as hereinafter described and as designated as such in the Map and any amendments thereof; all limited common areas and facilities as hereinafter described and as designated as such in the Map and any amendments thereof; the foundations, bearing walls, bearing columns, girders, beams, supports, perimeter walls, roofs, halls, stairs, stairways, elevators, and entrances and exits designed for the use of more than one unit of the buildings; the sidewalks, walkways, patios, landscaped and planted areas, parking areas, access roads, driveways, fences and walls, exterior lighting, and storage areas; installations such as power, light, gas, hot and cold water, and all flues, ducts, conduits and wires used in connection therewith, existing for common use; all apparatus and installations existing for common use; recreational and other community facilities; all portions of the Project not specifically included within the individual units; and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use, and all areas and facilities designated as common areas and facilities in the Act; provided that if any chutes, flues, ducts, conduits, wires, bearing walls, bearing columns, or any other apparatus lies partially within and partially outside of the designated boundaries of a unit, any portions thereof serving only that unit shall be deemed a part of that unit, while any portions thereof serving more than one unit or any portion of the common areas and facilities shall be deemed a part of the common areas and facilities.

2.07 "common expenses" - All expenditures lawfully made or incurred by or on behalf of the unit owners association, together with all funds lawfully assessed for the creation and/or maintenance of reserves; including those reserves set aside for the repair, maintenance and replacement of those common areas and facilities that must be refurbished and/or replaced on a periodic basis.

2.08 "common profits" - All income collected or accrued by or on behalf of the Association, other than income derived from assessments.

2.09 "condominium unit" - A unit together with the undivided interest in the common areas and facilities appertaining to that unit.

2.10 "declarant" - All persons who execute the Declaration or any amendments thereto or on whose behalf the Declaration or any amendment thereto is executed and any successors of such persons who come to stand in the same relation to the condominium as their predecessors.

2.11 "declaration" - This Declaration of Condominium of the Canyon Shadows Condominium and any amendments thereto, which is the instrument by which the Property is submitted to the provisions of the Act and its lawful amendments.

2.12 "limited common areas and facilities" - Common areas and facilities described in the Map which are appurtenant to and which have been designated in the Declaration as reserved for the use of one or more of the units to the exclusion of the others.

2.13 "majority" or "majority of unit owners" - The majority of voting unit owners.

2.14 "management committee" - The governing board of the Canyon Shadows Condominium Owners Association, a Utah nonprofit corporation, which shall manage and maintain the Property and conduct the affairs of the Association for and in behalf of the Association as provided in the Act, the Utah Nonprofit Corporation and Cooperative Association Act, hereinafter referred to as the "Nonprofit Corporation Act", this Declaration, the Articles, and the Bylaws and all rules and regulations made pursuant thereto.

2.15 "mortgage" - Any mortgage or deed of trust or other conveyance of a condominium unit to secure the performance of an obligation which will be void and reconveyed upon the completion of such performance. The term "deed of trust" or "trust deed" when used herein shall be synonymous with the term "mortgage".

2.16 "mortgagee" - Any person or entity that is a holder of a mortgage or a beneficiary of a deed of trust. The term "first mortgagee" shall mean the person or entity holding a mortgage on the unit which is first in priority to other mortgagees.

2.17 "mortgagor" - shall mean a person or entity who mortgages his or its property to another (i.e., the maker of a mortgage) and shall include the trustor of a deed of trust. The term "trustor" shall be synonymous with the term "mortgagor".

2.18 "phase" - Each separate step in development of the Project which is initiated through the submission of all or any portion of the additional land to the provisions of the Act. The term shall also include all improvements which are constructed and all appurtenances, rights, obligations, and legal relationships which come into existence in conjunction with the submission of all or any portion of the additional land to the provisions of the Act. The submission which is effected by this Declaration, the rights and obligations which are created by this Declaration, and the improvements described in the Record of Survey Map which have been or will be constructed, together constitute a Phase, to-wit: Phase No. 1 of the Project.

2.19 "property" "project" - The land, the buildings, improvements and structures, all easements, servitudes, rights and appurtenances belonging thereto, and all chattels intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the Act, or which are hereafter submitted to the provisions of the Act as provided in Article XVIII.

2.20 "map" - Record of Survey Map of the Canyon Shadows Condominium, a Utah Condominium Project, consisting of _____ () pages, which is attached hereto as Exhibit "A" and incorporated herein by reference. "Supplemental record of Survey Map" a supplementary plat of the additional land or portion or portions thereof that are being submitted to the provisions of the Act as provided in Article SVIII hereof and in subsection 57-8-13(2) of the Act.

2.21 "unit" - A portion of the condominium designed and intended for individual ownership and use.

ARTICLE III

DESCRIPTION OF THE CONDOMINIUM

3.01 Description of the Land

The land on which the buildings and other improvements are to be located is in Salt Lake City, Salt Lake County, Utah, and is more particularly described as follows, to wit:

"Beginning at a point N 0°11'14" E 2.53 feet from the Northwest corner of Lot 1, Williams Subdivision, a part of Lot 2, Block 11, 5 acre Plat "C", Big Field Survey, and running thence N 89°56' 50" E 117.00 feet; thence S 0°11'14" W 117.53 feet; thence N 89°56' 50" E 46.11 feet; thence S 0°11'14" W 57.00 feet; thence S 89°56'50" W 163.34 feet; thence N 0°11'14" E 174.53 feet to the point of beginning."

3.02 Description of the Building and Other Improvements

There has been constructed on the real property which is hereby being submitted to the provisions of the Act a building and other improvements as described on the Map.

3.03 Description of the Units

The Project will include a total of eight (8) residential condominium units. Each of the units is described in the Map. Each unit depicted in the Map is identified by a specific numeral designation. The Map also describes the limited common areas and facilities that are reserved for the exclusive use of one or more of the units, and the common areas and facilities to which each unit has immediate access. All units shall be capable of being independently owned, encumbered, and conveyed. A condominium unit shall include that part of the building containing the unit which lies within the boundaries of the unit, which boundary shall be determined in the following manner:

- a. The upper boundary shall be the plane of the unfinished lower surface of the uppermost ceiling;
- b. The lower boundary shall be the plane of the unfinished upper surface of the lowermost floor; and
- c. The vertical boundaries of the unit shall be the unfinished interior surface of the perimeter walls of the building bounding a unit.

3.04 Description of the Common Areas and Facilities

Except as otherwise provided in the Declaration, the common areas and facilities shall consist of the areas and facilities described in the definitions and in the Map and constitute in general all parts of the Project except the units. Without limiting the generality of the foregoing, the common areas and facilities shall include the following, whether located within the bounds of a unit or not:

- a. The land within the Project.

b. All structural parts of the buildings, including, without limitation, foundations, perimeter and bearing walls, joists, beams, supports, ceilings and roofs;

c. Driveways, parking spaces, porches, doorsteps, patios, balconies, carports, landscaped and planted areas, sidewalks, fences, walls, common storage areas, recreational facilities, exterior lighting and roadways located within the Project;

d. Any utility pipe or line or system servicing more than a single unit, and all ducts, wires, conduits, and other accessories used therewith;

e. The limited common areas and facilities herein described;
and

f. All repairs and replacements of any of the foregoing; provided, however that if any chutes, flues, ducts, conduits, wires, bearing walls, bearing columns, or any other apparatus lies partially within and partially outside of the designated boundaries of a unit, any portions thereof serving only that unit shall be deemed a part of that unit, while any portions thereof serving more than one unit or any portion of the common areas and facilities shall be deemed a part of the common areas and facilities.

3.05 Description of the Limited Common Areas and Facilities

The limited common areas and facilities appurtenant to each of the units are depicted on the Map. The Map also designates the specific unit or units to which each of the limited common areas and facilities is reserved.

ARTICLE IV

UNIT NUMBER AND PERCENTAGES OF UNDIVIDED INTEREST IN COMMON AREAS AND FACILITIES

4.01 Changes in Percentage Interests.

The unit number and maximum percentage of undivided interest in the common areas and facilities appurtenant to each unit and its owner for all purposes, including voting, is set forth in Exhibit B. Such maximum percentage of undivided interest in the common areas and facilities shall be subject to diminution, to accommodate expansion under the provisions of Article XVIII. Except as provided in Article XVIII and in the Act, the percentage of undivided interest in the common areas and facilities appurtenant to any unit shall not be changed except with the unanimous consent of all of the unit owners in the Project expressed in an amendment to this Declaration duly executed by all such owners and recorded.

4.02 Method of Computing Percentage Interests.

Such percentages have been computed by dividing the square footage of each unit by the total square footage of all of the units in the Project.

ARTICLE V

PURPOSE OF PROJECT AND USE RESTRICTIONS THEREON

5.01 Purpose of Project.

The purpose of the Project is to provide residential housing and associated facilities for unit owners, their respective families, tenants, guests, and servants. Each unit in the Project shall be restricted exclusively to residential purposes and single family use.

5.02 Use Restrictions: The units and common areas and facilities of the Project shall be occupied and used pursuant to this Declaration, the Articles, and the Bylaws as follows:

- a. No commercial business shall be permitted within the Project.
- b. There shall be no obstruction of the common areas and facilities. Except in the case of designated storage areas, nothing shall be stored in the common areas and facilities without the prior written consent of the Management Committee.
- c. Nothing shall be done or kept in any unit or in the general or limited common areas and facilities which will increase the rate of insurance on the general or limited common areas and facilities without the prior written consent of the Management Committee. No owner shall permit anything to be done or kept in his unit or in the general or limited common areas and facilities which will result in the cancellation of insurance on any unit or any part of the general or limited common areas and facilities, or which would be in violation of any law. No waste will be committed of the general common areas and facilities or limited common areas and facilities.
- d. No sign of any kind shall be displayed to the public view or from any unit or from the general or limited common areas and facilities without the prior written consent of the Management Committee.
- e. No animals, livestock or poultry of any kind shall be raised, bred or kept in any unit or in the general or limited common areas and facilities; except that household pets may be kept or housed in units when expressly permitted in writing by the Management Committee. Each owner who desires to keep a pet in his unit shall apply in writing to the Management Committee for permission to keep such pet. In no event shall any pet be permitted in any portions of the common areas and

facilities unless carried or on a leash. Each owner who keeps a pet in a unit shall indemnify and hold all other owners harmless against any loss or liability of any kind or character whatsoever arising from or as a result of having such pet in the Project. If a pet disturbs other owners by barking or biting or in other ways becoming obnoxious, the Management Committee will give notice to the owner of such pet to cause such annoyance to be discontinued and if such annoyance is not discontinued and corrected, the Management Committee may revoke its permission to keep the pet in the Project and the pet shall be removed from the Project.

f. No noxious, dangerous or offensive activity shall be carried on in any unit or in the general or limited common areas and facilities, nor shall anything be done therein which may be or become an annoyance or nuisance to other owners.

g. Nothing shall be altered or constructed in or removed from the general or limited common areas and facilities, except upon the prior written consent of the Management Committee. All requests for permission to alter, construct in or remove any portion of the common areas and facilities shall be made in writing to the Management Committee and shall include plans and specifications detailing the nature and extent of such alteration, construction or removal.

h. No recreational vehicle (motor homes, campers, trailers, boats, or similar items) shall be parked on any portion of the general or limited common areas and facilities not specifically designated for the parking and storage of such vehicles except for temporary parking.

i. The Management Committee is authorized to adopt rules for the use of the general or limited common areas and facilities, and to prescribe penalties for any violation thereof, and shall furnish such rules in writing to the owners, who shall be bound thereby.

j. None of the rights and obligations of the owners created herein, or by the deeds conveying the condominiums, shall be altered in any way by encroachments due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor of an owner or owners if said encroachment occurred due to the willful conduct of said owner or owners.

ARTICLE VI

MANAGEMENT OFFICES, MODEL UNITS AND SALES OFFICE

6.01 Management Offices, Model Units and Sales Offices.

Declarant and Declarant's duly authorized agents, representatives and employees shall have the right to use any units owned by Declarant

as management offices, model units and sales offices and to use such management offices, model units and sales offices during the period that units in the Project remain unsold. No more than one management office, four model units and one sales office will be constructed and maintained by Declarant in units in the Project at any given time. Declarant reserves the right, in its sole discretion and without limitation, to determine the size and location of such management offices, model units and sales offices and the right to relocate the same from time to time within the Project. Declarant and its agents further reserve the right to construct and maintain management offices, model units and sales offices in subsequent phases of the project, and to determine at Declarant's sole option the size, number, and location of such management offices, model units and sales offices.

6.02 Advertising Signs.

Declarant further reserves the right to maintain advertising signs on the Project and on any additional land that may be added thereto and to place the same in any location, and to relocate, replace, and remove the same at the sole discretion of Declarant.

ARTICLE VII

SERVICE OF PROCESS

Michael W. Sansom, whose address is 715 East 3900 South, Suite 210, Salt Lake City Utah 84107, is the person to receive service of process in cases authorized by the Act. The Management Committee shall, however, have the right to appoint a successor or substitute process agent. Such successor or substitute agent and his address shall be specified by an appropriate instrument filed in the office of the County Recorder of Salt Lake County, State of Utah.

ARTICLE VIII

MANAGEMENT COMMITTEE

8.01 Governing Board.

The governing board of the Association shall be the Management Committee which shall, for and in behalf of the Association, manage and maintain the Project and conduct the affairs of the Association pursuant to the provisions of the Act, the Nonprofit Corporation Act, this Declaration, the Articles, the Bylaws, and all rules and regulations made pursuant thereto.

8.02 Declarant Control of Management Committee and Association.

Until the first to occur of the following: (a) a date six (6) years from the date this Declaration is recorded, or (b) after units to which

three-fourths (3/4) of the undivided interest in the common areas and facilities appertain have been conveyed, the Declarant shall have the right to appoint and remove some or all of the members of the Management Committee or some or all of the officers of the Association, or to exercise powers and responsibilities otherwise assigned by this Declaration, the Articles, the Bylaws, and the Act to the Association, its officers, or the Management Committee.

ARTICLE IX

MAINTENANCE, REPLACEMENT, AND REPAIR

9.01 Maintenance, Repair, and Replacement of Common Areas.

The maintenance, repair, and replacement of the common areas and facilities shall be the responsibility of the Association and the cost thereof shall be a common expense. The Association shall replace and repair storage areas, parking areas, and other limited common areas. The Association shall also maintain, replace, and repair all conduits, ducts, plumbing, wiring, and other facilities for the furnishing of heat, gas, light, power, air conditioning, water and sewer contained in a unit that service part or parts of the Project other than the unit in which they are contained. All incidental damages caused to a unit by the maintenance, replacement and repair of the common areas and facilities or utility services shall be repaired promptly at the expense of the Association.

9.02 Maintenance, Replacement, and Repair of Units.

Each owner shall at his own cost and expense maintain, repair, paint, repaint, tile, paper or otherwise refinish and decorate the interior surfaces of the walls, ceilings, floors, windows and doors forming the boundaries of his unit and all walls, ceilings, floors, windows and doors within such boundaries. In addition to decorating and keeping the interior of his unit in good repair and in a clean and sanitary condition, he shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heater, heating equipment, air conditioner, lighting fixtures, refrigerator, dishwasher, disposal equipment, range, or other appliances or fixtures that may service only his unit. Each unit shall be maintained so as not to detract from the appearance of the Project and so as not to affect adversely the value or use of any other unit. Each unit owner shall keep clean and in a sanitary condition his storage areas, parking spaces, balconies, patios, and other limited common areas, if any.

9.03 Access for Repair of Common Areas.

Some of the common areas and facilities are or may be located within the units or may be conveniently accessible only through the units. The owners of the other units shall have the irrevocable right, to be exercised by the Management Committee, as its agent, to have access to each unit

and to all common areas and facilities from time to time during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the common areas and facilities located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the common areas and facilities or to another unit or units. The Management Committee shall also have such rights independent of the agency relationship. Damage to the interior of any part of a unit or units resulting from the maintenance, repair, emergency repair, or replacement of any of the common areas and facilities or as a result of emergency repairs within another unit at the instance of the Management Committee or of unit owners; provided, that if such damage is the result of negligence of the owner of a unit, then such owner shall be financially responsible for all such damage. Such damage shall be repaired and the Project shall be restored substantially to the same condition as existed prior to damage. Amounts owing by owners pursuant hereto shall be collected by the Management Committee by special assessment.

9.04 Easement to Management.

The Management Committee shall have nonexclusive easements to make such use of the common areas and facilities as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration, the Articles, and the Bylaws.

9.05 Easement for Utility Services.

There is hereby created a blanket easement upon, across, over and under the Property above described in paragraph 3.01 for ingress to, egress from, and installation, replacement, repair and maintenance of all utilities, including but not limited to, water, sewer, gas, telephone, electricity, and other utility services.

ARTICLE X

DESTRUCTION OR DAMAGE

10.01 Less Than 3/4 of Property Destroyed.

In case of fire or any other disaster which causes damage or destruction to all or part of the Project, the Management Committee, with the help of an independent appraisal, shall determine the percentage of the Project that was destroyed or substantially damaged. If less than three-fourths (3/4) of the total Project was destroyed or substantially damaged, the Management Committee shall arrange for the prompt repair and restoration of the Project using the proceeds of insurance on the same for that purpose, and the unit owners shall be liable for any assessment levy against the owner to cover any deficiency, if any, in proportion to their respective percentages of undivided interest in the common areas and facilities. Reconstruction of the Project shall mean the restoring of the building or buildings to substan-

tially the same condition they were in prior to the damage or destruction, with each unit and the common areas and facilities having the same vertical and horizontal boundaries as before, unless the destruction or damage is by reason of eminent domain, in which event the provisions of Article XIII hereof shall apply.

10.02 Greater Than 3/4 of Property Destroyed.

If three-fourths (3/4) or more of the total Project is destroyed or substantially damaged, the Management Committee shall, within thirty (30) days after such destruction or damage, call a special meeting of the unit owners for the purpose of deciding whether or not the Project shall be repaired and restored. If at least three-fourths (3/4) of the unit owners, in person or by proxy, vote not to repair or restore the building or buildings, the Management Committee shall record, with the County Recorder, a notice setting forth such facts; and upon the recording of such notice: (i) the Project shall be deemed to be owned in common by the unit owners; (ii) the undivided interest in the property owned in common which shall appertain to each unit owner shall be the percentage of undivided interest previously owned by such owner in the common areas and facilities; (iii) any liens affecting any of the units shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the unit owner in the Project; and (iv) the Project shall be subject to an action for partition at the suit of any unit owner, in which event the net proceeds of sale, together with the net proceeds of the insurance of the Project, shall be considered as one fund and shall be divided among all unit owners proportionately according to the percentage of undivided interest owned by each owner in the Project, after first paying out of the respective shares of the unit owners, to the extent sufficient for such purposes, all sums necessary to satisfy liens on the undivided interest in the Project owned by each unit owner. However, in the event at least three-fourths (3/4) of the total Project is destroyed or substantially damaged, and less than three-fourths (3/4) of the unit owners vote against reconstruction of the Project, the Management Committee shall promptly arrange for the reconstruction of the same, using the proceeds of insurance on the buildings affected for that purpose, and the unit owners shall be liable for assessment for any deficiency, if any, in proportion to their respective percentage of undivided interest in the common areas and facilities. If the destruction or damage is by reason of eminent domain, the provisions of Section XIII hereof shall apply.

10.03 Definition of "Disaster," "Destruction," "Substantial Damage".

For purposes of this Article X, the terms "disaster," "destruction," or "substantial damage" shall mean and include a temporary or permanent taking, injury or destruction of all or part of the common areas and facilities or one or more units or portions thereof by the exercise of the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation.

ARTICLE XI

INSURANCE

11.01 Contents of Insurance Coverage.

The Association shall obtain and maintain at all times insurance coverage to carry out the purposes of Article X of the Declaration. Such coverage shall be of the type and kind as provided herein and include insurance for such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other properties similar to the Project in construction, design, and use. The Association shall obtain insurance with the following provisions or endorsements:

- a. Exclusive authority to adjust losses shall be vested in the Management Committee;
- b. The insurance coverage shall not be brought into contribution with insurance purchased by individual unit owners or their respective mortgagees;
- c. Each unit owner may obtain additional insurance covering his real property interest at his own expense;
- d. The insurer waives its right of subrogation as to any claims against the Association, the Management Committee, the manager, the unit owners, and their respective servants, agents, and guests;
- e. The insurance coverage cannot be cancelled, invalidated or suspended because of the conduct of any one or more individual unit owners or their respective lessees, employees, agents, contractors, or guests;
- f. The insurance coverage cannot be cancelled, invalidated or suspended because of the conduct of any officer, employee, agent or contractor of the Association, Management Committee, or manager, without prior demand in writing that the Association cure the defect and then only if the defect is not cured within fifteen (15) days;
- g. Each hazard insurance policy shall be written by a hazard insurance carrier which has a financial rating by Best's Insurance Reports of Class VI or better. Such hazard insurance carrier shall be specifically licensed or authorized by law to transact business within the State of Utah.
- h. Each policy of insurance obtained by the Association shall provide: a standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the Project is located. Such mortgagee clause shall provide that the insurance carrier

shall notify the first mortgagee at least ten (10) days in advance of the effective date of any reduction in or cancellation of any policy or policies.

i. The Association shall not obtain or maintain a policy or policies of insurance where:

i. Under the terms of the carrier's charter, bylaws or policy, contributions or assessments may be made against one or more of the unit owners, any first mortgagee or first mortgagees, or the Federal Home Loan Mortgage Corporation, hereinafter FHLMC, or FHLMC's designee; or

ii. By the terms of the carrier's charter, bylaws or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members; or

iii. The policy includes any limiting clauses (other than insurance conditions) which could prevent FHLMC or one or more of the unit owners from collecting insurance proceeds.

11.02 Multi-peril Fire and Casualty Insurance.

The Association shall maintain a multi-peril type policy covering the entire Project with the provisions and endorsements set forth in paragraph 11.01 above, providing as a minimum fire and extended coverage and all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location and use on a replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based upon replacement cost).

The Association shall maintain boiler explosion insurance evidenced by the standard form of boiler and machinery insurance policy and providing as a minimum, \$50,000 per accident per location.

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

Each such policy shall state that the name of the insured is the Canyon Shadows Condominium Owners Association for the use and benefit of the individual owners". Each such policy shall contain the standard mortgagee clause which shall be endorsed to provide that any proceeds shall be paid to

the Canyon Shadows Condominium Owners Association for the use and benefit of mortgagees as their interest may appear. The limits and coverage of said insurance shall be reviewed at least annually by the Management Committee and shall include an appraisal of the Project by a qualified representative of the insurance company writing the master policy on the Project. The Association shall, upon request, furnish a letter wherein the Association agrees to notify FHLMC (c/o the first mortgagee) whenever:

a. Damage to a condominium unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000, or

b. Damage to common areas and facilities exceeds \$10,000.

11.03 Comprehensive Public Liability Insurance.

The Association shall maintain a comprehensive policy of public liability insurance insuring the Association, the Management Committee, the manager, and the unit owners against any liability incident to the ownership, use, or operation of the common areas and facilities, commercial spaces, if any, and public ways in the Project or of any unit which may arise among themselves, to the public, or to any invitees, or tenants of the Project, or of the unit owners. Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000.00) per occurrence, for personal injury and/or property damage. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a unit owner because of negligent acts of the Association or other unit owners. The scope of coverage must include all other coverage in the types and amounts required by private institutional mortgage investors for projects similar in location, construction and use. The limits in coverage of said liability policy or policies shall be reviewed at least annually by the Management Committee, including an evaluation of the adequacy of the policy by a qualified representative of the insurance company writing the master policy on the Project, and shall be increased at the discretion of the Management Committee. Said policy or policies shall be issued on a comprehensive liability basis and, if possible, shall provide cross-liability endorsements for possible claims for any one or more or group of insureds against any one or more or group of insureds, without prejudice to the right of a named insured under the policies to maintain an action against another named insured.

11.04 Fidelity Coverage.

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

11.05 Owners Duty to Notify Management Committee of Improvements.

Each unit owner shall be required to notify the Management Committee of all improvements made by the unit owner to his unit, the value of which is in excess of One Thousand Dollars (\$1,000), and shall be liable for, any increased insurance premium for insurance maintained by the Association which is necessitated by the creation of such improvements. Each unit owner shall bear the risk of loss for all improvements made to his unit that were not the subject of notice to the Management Committee.

11.06 Copy of Individual Unit Policy to Management Committee.

Any unit owner who obtains individual insurance coverage covering any portion of the Project, other than personal property belonging to such unit owner, shall be required to file a copy of such individual policy or policies with the Management Committee within thirty (30) days after obtaining such insurance coverage.

11.07 Individual Policies Not to Decrease Coverage of Master Policy.

No unit owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount that the Management Committee, on behalf of all of the unit owners, may realize under any insurance policy that the Management Committee may have in force covering the Project or any part thereof at any time.

11.08 Notwithstanding any provision in this Declaration, the Articles, and the Bylaws to the contrary, no provision of this Article 13 shall be amended without the consent of all first mortgagees.

ARTICLE XII

TERMINATION

12.01 Where 3/4 of Property is Destroyed.

In the event three-fourths (3/4) of the Project is destroyed or substantially damaged, and if at least three-fourths (3/4) of the unit owners vote not to reconstruct the buildings, the Project shall be removed from the provisions of the Act without further agreement thirty-one (31) days after such destruction or damage.

12.02 By Vote of Mortgagees or Owners.

If at least 75 percent of the first mortgagees (based upon one vote for each first mortgage owned) or the unit owners in person or by proxy, vote to remove the Project from the provisions of the Act, the Project shall

be removed from the provisions of the Act by an instrument duly recorded to that effect, provided that the holders of all liens affecting any of the units consent or agree by instruments duly recorded, that their liens be transferred to the percentage of the undivided interest of the unit owners in the Project.

12.03 Tenants in Common After Termination.

After removal of the Project from the Act, the unit owners shall own the Project and all assets of the Association as tenants in common and the respective mortgagees and lienors shall have mortgages and liens upon the respective undivided interests of the unit owners. Such undivided interests of each unit owner shall be the same as the percentage of undivided interest in the common areas and facilities appurtenant to each owner's unit prior to its removal from the Act.

ARTICLE XIII

EMINENT DOMAIN

13.01 Management Committee and Owners Entitled to Notice of Action.

Whenever any proceeding is instituted that could result in the temporary or permanent taking, injury or destruction of all or part of the common areas and facilities of one or more units or portions thereof by the exercise of the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation, the Management Committee and each unit owner shall be entitled to notice thereof and the Management Committee shall and the unit owners at their respective expense may participate in the proceedings incident thereto.

13.02 Taking of Common Areas and Facilities.

With respect to common areas and facilities, any damages or awards shall be determined for such taking, injury or destruction as a whole and not for each unit owner's interest therein. After such determination, and subject to the provisions of paragraph 14.09, each unit owner shall be entitled to a share in the damages in the same proportion as his percentage of undivided interest in the common areas and facilities. This provision does not prohibit a majority of unit owners from authorizing the Management Committee to use such damages or awards for replacing or restoring the common areas and facilities so taken on the remaining land, or on other acquired land, provided that this Declaration and Record of Survey Map are duly amended.

13.03 Taking of Units.

With respect to one or more units or portions thereof, the damages or awards for such taking shall be deemed to be proceeds from insurance on account of damage or destruction, pursuant to Section X hereof and shall be deposited with the Management Committee as trustee. Even though the damage

or awards may be payable to one or more unit owners, the unit owners shall deposit the damages or awards with the Management Committee as trustee, and in the event of failure to do so, at the option of the Management Committee, either a special assessment shall be made against a defaulting unit owner in his unit in the amount of this award or the amount of such award shall be set off against the sums hereafter made payable to such unit owner. The proceeds of the damages or awards shall be distributed or used in a manner and the unit owners of affected units shall have the rights provided in Article X for insurance proceeds provided the property is removed from the provisions of the Act. If the property is not removed from the provisions of the Act, and one or more units are taken, in whole or in part, the taking shall have the following effects:

a. Partial Taking - Unit Made Tenatable.

If the taking reduces the size of a unit and the remaining portion of the unit may be made tenatable, the unit shall be made tenatable. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed as a special assessment against the owner of the unit. The balance of the award, if any, shall be distributed to the unit to the extent of the unpaid balance of its mortgage and the excess, if any, shall be distributed to the unit owner. If there is a balance of the award distributed to the unit owner or a mortgagee, the unit owner's percentage of undivided interest in the common areas and facilities shall be equitably reduced. This shall be done by reducing such interest in the proportion by which the floor area of the unit is reduced by the taking, and then recomputing the percentages of undivided interests of all unit owners in the common areas and facilities.

b. Unit Untenatable.

If the taking destroys or so reduces the size of a unit that it cannot be made tenatable, the award shall be paid to the mortgagee of the unit to the extent of the unpaid balance of its mortgage and the excess, if any, shall be paid to the unit owner. The remaining portion of the unit shall become a part of the common areas and facilities and shall be placed in condition for use by all unit owners in the manner approved by the Management Committee. If the cost of such work shall exceed the balance of the fund from the award for the taking, such work shall be done only if approved by a majority of the unit owners. The percentages of undivided interests in the common areas and facilities appurtenant to the units that continue as part of the Project shall be equitably adjusted to distribute the ownership of the common areas and facilities among the reduced number of unit owners.

c. Amendment to Declaration and Record of Survey Map.

Changes in units, in the common areas and facilities, and in the undivided interests in the common areas and facilities that are

affected by the taking referred to in this Article XIII shall be evidenced by an amendment to this Declaration and the amendment of the Record of Survey Map.

ARTICLE XIV

MORTGAGEE PROTECTION

Notwithstanding anything to the contrary contained in the Declaration, the Articles, or the Bylaws:

14.01 Reserve Fund.

Common expense assessments shall include an adequate reserve fund for maintenance, repairs and replacement of those common areas and facilities that must be replaced on a periodic basis, and shall be payable in regular installments rather than by special assessments.

14.02 Prior Liens On Units Only.

All taxes, assessments and charges which may become liens prior to the first mortgage under any state or local law and/or ordinance shall relate only to the individual condominium units and not to the Project as a whole.

14.03 Priority of First Mortgagee.

No provision of this Declaration, the Articles or the Bylaws shall give a unit owner, or any other party, priority over any rights of the first mortgagee of the condominium unit pursuant to its mortgage in the case of a distribution to such unit owner of insurance proceeds or condemnation awards for losses to or a taking of condominium units and/or common areas and facilities.

14.04 Right of First Refusal.

Any "right of first refusal" that may hereafter be added to this Declaration, the Articles, or the Bylaws shall not impair the rights of a first mortgagee to:

- a. Foreclose or take title to a condominium unit pursuant to the remedies provided in the mortgage, or
- b. Accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor, or
- c. Sell or lease a unit acquired by the mortgagee.

14.05 Professional Management Contract.

Any agreement for professional management of the Project, or any other contract providing for services of the Declarant, may not exceed three (3) years. Any such agreement must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice.

14.06 Lease Restrictions.

With the exception of a lender in possession of a unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no unit owner shall be permitted to lease his unit for transient or hotel purposes. No unit owner may lease less than the entire unit. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, the Articles and the Bylaws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing.

14.07 Liability for Unpaid Common Expenses.

Any first mortgagee who obtains title to a condominium unit pursuant to the remedies provided in the mortgage or foreclosure or deed in lieu of foreclosure of the mortgage will not be liable for such unit's unpaid dues or charges which accrue prior to the acquisition of title to such unit by the mortgagee.

14.08 Notification of Default.

A first mortgagee, upon request, will be entitled to written notification from the Association of any default in the performance by the mortgagor-unit owner of any obligation under this Declaration, the Articles, or the Bylaws which is not cured within sixty (60) days.

14.09 Prior Written Approval Required.

Unless at least two-thirds (2/3) of the first mortgagees (based upon one vote for each first mortgage owned), or owners (other than Declarant) of the individual condominium units have given their prior written approval, the Association shall not be entitled to:

a. By act or omission, seek to abandon or terminate the condominium project;

b. Change the prorata interest or obligations of any individual condominium unit for the purpose of: (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the prorata share of ownership of each condominium unit in the common areas and facilities.

c. Partition or subdivide any condominium unit;

d. By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the common elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the common areas and facilities by the condominium project shall not be deemed a transfer within the meaning of this clause);

e. Use hazard insurance proceeds for losses to the Project (whether to units or to common areas and facilities) for other than the repair, replacement or reconstruction of such condominium property, except as provided by the Act in case of substantial loss to the units and/or common areas and facilities of the Project.

14.10 Common Areas and Facilities Completed.

Common areas and facilities, and all amenities (such as parking, recreation and service areas) shall be part of the Project and shall be fully installed, completed, and in operation for use by the condominium unit owners prior to the sale and conveyance of the last unit in the Project.

14.11 Membership in Association.

A mortgagee, trustee, or beneficiary under a deed of trust who has acquired title to a unit in the Project pursuant to any remedy under the mortgage or deed of trust, or any proceeding or procedure in lieu thereof, shall thereby become a member of the Association.

14.12 Insurance Proceeds And Condemnation Awards.

No condominium unit owner, or any other party shall have priority over any rights of a first mortgagee of a condominium unit pursuant to its mortgage or otherwise in the case of a distribution to such unit owner of insurance proceeds or condemnation awards for losses to or a taking of condominium units and/or common areas and facilities. All first mortgagees shall be entitled to receive such insurance proceeds and awards for losses to or a taking of condominium units and/or common areas and facilities on a first priority basis, as provided in the mortgage instruments.

14.13 Examination of Books.

The holders of first mortgages (or trust deeds) shall have the right to examine the books and records of the Project.

14.14 Change of Ownership Information.

Whenever there is a change in ownership of a unit, the Management Committee shall require that the new unit owner furnish the Management Committee with the name of the holder of any first mortgage (or trust deed) affecting such unit. The Management Committee or Manager shall maintain a current

roster of unit owners and of the holders of first mortgages (or trust deeds) affecting units in the Project.

14.15 Amendment.

No provision of this Article XIV shall be amended without the consent of all first mortgagees.

ARTICLE XV

CONVEYANCES, EASEMENTS

15.01 Unit Identifying Number.

Every deed, lease, mortgage or other instrument may describe a unit by its identifying number set forth in Exhibit B and in the Map, Exhibit A. Every such description shall be deemed good and sufficient for all purposes and shall be deemed to convey, transfer, encumber or otherwise affect the unit owner's corresponding percentage of undivided ownership in the common areas and facilities, as a tenant in common, as set forth in Exhibit B, even though the same is not exactly mentioned or described.

15.02 Easements Excepted and Reserved.

Every deed, lease, mortgage or other similar instrument shall be deemed to:

a. Except and reserve with respect to a unit: (i) any portion of the common areas and facilities lying within said unit; (ii) easements through said unit, appurtenant to the common areas and facilities and all other units, for support and repair of the common areas and facilities and all other units; and (iii) easements, appurtenant to the common areas and facilities, for encroachment upon the air space of said unit by those portions of the common areas and facilities located within said unit.

b. Include with respect to a unit nonexclusive easements for ingress and support of said unit through the common areas and facilities, for the repair of said unit through all other units and through the common areas and facilities.

c. Except and reserve, with respect to the undivided percentage interest in the common areas and facilities, nonexclusive easements appurtenant to all units for ingress, egress, support and repair.

d. Include, with respect to the undivided percentage interest in the common areas and facilities, nonexclusive easements through each unit for support and repair of the common areas and facilities and nonexclusive easements for encroachments upon the air space of all of the units by and for the portions of the common areas and facilities lying within the units.

e. If any part of the general or limited common areas or facilities encroaches or shall hereafter encroach upon a unit or units, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a unit encroaches or shall hereafter encroach upon the general or limited common areas, or upon an adjoining unit or units, an easement for such encroachment and for the maintenance of the same shall and does exist. Such encroachments shall not be considered to be encumbrances either to the common areas or the units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the building in the Project, by error in the Map, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

ARTICLE XVI

ASSESSMENTS

16.01 Agreement to Pay Assessments.

Each owner of a unit by the acceptance of a deed or contract therefor, whether or not it be so expressed in the deed or contract, shall be deemed to covenant and agree with each other and with the Management Committee to pay his proportionate share of the common expenses and special assessments for capital improvements and other matters in such amounts and at such times as determined by the Management Committee in accordance with the terms of the Bylaws.

16.02 Lien for Unpaid Assessments.

All sums assessed to any unit together with interest thereon, shall be secured by a lien on such unit in favor of the Management Committee. Such lien shall be superior to all other liens and encumbrances, except as provided for in the Bylaws, and foreclosure and collection shall be as therein provided for.

ARTICLE XVII

AMENDMENT

17.01 Amendment by Vote of Owners.

Except as provided in Article IV, Article XIII, Article XVIII and except as prohibited by the Act, the provisions of this Declaration may be amended only by an instrument in writing signed and acknowledged by owners who own undivided percentage interests of not less than seventy-five percent (75%) of the common areas and facilities in the Project, which amendment shall be effective upon recording.

ARTICLE XVIII
EXPANDABLE CONDOMINIUM

18.01 Reservation of Right to Expand.

The Declarant hereof expressly reserves the option and right to expand the Canyon Shadows Condominium pursuant to Section 57-8-13.6 of the Act and subject to the provisions of this Article:

a. Consent of Owners or Mortgagees Not Required. The consent of the unit owners in the Project or mortgagees shall not be required for such expansion and the Declarant may proceed with such expansion at its sole option;

b. Expiration of Right to Expand. This option to expand the Project shall expire seven (7) years after the recording of this Declaration; however, the Declarant may, at any time prior to the expiration of such period, terminate its option to expand by recording among the land records wherein this Declaration is recorded an executed and notarized document terminating this option.

18.02 Description of Additional Land.

The additional land which may, at the option of Declarant, be made part of the Project is located in Salt Lake City, Salt Lake County, State of Utah, and is more particularly described as follows, to-wit:

"Beginning at a point on the West line of a 33 foot street (known as 1200 East Street) and on the South line of Block 16-A, 5 acre Plat "A", Big Field Survey, said point being 1 foot East of the Southeast corner of Lot 2, of said Block 16-A, and running thence N 89°57'40" W 268.37 feet to the West line of Jordan and Salt Lake City Canal Right of Way; thence N 21°44'30" E 309.00 feet; thence S 89°57'40" E 154.35 feet; thence S 0°05'14" W 287.10 feet to the point of beginning."

Subject to and together with the following described Right of Way; "Beginning at a point on the South line of Block 16-A, five acre Plat "A", Big Field Survey, at a point N 89°57'40" W 199.84 feet from a point 1 foot East of the Southeast corner of Lot 2 of said Block 16-A; and running thence N 89°57'40" W 68.53 feet; thence N 21°44'30" E 309.00 feet; thence S 89°57'40" E 68.53 feet; thence S 21°41'30" W 309.00 feet to the point of beginning."

18.03 Declarant's Right to Add All or Portions of Additional Land.

The Declarant need not add all or any portion of the additional land to the Project; however, the Declarant may, at its sole discretion and without limitation, add all or any portion or portions of the additional land to the Project and may do so at different times.

18.04 Location of Improvements. Declarant makes no assurances as to the locations of any improvements that may be made on any portions of the additional land added to the Project.

18.05 Maximum Number of Units. The improvements to be placed on the additional land shall contain no more than 14 residential condominium units; and no more than _____ units per acre may be created on any portions of the additional land hereafter added to the Project.

18.06 Compatibility with Structures in Phase I. Declarant does not intend to erect any structures or improvements in addition to those that are already in existence within the additional land. However, in the event Declarant does hereafter erect additional structures within any of the additional land, such structures shall be compatible with structures in Phase I in terms of quality of construction, the principle materials used in construction, and architectural style.

18.07 Other Improvements. Other improvements to be placed on the additional land shall be limited to parking, recreational and service facilities.

18.08 Units Not Identical to Units In Phase I. There are seven duplex buildings that have been previously erected within the additional land. Declarant does not intend to erect any additional structures within the additional land within which additional units may be created. It is Declarant's intention to create up to 14 additional units within the seven duplex buildings within the additional land. If any additional units are created within the seven duplex buildings within the additional land, they will not be identical to the units in Phase I.

18.09 Limited Common Areas. The Declarant reserves the right, in its sole discretion and without limitation, to create limited common areas and common facilities within the additional land which may subsequently be assigned as limited common areas for the purpose of making parking spaces, carports, patios, decks, entries, and such other traditional types of limited common areas as the Declarant may see fit to create.

18.10 Reservation for Residential Use. Any portion of the additional land which is hereafter added to the Project and any units created thereon shall be restricted exclusively to residential purposes and single family use. None of the aggregate land and floor area of any of the units that may be created on any portion of the additional land which is hereafter added to the Project shall be used for any purpose other than for residential purposes.

ARTICLE XVIII

GENERAL PROVISIONS

19.01 Enforcement. Each unit owner shall strictly comply with the provisions of the Declaration, the Articles, the Bylaws, and any rules, regulations and decisions issued pursuant thereto. Failure to so comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee or its designee on behalf of the Association, or in an appropriate case, by an aggrieved unit owner.

19.02 Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or

unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

19.03 Captions. The captions to this Declaration are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of this Declaration or the intent of any provision hereof.

19.04 Law Controlling. This Declaration, the Record of Survey Map, the Articles, and Bylaws shall be construed and controlled by and under the laws of the State of Utah.

19.05 Effective Date. This Declaration shall take effect when recorded.

IN WITNESS WHEREOF, the undersigned have executed this instrument this 28th day of August, 1979.

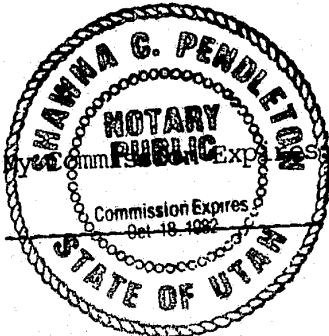
DECLARANT:

Mohammad Mashhoon
Mohammed Mashhoon

Behdjat Sadeghi
Behdjat Sadeghi, his wife

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the 28th day of August 1979, personally appeared before me Mohammed Mashhoon and Behdjat Sadeghi, his wife, who, being first duly sworn did say that they are the signers of the foregoing instrument and that they executed the same.



Shawna C. Pendleton
Notary Public
Residing at: Salt Lake County

CONSENT OF VENDORS

On this 11th day of September, 1979, the undersigned Dee W. Call and Helen L. Call, his wife, being vendors under a certain real estate contract affecting the real property hereinbefore submitted by Declarant to the provisions of the Utah Condominium Ownership Act, do hereby consent to such submission by the Declarant.

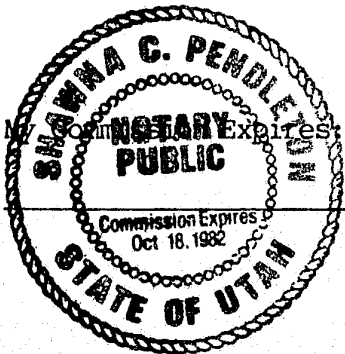
Dee W. Call
Dee W. Call

Helen L. Call
Helen L. Call, his wife

STATE OF UTAH)
:
COUNTY OF SALT LAKE)

On the 11th day of September 1979, personally appeared before me Dee W. Call and Helen L. Call, his wife, who did acknowledge to me that they executed the foregoing instrument.

Shawna C. Pendleton
Notary Public
Residing at: Salt Lake County



CONSENT OF PURCHASER

On the 4th day of MARCH, 1980, the undersigned Michael W. Sansom, being purchaser under a certain real estate contract affecting the real property herein before submitted by Declarant to the provisions of the Utah Condominium Ownership Act, do hereby consent to such submission by the Declarant.

Michael W. Sansom
Michael W. Sansom

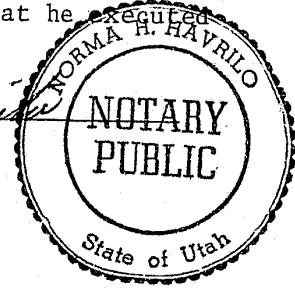
STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the 4th day of MARCH, 1980, personally appeared before me, Michael W. Sansom, who did acknowledged to me that he ^{required} the foregoing instrument.

My Commission Expires: May 22, 1981

Residing in Salt Lake City, Utah

Norma P. Havrilo
Notary Public



UDR-5059 PAGE 644

EXHIBIT "A"

RECORD OF SURVEY MAP
CANYON SHADOWS CONDOMINIUM
A UTAH CONDOMINIUM PROJECT

BOOK 5059
PAGE 645

EXHIBIT "B"

SCHEDULE OF PERCENT OF UNDIVIDED
INTEREST IN COMMON AREAS AND FACILITIES

<u>UNIT #</u>	<u>SQUARE FOOTAGE</u>	<u>% INTEREST</u>
A-1	915	12.5
A-2	915	12.5
B-1	915	12.5
B-2	915	12.5
C-1	915	12.5
C-2	915	12.5
D-1	915	12.5
D-2	915	<u>12.5</u>
		100.0%

BOOK 5059
PAGE 646

EXHIBIT "C"

ARTICLES OF INCORPORATION

CANYON SHADOWS CONDOMINIUM

OWNERS ASSOCIATION

The undersigned natural person over the age of twenty-one (21) years, acting as incorporator of a corporation under the Utah Nonprofit Corporation and Cooperative Association Act, adopts the following Articles of Incorporation, hereinafter referred to as the "Articles", for such corporation and certifies:

ARTICLE FIRST

Name: The name of this corporation is Canyon Shadows Condominium Owners Association, hereinafter called the "Association".

ARTICLE SECOND

Duration: This corporation shall exist perpetually unless sooner dissolved by law.

ARTICLE THIRD

Purposes: The Association is organized and shall be operated as a nonprofit corporation for the purpose of maintaining and administering the common areas and facilities of the Canyon Shadows Condominium, collecting and disbursing the assessments and charges provided for in the Declaration of Condominium of the Canyon Shadows Condominium, hereinafter referred to as the "Declaration", and Bylaws of the Canyon Shadows Condominium Owners Association, hereinafter referred to as the "Bylaws", otherwise administering, enforcing, and carrying out the terms of the Declaration, these Articles, and the Bylaws, and generally providing for and promoting the health, safety, and welfare of residents of the Project.

ARTICLE FOURTH

Powers: The Association shall have all powers granted to the Association by the Utah Nonprofit Corporation and Cooperative Association Act, Utah Code Annotated (1953), Section 16-6-18 through 16-6-111, and the Utah Condominium Ownership Act, Utah Code Annotated (1953), Section 57-8-1 through 57-8-36, as amended, hereinafter referred to as the "Nonprofit Corporation Act", including but not limited to the following:

a. To enforce the Declaration, these Articles, and the Bylaws, to make, amend and enforce any rules and regulations made pursuant thereto, and to pay all expenses incidental thereto.

b. To engage the services of a manager or management company, accountants, attorneys or other professionals, employees or agents and to pay to said persons a reasonable compensation therefor.

c. To operate, maintain, repair, alter, improve and replace the common areas and facilities.

d. To determine, levy, collect, and enforce payment by lawful means of common expense assessments levied against the unit owners to defray the costs incurred in maintaining, repairing and replacing the common areas and facilities and in conducting the affairs of the Association and the Project.

e. To enter into contracts, deeds, leases or other written instruments or documents for and in behalf of the Association and to authorize the execution and delivery thereof by the appropriate officers.

f. To open bank accounts on behalf of the Association and to designate the signatures therefor.

g. To purchase, hold, sell, convey, mortgage or lease any interest in real property for and in behalf of the Association subject to the restrictions, limitations and provisions of the Declaration, so long as the Management Committee has obtained the prior written approval of at least seventy-five percent (75%) of the first mortgagees (based on one vote for each mortgage owned), or owners (other than Declarant) of the individual units prior to partitioning or subdividing any unit, or seeking to abandon, partition, subdivide, encumber, sell or transfer the common areas and facilities.

h. To bring, prosecute and settle litigation for itself, the Association and the Project, provided that it shall make no settlement which results in a liability against the Management Committee, the Association, or the Project in excess of \$5,000.00 without the prior written approval of a majority of unit owners.

i. To obtain insurance for the Association with respect to the units and the common areas and facilities, as well as Workmen's Compensation Insurance and fidelity bond coverage.

j. To repair or restore the project following damage or destruction, or a permanent taking by the power of, or power in the nature of, eminent domain or by an action or deed in lieu of condemnation, not resulting in the removal of the Project from the provisions of the Act.

k. To purchase or lease, and sell or otherwise acquire or dispose of, on behalf of the Association, items of personal property necessary to or convenient in the management of the business and affairs of the Association and the Management Committee and in the operation of the Project, including without limitation furniture, furnishings, fixtures, maintenance equipment, appliances, and office supplies.

l. To keep adequate books and records.

m. To borrow funds and enter into promissory notes, provided that any such action has been approved in writing by a majority of unit owners.

n. To sell portions of the common areas and facilities, provided that any such action has been approved in writing by at least seventy-five percent (75%) of the first mortgagees (based on one vote for each mortgage owned) or owners (other than Declarant) of the individual units.

o. To have a corporate seal.

p. To approve and sign checks and issue payment vouchers.

q. To pay off liens against any portion of the Project.

r. To maintain and repair any unit if the same is necessary to protect or preserve the Project.

s. To resolve grievances and disputes arising between the Association and a unit owner or owners, or between two or more unit owners regarding the Project, the Association and the operation thereof, and/or the common areas and facilities and the use thereof.

t. To do each and every thing necessary, suitable or proper for the accomplishment of any of the purposes or the attainment of any one or more of the subjects herein enumerated, or which may at any time appear conducive to or expedient for protection or benefit of this corporation, and to do said acts as fully and to the same extent as natural persons might, or could do in any part of the world as principals, agents, partners, trustees or otherwise, either alone or in conjunction with any other person, association or corporation; provided however that the Association shall operate no other business for profit.

ARTICLE FIFTH

Members: The members of the Association shall consist of all persons owning a unit in the Project, in fee simple as shown in the records of the County Recorder of Salt Lake County, Utah. Members of the Association shall also include any mortgagee, trustee, or beneficiary under a deed of

trust who has acquired title to a unit pursuant to any remedy under the mortgage or deed of trust, or any proceeding or procedure in lieu thereof.

The interest of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to his condominium unit.

The members of the Association shall be entitled to at least one vote for each condominium unit owned by them. The exact number of votes to be cast by owners of a condominium unit and the manner of exercising voting rights shall be determined by the Declaration and the Bylaws.

ARTICLE SIXTH

Amendment: These Articles of Incorporation may be amended by the affirmative vote of two-thirds (2/3) of the votes entitled to vote on each such amendment so long as these Articles as amended contain only such provisions as are lawful under the Utah Nonprofit Corporation and Cooperative Association Act. These Articles shall not be amended in any manner which would adversely affect the interests of first mortgagees without first obtaining the consent of all first mortgagees to such amendment.

ARTICLE SEVENTH

Initial Registered Office and Agent: The address of this corporation's initial registered office is Switter, Axland & Armstrong, Suite 2150, 36 South State Street, Salt Lake City, Utah 84111. The name of the initial registered agent at such address is Steven L. Ingleby.

ARTICLE EIGHTH

Governing Board: The affairs of the Association shall be managed by a governing board, referred to in the Declaration and herein as the Management Committee, consisting of the number of members as shall be determined by the Declaration and Bylaws, but not less than three members.

Management committee members shall be elected, removed and vacancies shall be filled in the manner provided by the Declaration and Bylaws. The names and addresses of persons who are to serve as committee members until the first annual meeting of unit owners or until their successors are elected and qualify, are:

Michael W. Sansom

715 East 3900 South
Suite 210
Salt Lake City, Utah 84107

Ali Sadeghi

1398 East Old Mission Road
Sandy, Utah 84070

Douglas P. Richards

715 East 3900 South
Suite 210
Salt Lake City, Utah 84107

ARTICLE NINTH

Indemnification: Every committee member and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a committee member or officer of the Association, or any settlement thereof, whether or not he is a committee member or officer at the time such expenses are incurred, except in such cases wherein the committee member or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification herein shall apply only when the Management Committee approves such settlement and reimbursement as being for the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such committee member or officer may be entitled.

ARTICLE TENTH

Incorporator: The name and address of the incorporator is:

Michael W. Sansom

715 East 3900 South
Suite 210
Salt Lake City, Utah 84107

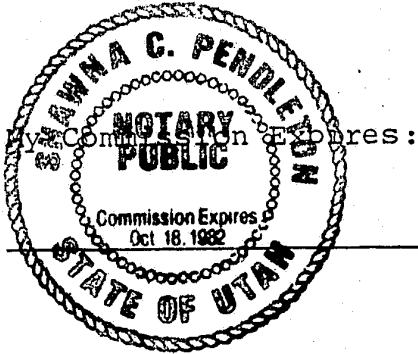
IN WITNESS WHEREOF, I hereunto sign and verify in duplicate these Articles of Incorporation this 28th day of August, 1979.


MICHAEL W. SANSON

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On this 28th day of August, 1979, personally appeared before me Micahel W. Sansom who, being by me first duly sworn, declared that he is the person who signed the foregoing document as incorporator, that he is of

the age of twenty-one (21) years or more, and that the statements therein contained are true.



Shawna C. Pendleton
NOTARY PUBLIC
Residing at: Salt Lake County

EXHIBIT "D"
BYLAWS OF THE
CANYON SHADOWS CONDOMINIUM OWNERS ASSOCIATION

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EXHIBIT D

BYLAWS OF THE

CANYON SHADOWS CONDOMINIUM OWNERS ASSOCIATION

A Utah Nonprofit Corporation

The administration of the Project and the Association shall be governed by the Declaration of Condominium of the Canyon Shadows Condominium, referred to in the Declaration and herein as the "Declaration", the Articles of Incorporation of the Canyon Shadows Condominium Owners Association, referred to in the Declaration and herein as the "Articles", and these Bylaws of the Canyon Shadows Condominium Owners Association, referred to in the Declaration and herein as the "Bylaws", the Utah Condominium Ownership Act, Utah Code Annotated, (1953) Sections 57-8-1 through 57-8-36, as amended, referred to in the Declaration and herein as the "Act", and the Utah Nonprofit Corporation and Cooperative Association Act, Utah Code Annotated (1953), Sections 16-6-18 through 16-6-111 referred to in the Declaration and herein as the "Nonprofit Corporation Act".

ARTICLE I

ASSOCIATION OF UNIT OWNERS

The Association is a Utah nonprofit corporation. The name in which contracts shall be entered into, title to property shall be acquired, held, dealt in, and disposed of, bank accounts shall be opened, and suits shall be brought and defended by the Management Committee or officers thereof on behalf of and as agents for the unit owners in the manner specified by the Act, the Nonprofit Corporation Act, the Declaration, the Articles, or these Bylaws, is: "Canyon Shadows Condominium Owners Association".

ARTICLE II

MEETINGS OF THE ASSOCIATION

2.01 Annual Meeting.

The first regular meeting of the Association shall be held at 7:00 p.m. on the second Thursday of February, 1981. Thereafter, there shall be an annual meeting of the Association on the second Thursday of February at 7:00 p.m. at the project or at such other reasonable place or time (not more

than sixty (60) days before or after such date) as may be designated by written notice by the Management Committee delivered to the unit owners not less than fifteen (15) days prior to the date fixed for said meeting. If an annual meeting is not held within three (3) months after the time provided in these Bylaws, an annual meeting may be called by any ten unit owners having voting rights or by members having the right to cast ten percent (10%) of the votes entitled to be cast at such meetings, whichever is greater. At or prior to an annual meeting, the Management Committee shall furnish to the unit owners for their review and obtain the ratification by the vote of unit owners representing more than fifty percent (50%) of the undivided percentage interest in the common areas and facilities present in person or represented by proxy of: (i) a budget for the coming fiscal year that shall itemize the estimated common expenses of the coming fiscal year with the estimated allocation thereof to each unit owner; and (ii) a statement of the common expenses itemizing receipts and disbursements for the previous and current fiscal year, together with the allocation thereof to each unit owner. Within ten (10) days after the annual meeting, the budget statement shall be delivered to the unit owners who were not present at the annual meeting.

2.02 Special Meetings.

Special meetings of the association may be held at any time at the Project or at such other reasonable place to consider matters which, by the terms of the Declaration or the Bylaws, require the approval of all or some of the unit owners, or for any other reasonable purpose. Special meetings shall be called by written notice, signed by a majority of the Management Committee, or by unit owners representing at least one-third (1/3) in interest of the undivided percentage of ownership interest in the common areas and facilities and delivered to all unit owners not less than fifteen (15) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting, and the matters to be considered.

2.03 Rules of Order.

Robert's Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Declaration, the Articles, or these Bylaws.

ARTICLE III

MEMBERSHIP AND VOTING

3.10 Membership in the Association.

The members of the Association shall be the fee owners of the units, including a mortgagee, trustee or beneficiary under a deed of trust who acquires title to a unit pursuant to any remedy under the mortgage or deed of trust, or any proceeding or procedure in lieu thereof. The Management Committee shall maintain a list of owners which shall be updated on a regular basis.

Disputes over the membership list shall be resolved by reference to the Official Records of the Salt Lake County Recorder's Office.

3.02 Percentage Interest Determines Number of Votes.

At any meeting of the Association of Unit Owners, each unit owner, including Declarant, either in person or by proxy, shall be entitled to the same number of votes as the percentage of undivided interest of the common areas and facilities assigned to his unit in Exhibit B to the Declaration.

3.03 Voting Where More Than One Unit Owner.

If there is more than one unit owner with respect to a particular unit, any or all of such unit owners may attend any meeting of the Association, but it shall be necessary for all such unit owners present to act unanimously in order to cast the votes pertaining to their unit.

3.04 Voting in Person or Proxy.

All votes may be cast either in person or by proxy. All proxies shall be in writing. Proxies for the annual meeting shall be delivered to the secretary at least five (5) days prior thereto. Proxies for special meetings of the Association must be of record with the secretary at least two (2) days prior to such meeting.

3.05 Quorum.

The presence in person or by proxy at any meeting of the Association of unit owners holding at least fifty percent (50%) of the undivided ownership of the common areas and facilities in response to notice to all unit owners of record properly given shall constitute a quorum. In the event that unit owners holding at least fifty percent (50%) of the undivided ownership of the common areas and facilities are not present in person or by proxy, the meeting shall be adjourned for twenty-four (24) hours, at which time it shall reconvene and the presence in person or by proxy of owners holding at least twenty-five (25%) of the undivided ownership of the common areas and facilities at such subsequent meeting shall constitute a quorum.

3.06 Percentage Vote Required.

When a quorum, as provided herein, is present at any meeting, the vote of unit owners representing more than fifty percent (50%) of the undivided percentage interest in the 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 provisions of the Act, the Nonprofit Corporation Act, the Declaration, the Articles, or these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

ARTICLE IV

OFFICERS

4.01 Election, Resignation, Removal of Officers.

All officers and employees of the Association shall serve at the will of the Management Committee. The officers shall be a president, secretary, and treasurer. The Management Committee may appoint such other assistant officers as the Management Committee may deem necessary. No officer shall be required to be a unit owner, but the president must be a member of the Management Committee. No officer shall receive compensation for serving as such. Officers shall be annually elected by the Management Committee and may be removed and replaced by the Management Committee. The Management Committee shall require that officers (and other employees of the Association) responsible for handling funds belonging to or administered by the Association be subject to fidelity bond coverage. Resignation of any officer shall be in writing directed to the Management Committee which shall act promptly thereon.

4.02 President.

The president shall be the chief executive of the Management Committee and shall preside at all meetings of the unit owners and of the Management Committee and may exercise the powers ordinarily assigned to and exercised by the presiding officer of a Condominium Owners Association including the appointment of committees. The president shall exercise general supervision over the property and its affairs. He shall sign on behalf of the Association all conveyances, mortgages and contracts of material importance to its business. He shall do and perform all acts which the Management Committee may require.

4.03 Secretary.

The secretary shall keep minutes of all proceedings of the Management Committee and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the unit owners and the Management Committee. In the absence or inability of the president, the secretary shall perform the functions of the president.

4.04 Treasurer.

The treasurer shall be responsible for the fiscal affairs of the Association, but may delegate the daily handling of funds and the keeping of records to a manager or managing company.

4.05 Ratification of Actions.

The membership may ratify actions of the officers subsequent thereto and thereby give full force and effect to such actions as though approved in advance.

ARTICLE V

MANAGEMENT COMMITTEE

5.01 Role and Composition of Management Committee.

The management and maintenance of the property and the business and affairs of the Association shall be managed by a governing board, referred to in the Declaration, the Articles, and herein as the Management Committee. During the period of Declarant control of the Management Committee as set forth in paragraph 8.02 of the Declaration, the Management Committee shall consist of three (3) members, who need not be unit owners. Following the period of Declarant Control of the Management Committee, the Management Committee shall consist of five (5) members who shall be unit owners. The Management Committee shall be elected as provided in these Bylaws, as modified by Article VIII of the Declaration.

5.02 Powers, Duties and Responsibilities of Management Committee.

The Management Committee shall have the right to exercise for and in behalf of the Association the powers, duties, and responsibilities as are now or may hereafter be provided by the Act, the Nonprofit Corporation Act, the Declaration, the Articles, and these Bylaws, including but not limited to the following so long as any action taken pursuant to the exercise of such powers, duties, and responsibilities has been authorized by any vote or consent of the unit owners that may be required by this Declaration or the Bylaws:

- a. To enforce the Declaration, these Articles, and the Bylaws, to make, amend and enforce any rules and regulations made pursuant thereto, and to pay all expenses incidental thereto.
- b. To engage the services of a manager or management company, accountants, attorneys or other professionals, employees or agents and to pay to said persons a reasonable compensation therefor.
- c. To operate, maintain, repair, alter, improve and replace the common areas and facilities.
- d. To determine, levy, collect, and enforce payment by lawful means of common expense assessments levied against the unit owners to defray the costs incurred in maintaining, repairing, and replacing the common areas and facilities and in conducting the affairs of the Association and the Project.
- e. To enter into contracts, deeds, leases or other written instruments or documents for and in behalf of the Association and to authorize the execution and delivery thereof by the appropriate officers.
- f. To open bank accounts on behalf of the Association and to designate the signatures therefor.

g. To purchase, hold, sell, convey, mortgage or lease any interest in real property for and in behalf of the Association subject to the restrictions, limitations and provisions of the Declaration, so long as the Management Committee has obtained the prior written approval of at least seventy-five percent (75%) of the first mortgagees (based on one vote for each mortgage owned), or owners (other than Declarant) of the individual units prior to partitioning or subdividing any unit, or seeking to abandon, partition, subdivide, encumber, sell or transfer the common areas and facilities.

h. To bring, prosecute and settle litigation for itself, the Association and the Project, provided that it shall make no settlement which results in a liability against the Management Committee, the Association, or the Project in excess of \$5,000.00 without the prior written approval of a majority of unit owners.

i. To obtain insurance for the Association with respect to the units and the common areas and facilities, as well as Workmen's Compensation Insurance and fidelity bond coverage.

j. To repair or restore the project following damage or destruction, or a permanent taking by the power of, or power in the nature of, eminent domain or by an action or deed in lieu of condemnation, not resulting in the removal of the Project from the provisions of the Act.

k. To purchase or lease, and sell or otherwise acquire or dispose of, on behalf of the Association, items of personal property necessary to or convenient in the management of the business and affairs of the Association and the Management Committee and in the operation of the Project, including without limitation furniture, furnishings, fixtures, maintenance equipment, appliances, and office supplies.

l. To keep adequate books and records.

m. To borrow funds and enter into promissory notes, provided that any such action has been approved in writing by a majority of unit owners.

n. To sell portions of the common areas and facilities, provided that any such action has been approved in writing by at least seventy-five percent (75%) of the first mortgagees (based on one vote for each mortgage owned) or owners (other than Declarant) of the individual units.

o. To have a corporate seal.

p. To approve and sign checks and issue payment vouchers.

q. To pay off liens against any portion of the Project.

r. To maintain and repair any unit if the same is necessary to protect or preserve the Project.

s. To resolve grievances and disputes arising between the Association and a unit owner or owners, or between two or more unit owners regarding the Project, the Association and the operation thereof, and/or the common areas and facilities and the use thereof.

t. To do each and every thing necessary, suitable or proper for the accomplishment of any of the purposes or the attainment of any one or more of the subjects herein enumerated, or which may at any time appear conducive to or expedient for protection or benefit of this corporation, and to do said acts as fully and to the same extent as natural persons might, or could do, in any part of the world as principals, agents, partners, trustees or otherwise, either alone or in conjunction with any other person, association or corporation.

5.03 Election of Management Committee.

Beginning with the first annual meeting and at every annual meeting thereafter, the Association shall elect the members of the Management Committee for the forthcoming year. At least thirty (30) days prior to any annual meeting of the Association, the Management Committee shall select from the unit owners a nominating committee of not less than three (3) members (none of whom shall be members of the then Management Committee) who shall recommend to the annual meeting one nominee for each position on the Management Committee to be filled at that particular annual meeting. Nominations for positions on the Management Committee may also be made by petition filed with the secretary of the Association at least seven (7) days prior to the annual meeting of the Association, which petition shall be signed by ten (10) or more unit owners and signed by the nominee named therein indicating his willingness to serve as a member of the Management Committee if elected. Members of the Management Committee shall not be required to be unit owners, but must be natural persons and residents of the state of Utah.

5.04 Term of Management Committee Members.

Members of the Management Committee shall serve for a term of two (2) years; provided, however, that two members of the Management Committee elected at the first annual meeting shall serve for an initial term of one (1) year and the three other members shall serve for initial terms of two (2) years. The terms of no more than three members will end each year. The members of the Management Committee shall serve until their respective successors are elected, or until their death, resignation or removal. Any member of the Management Committee who fails to attend three consecutive Management Committee meetings or fails to attend at least 25% of the Management Committee meetings held during any calendar year shall forfeit his membership on the Management Committee.

5.05 Resignation and Removal.

Any member of the Management Committee may resign at any time by giving written notice to the President of the Association or the remaining Management Committee members. Any member of the Management Committee may be removed from membership on the Management Committee by a two-thirds majority vote of the Association. Whenever there shall occur a vacancy on the Management Committee due to death, resignation, removal or any other cause, the remaining members shall elect a successor member to serve until the next annual meeting of the Association, at which time said vacancy shall be filled by the Association for the unexpired term, if any.

5.06 Compensation.

The members of the Management Committee shall receive no compensation for their services unless expressly approved by a majority of the Association; provided, however, that any member of the Management Committee may be employed by the Association in another capacity and receive compensation for such employment, if otherwise allowed.

5.07 Management Committee Meetings.

The meetings of the Management Committee shall be held at regular intervals at such time and at such places within the state of Utah as the Management Committee shall determine. Three (3) members of the Management Committee shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Management Committee. The Management Committee shall annually elect all of the officers of the Association. A regular meeting of the Management Committee shall be held immediately after the adjournment of each annual owners meeting, at which time the Management Committee shall elect all of the officers of the Association.

5.08 Regular Meetings.

Regular meetings of the Management Committee may be held without call or notice.

5.09 Special Meetings.

Special meetings of the Management Committee may be called by the President or by any two Management Committee members. The person or persons calling a special meeting of the Management Committee shall, at least seven (7) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called; if an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

5.10 Waiver of Notice.

Any member of the Management Committee may, at any time, waive notice of any meeting of the Management Committee in writing, and such waiver

shall be deemed equivalent to the giving of such notice. Attendance by a member of the Management Committee at a meeting shall constitute a waiver of notice of such meeting except if a Management Committee member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the members of the Management Committee are present at any meeting of the Management Committee, no notice shall be required and any business may be transacted at such time.

5.11 Management Committee Membership Affidavit.

After the election of the members of the Management Committee at the first annual meeting of the Association, they shall execute, acknowledge and record an affidavit stating the names of the members of the newly elected Management Committee. Thereafter, any two (2) persons who are designated of record as being members of the most recent Management Committee (regardless of whether or not they shall still be members) may execute, acknowledge and record an affidavit stating the names of all of the members of the then current Management Committee. The most recently recorded of such affidavits shall be prima facie evidence that the persons named therein are all of the incumbent members of the Management Committee and shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.

5.12 Fiscal Year.

The fiscal year shall be determined by the Management Committee.

5.13 Ratification of Management Committee Actions.

The membership of the Association may ratify actions taken by the Management Committee subsequent to such actions and thereby give such actions the full force and effect as though approved in advance.

5.14 Fidelity Bond.

The Management Committee shall require that all officers and employees of the Management Committee who handle or are responsible for the funds of the Association be adequately bonded. The premium on such fidelity bonds shall be an expense of the Association and payable as such by the Management Committee.

ARTICLE VI

COMMON EXPENSES AND ASSESSMENTS

6.01 Apportionment of Expenses.

Each owner shall be liable for a proportionate share of the common expenses, such shares being the same as the percentage of undivided interest

in the common areas and facilities appurtenant to the unit owned by the unit owner as set forth in Exhibit B.

6.02 Annual Estimate of Common Expenses.

Within thirty (30) days prior to the annual meeting of the Association, the Management Committee shall estimate the common expenses as defined in the Declaration and capital contributions for the following year. The estimated capital contributions shall include an adequate amount for general working capital, for the general operating reserve, for a reserve fund for maintenance, repairs and replacement of those common areas and facilities that must be replaced on a periodic basis, and shall take into account any expected income, surplus or deficit in the common expenses for any prior year. These estimated capital contributions and common expenses shall be presented at the annual meeting and thereafter shall be assessed on a monthly basis to the unit owners in proportion to their respective percentages of undivided interest in the common areas and facilities as set forth in the Declaration. If the estimated common expenses prove inadequate for any reason, including nonpayment of any unit owner's assessments, the Management Committee shall, by resolution duly adopted, make additional assessments, which shall be assessed to the unit owners in the same manner as the estimated common expenses.

6.03 Special Assessments.

In addition to the Annual Assessments authorized by this Article, the Association may levy, at any time and from time to time, upon affirmative vote, in person or by proxy, of unit owners representing more than fifty percent (50%) of the undivided percentage interest in the common areas and facilities, Special Assessments, payable over such periods as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration (including without limitation Common Expenses). This paragraph shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other paragraphs or Articles hereof. Any amounts assessed pursuant hereto shall be assessed to owners in proportion to their respective undivided interests in the common areas and facilities. Notice in writing of the amount of each such Special Assessment and the time for payment thereof shall be given promptly to the Owners; no payment shall be due less than fifteen (15) days after such notice shall have been given. All unpaid portions of any Special Assessment shall bear interest at the rate of twelve percent (12%) per annum from the date such portions become due until paid. In the event that a unit owner fails to pay any Special Assessment within fifteen (15) days of the date such Special Assessment becomes due, such unit owner shall be subject to a penalty for late payment of three dollars (\$3.00) per day for each day thereafter that the Special Assessment remains unpaid until paid.

6.04 Owners Duty to Pay Assessments.

Each unit owner shall be obligated to pay to the Management Committee assessments made pursuant to this Article on or before the first day of each month, or in such other reasonable manner as the Management Committee shall designate. The funds received by the Management Committee from assessments shall be kept in either the capital account or in the common expense fund and shall be expended by the Management Committee only in accordance with the provisions of the Act, the Nonprofit Corporation Act, the Declaration, the Articles, and these Bylaws.

6.05 Failure to Estimate Common Expenses, No Waiver.

The failure by the Management Committee before the expiration of any year, to estimate the common expenses as required herein or the failure of the unit owners to ratify the proposed budget for the coming fiscal year, shall not be deemed a waiver or modification in any respect of the provisions of the Declaration, the Articles or these Bylaws, or a release of the unit owner from the obligation to pay any past or future assessments, and the estimated common expenses fixed for the previous and current year shall continue until a new estimate is fixed by the Management Committee and ratified by the unit owners.

6.06 Waiver of Use of Common Areas No Exemption.

No unit owner may exempt himself from liability for common expenses by waiver of the use or enjoyment of any of the common areas and facilities or by abandonment of his unit.

6.07 Accounting Records.

The treasurer shall keep detailed records of all receipts and expenditures, including expenditures affecting the common areas and facilities and any other expenses incurred. In accordance with the actions of the Management Committee assessing common expenses against the units and unit owners, the treasurer shall keep an accurate record of such assessments and of the payments thereof by each unit owner. The books and accounts of the Association shall be kept in accordance with generally accepted accounting procedures under the direction of the Treasurer. At the close of each fiscal year, the books and records of the Association shall be audited by a certified public accountant approved by the Association if unit owners representing at least seventy-five percent (75%) of the undivided interest in the common areas and facilities elect to do so. The books and accounts of the Association shall be available for inspection at the office of the Association by any unit owner or his authorized representative during regular business hours.

6.08 Approval of Owners Required for Major Improvements.

There shall be no single addition or capital improvement exceeding the sum of \$5,000.00 made by the Management Committee without the same having been first voted on and approved by a two-thirds (2/3) majority of the

unit owners present in person or by proxy at an Association meeting duly called for that purpose. The foregoing shall not apply in connection with damage or destruction referred to in Article X of the Declaration or to such structural alterations, capital additions to or capital improvements of the common areas and facilities that are necessary in the Management Committee's reasonable judgment to preserve or maintain the integrity of the common areas and facilities of the Project.

ARTICLE VII

COLLECTION OF ASSESSMENTS.

7.01 Personal Liability of Each Owner.

All common expense assessments shall be a separate, distinct and personal liability of the owner of each unit at the time each assessment is made. The Management Committee shall have the rights and remedies contained in the Act, the Declaration, the Articles, and these Bylaws to enforce the collection of assessments for common expenses.

7.02 Purchaser's Statement of Unpaid Assessments.

Any person who shall have entered into a written agreement to purchase a unit shall be entitled to obtain a written statement from the treasurer setting forth the amount of unpaid assessments charged against the unit and its owners, and if such statement does not reveal the full amount of the unpaid assessments as of the date it is rendered, neither the purchaser nor the unit shall be liable for the payment of an amount in excess of the unpaid assessments shown thereon, provided that the former unit owner grantor shall remain so liable. Any such excess which cannot be promptly collected from the former unit owner grantor shall be reassessed by the Management Committee as a common expense to be collected from all unit owners, including without limitation the purchaser of the unit, his successors and assigns. The new unit owner shall, and the former unit owner shall not, be liable for any assessments made after the date of transfer of title to a unit, even though the common expenses for the expenses incurred or the advances made by the Management Committee for which the assessment is made relate in whole or in part to any period prior to that date.

7.03 Obligation for Unpaid Assessments When Units Sold at Sheriff's Sale.

In the event that title to a unit is transferred at a sheriff's sale pursuant to execution upon any lien against the unit, the Management Committee shall give notice in writing to the sheriff of any unpaid assessments for common expenses which are a lien against the unit, and for any expenses of or advances by the Management Committee which have not theretofore been reduced to a lien, which shall be paid out of the proceeds of the sale prior to the distribution of any balance to the former unit owner against whom the execution was issued. The purchaser at such sheriff's sale and the unit

involved shall not be liable for unpaid assessments for common expenses and for any expenses of or advances by the Management Committee which became due prior to the sheriff's sale of the unit. Any such unpaid assessments which cannot be promptly collected from the former unit owner shall be reassessed by the Management Committee as a common expense to be collected from all of the unit owners, including the Purchaser who acquired title at the sheriff's sale, his successors and assigns. To protect its right to collect unpaid assessments for common expenses which are a lien against a unit, and for any expenses of and advances by the Management Committee, the Management Committee may on behalf of all the unit owners, purchase the unit at sheriff's sale, provided such action is authorized by the affirmative vote of at least Seventy-Five percent (75%) of the members of the Management Committee.

7.04 Current Statement of Unpaid Assessments.

In addition to the statements issuable to purchasers of units, the Management Committee shall provide upon request and at reasonable intervals a current statement of unpaid assessments for common expenses and for any expenses of and advances by the Management Committee in respect to the unit, to the unit owner, to any person who shall have entered into a binding agreement to purchase the unit and to any mortgagee holding a mortgage on the unit.

7.05 Reassessment of Delinquent Assessments.

In all cases where all or part of any assessments for common expenses and for any expenses of and advances by the Management Committee cannot be promptly collected from the persons or entities liable therefor under the Act, the Declaration, or these Bylaws, the Management Committee shall reassess the same as a common expense to be paid by all unit owners in proportion to their respective undivided percentage interest in the common areas and facilities, without prejudice to its rights of collection against such persons or entities.

7.06 Lien for Unpaid Assessments.

a. All sums assessed to any unit pursuant to this section, together with interest thereon as provided herein, shall be secured by a lien on such unit in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such unit, except as provided in Article XIV of the Declaration, and except for: (i) valid tax and special assessment liens on the unit in favor of any governmental assessing authority; and (ii) encumbrances on the interest of the unit owner recorded prior to the date that notice of the lien provided for herein is recorded which by law would be a lien prior to subsequently recorded encumbrances. All other lienors acquiring liens on any unit after the Declaration shall have been recorded shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

b. To evidence a lien for sums assessed pursuant to this Article, the Management Committee may prepare a written notice of lien setting forth the amount of the assessment, the due date, the amount remaining unpaid, the name of the owner of the unit and a description of the unit. Such a notice shall be signed by such body and may be recorded in the office of the County Recorder of Salt Lake County, Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such liens may be enforced by foreclosure by the Management Committee in the same manner in which mortgages or trust deeds on real property may be foreclosed in Utah. In any such foreclosure, the owner shall be required to pay the cost and expenses of such proceeding, the cost and expenses of filing the notice of lien, and all reasonable attorney's fees. All such costs, expenses and fees shall be secured by the lien being foreclosed. The lien shall also secure, and the owner shall also be required to pay to the Management Committee any assessments against the unit which shall become due during the period of foreclosure. The Management Committee shall have the right and the power to bid an amount equal to its then existing lien at the foreclosure sale or other legal sale to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the condominium unit as the owner thereof.

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

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

e. The assessing body shall report to any encumbrancer of a unit any unpaid assessments remaining unpaid for longer than thirty (30) days after the same shall have become due; provided, however, that such encumbrancer first shall have furnished to the assessing body written notice of such encumbrance.

f. In any foreclosure of a lien for assessments, the unit owner subject to the lien shall be required to pay a reasonable rental for the unit, and the Management Committee shall be entitled to the appointment of a receiver to collect the same.

7.07 Personal Obligation Assessments.

The amount of any annual or special assessment against any unit shall be the personal obligation of the owner thereof to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing

the same. No owner may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the common areas or by abandonment of his unit.

7.08 Right to Restrict Use of Common Areas.

In addition to and not limited by any other remedy provided for herein, the Management Committee may restrict or deny the use and enjoyment of any common area or facility to any owner, his family, guests or assigns, who is delinquent in the payment of any regular or special assessment.

7.09 Right to Receive Rent.

If the unit owner shall, at any time, let or sublet his unit and shall default for a period of one month or more in the payment of 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 the rent due or becoming due, and the 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.

7.10 Right to Collect Interest and Penalty.

All unpaid portions of any assessment shall bear interest at the rate of twelve percent (12%) per annum from the date such portions become due until paid. In the event that a unit owner fails to pay any assessment within fifteen (15) days of the date such assessment becomes due, such unit owner shall be subject to a penalty for late payment of three dollars (\$3.00) per day for each day thereafter that such assessment remains unpaid until paid. All payments on account shall be first applied to interest and late penalties, and then to the assessment payment first due.

ARTICLE VIII

LITIGATION

8.01 Action Brought on Behalf of the Association.

If any action is brought by one or more but less than all unit owners on behalf of the Association and recovery is had, the plaintiff's expenses, including reasonable counsel's fees, shall be a common expense; provided, however, that if such action is brought against the unit owners or against the Management Committee, the officers, employees, or agents thereof, in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all the unit owners, the plaintiff's expenses, including counsel fees, shall not be charged to or borne by the other unit owners, as a common expense or otherwise.

8.02 Complaints Brought Against the Association, Management Committee, or Officers.

Complaints brought against the Association, the Management Committee or the officers, employees or agents thereof, in their respective capacities as such or the Project as a whole, shall be directed to the Management Committee, which shall promptly give written notice thereof to the unit owners and any mortgagees and shall be defended by the Management Committee, and the unit owners and mortgagees shall have no right to participate other than through the Management Committee in such defense. Complaints against one or more, but less than all unit owners, shall be directed to such unit owners, who shall promptly give written notice thereof to the Management Committee and to the Mortgagees having an interest in such units, and shall be defended by such unit owners.

ARTICLE IX

ABATEMENT AND RESTRAINT OF VIOLATIONS OF UNIT OWNERS

The violation of any administrative rules or regulations adopted by the Management Committee or the breach of any provision contained herein, or the breach of any provision of the Declaration, shall give the Management Committee the right, in addition to any other rights set forth in these Bylaws:

a. To enter the unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Management Committee shall not thereby be deemed guilty in any manner of trespass; or

b. To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

ARTICLE X

SPECIAL COMMITTEES

The Management Committee by resolution adopted by a majority of the members of the Management Committee may designate one or more special committees, each committee to consist of two (2) or more unit owners which, to the extent provided in such resolution, shall advise and make recommendations to the Management Committee regarding the matters set forth in said resolution. Such special committee or committees shall have such name or names as may be determined from time to time by the Management Committee. Such special committees shall keep regular minutes of their proceedings and report the same to the Management Committee when required. The members of such special

committee or committees designated shall be appointed by the Management Committee or the President. The Management Committee or the President may appoint unit owners to fill vacancies on each of said special committees occasioned by death, resignation, removal or inability to act for any extended period of time.

ARTICLE XI

RESOLUTION OF DISPUTES

11.01 Purpose.

In order to promote homogeneity of ownership, democratic self-rule by the Association, uniformity and stability in operation, and timely and equitable resolution of grievances and disputes, there shall be established a Resolution of Disputes Committee.

11.02 Agreement of Association Members.

By becoming a member of the Association, a unit owner agrees to submit to the Grievance and Disciplinary Committee to the extent permitted by law any dispute, other than a dispute over common expense assessments, which may arise between such a person and any other owner or occupant of a condominium unit, the Association, the Management Committee, subcommittee(s) or officers which cannot be resolved between the concerned parties in bona fide private negotiations. A unit owner agrees to exhaust the means provided in this section for the resolution of disputes before resorting to a court of law in all matters concerning the internal affairs of the Association.

11.03 Organization.

The Resolution of Disputes Committee shall consist of five (5) members. Each of the five members must be unit owners of condominium units in the Project. No member of the Resolution of Disputes Committee shall serve on any committee or subcommittee of or serve as an officer of the Association during the time he is a member of the Resolution of Disputes Committee.

11.04 Appointment.

Members of the Resolution of Disputes Committee shall be appointed by the officers of the Association. Members of such committee shall serve for a term of two (2) years; provided, however, that three of the initial members of the Resolution of Disputes Committee appointed by the first officers of the Association shall serve for initial terms of two (2) years and two of the initial members of the committee shall serve for initial terms of one (1) year. Whenever there shall occur a vacancy on the Resolution of Disputes Committee due to death, resignation or any other cause, the officers of the Association shall appoint a successor member to serve for the unexpired term.

11.05 Commencement of Grievance Action.

a. Written complaint. A grievance between two or more unit owners, or between a unit owner or owners and the Association, Management Committee or officers, shall be submitted to the Resolution of Disputes Committee after bona fide efforts have been made by the concerned parties to reconcile the differences between them through private negotiations and through the arbitration efforts of the condominium manager. A grievance shall be filed with the committee by preparing and submitting to the committee a written complaint naming the parties involved and stating the facts that form the basis of the grievance. As evidence that bona fide efforts have been made by the concerned parties to resolve the differences between them, the moving party shall also file with the committee at the time a grievance complaint is filed, an affidavit signed by the moving party and the condominium manager setting forth in detail the nature of the efforts previously made to reconcile the differences between the concerned parties.

b. Notice. Within three (3) days of the date on which the written complaint is filed with the Resolution of Disputes Committee, the moving party will serve a copy of the complaint and a notice of grievance upon the opposing party. The notice of grievance shall contain the following:

i. The names of the parties to the grievance.

ii. A statement that a copy of the complaint is being served therewith which explains the nature of and facts concerning the grievance.

iii. A statement that the Resolution of Disputes Committee will conduct a hearing into the grievance and will render a decision in written form based upon written testimony and other evidence submitted by the parties involved.

iv. A statement that the parties will have an opportunity to confront and cross-examine adverse witnesses through depositions and written interrogatories.

11.06 Evidence Gathering Procedures.

The Resolution of Disputes Committee shall render decisions based upon evidence submitted to the committee by the parties involved in a grievance action. Parties shall be required to submit their evidence in the form of written documents which may be derived from depositions, written interrogatories and other sources.

a. Depositions. No sooner than seven (7) days after and for a period of fourteen (14) days from the date of commencement of a grievance action, any party may take the testimony of any person, including a

party, by deposition. Any party desiring to take the depositions of any person shall give five (5) days notice in writing to every party to the action and to the person who is to be deposed. The notice shall state the time and place for taking the deposition and the name and address of each person to be examined. The committee may, for cause shown, enlarge or shorten the period of time for taking depositions. The deposition shall be taken before one of the officers of the Association. In no case shall such officer be a member of the Resolution of Disputes Committee. The officer before whom the deposition is to be taken shall put the witness under oath and shall personally, or by someone acting under his direction and in his presence, record the testimony of the witness. If requested by one of the parties, the testimony shall be transcribed, the costs thereof to be borne by the party requesting the transcription. All objections made at the time of the examination to the qualifications of the officer taking the deposition, or to the manner of taking it or to the evidence presented, or to the conduct of any party, and any other objection to the proceedings shall be noted by the officer upon the deposition.

b. Submission to Witness: Changes; Signing. When the testimony is fully transcribed, the deposition shall be submitted to the witness for examination and shall be read to or by him, unless such examination and reading are waived by the witness and by the parties. Any changes in form or substance which the witness desires to make shall be entered upon the deposition by the officer with a statement of the reasons given by the witness for making them. The deposition shall then be signed by the witness, unless the parties by stipulation waive the signing or the witness is ill or cannot be found, or refuses to sign. If the deposition is not signed by the witness within thirty (30) days of its submission to him, the officer shall sign it and state on the record the fact of the waiver or of the illness or absence of the witness or the fact of the refusal to sign together with the reason, if any, given therefor; and the deposition may then be used as fully as though signed unless the committee holds that the reasons given for the refusal to sign require rejection of the deposition in whole or in part.

c. Certification and Filing by Officer; Exhibits; Copies; Notice of Filing. The officer shall certify on the deposition that the witness was duly sworn by him and that the deposition is a true record of the testimony given by the witness. He shall then securely seal the deposition in an envelope endorsed with the title of the action and marked "Deposition of _____" and shall promptly file it with the committee.

Documents and things produced for inspection during the examination of the witness shall, upon the request of a party, be marked for identification and annexed to and returned with the deposition, and may be inspected and copies made by any party except that (1) the person producing the materials may substitute copies to be marked for identification, if he affords to all parties fair opportunity to verify the

copies by comparison with the originals, and (2) if the person producing the materials requests their return, the officer shall mark them, give each party an opportunity to inspect and copy them, and return them to the person producing them, and the materials may then be used in the same manner as if annexed to and returned with the deposition. Any party may move for an order that the original be annexed to and returned with the deposition to the court, pending final disposition of the action.

Upon payment of reasonable charges therefor, the officer shall furnish a copy of the deposition to any party or to the deponent.

The party taking the deposition shall give prompt notice of its filing to all other parties.

d. Interrogatories to Parties. Any party may serve upon any other party written interrogatories to be answered by the party served. Interrogatories may be served upon the moving party after commencement of the action and upon any other party with or after service of the notice and complaint upon that party.

Each interrogatory shall be answered separately and fully in writing under oath, unless it is objected to, in which event the reasons for objection shall be stated in lieu of an answer. The answers and objections are to be signed by the person making them. The party upon whom the interrogatories have been served shall serve a copy of the answers and objections, if any, within fifteen (15) days after service of the interrogatories, except that a defendant may serve answers or objections within twenty (20) days after service of the summons and complaint upon that defendant. The committee may allow a shorter or longer time. The party submitting the interrogatories may move for an order with respect to any objection to or other failure to answer an interrogatory.

11.07 Method of Decision Making.

The decisions of the Resolution of Disputes Committee shall be based on the written evidence which is timely and properly filed with the committee by the parties to a grievance action. Only evidence which meets the requirements of relevancy and materiality as set forth in the then current Utah Rules of Evidence shall be used by the committee in arriving at its decisions in grievance actions. After having read and evaluated the evidence filed with the committee, the members of the committee shall deliberate between themselves as to the best course of action to follow in resolving the dispute between the concerned parties. Whichever proposed course of action receives the majority of the votes cast by the members of the committee in a secret ballot shall be the decision of the committee. The Resolution of Disputes Committee shall arrive at a final decision in a grievance action timely and properly brought before it in no more than fifteen (15) days following the date on which all evidence has been duly submitted to the committee by the parties involved in such grievance action.

Each decision of the Resolution of Disputes Committee shall be announced to the condominium membership no later than fifteen (15) days after each such decision has been reached by the committee. A written statement of the decision describing the conduct or Association ruling that has been disputed, the decision reached by the committee concerning the dispute, and the reasons of the committee for reaching such a decision shall be produced by the committee and submitted to the secretary of the Association. The secretary shall maintain a file containing all of the decisions of the Resolution of Disputes Committee. Such file shall be open to the inspection of Association members, members of the Management Committee, and officers of the Association in the office of the Association on regular business days and during regular business hours.

ARTICLE XII

INDEMNIFICATION

12.01 Indemnification Third Party Actions.

The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a member of the Management Committee or an officer of the Association, or is or was serving at the request of the Association as a member of the Management Committee, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by an adverse judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

12.02 Indemnification Association Actions.

The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a member of the Management Committee or an officer of the Association, or is or was serving at the request of the Association as a member of the Management Committee, officer,

employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

12.03 Determinations.

To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in paragraph 12.01 or 12.02 hereof, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith. Any other indemnification under paragraph 12.01 or 12.02 hereof shall be made by the Association only upon a determination that indemnification of the person is proper in the circumstances because he has met the applicable standard of conduct set forth respectively in paragraph 12.01 or 12.02 hereof. Such determination shall be made either (i) by the Management Committee by a majority vote of disinterested members of the Management Committee or (ii) by independent legal counsel in a written opinion, or (iii) by the unit owners by the affirmative vote of unit owners representing at least fifty percent (50%) of the undivided ownership of the common areas and facilities at any meeting duly called for such purpose.

12.04 Advances.

Expenses incurred in defending a civil or criminal action, suit, or proceeding as contemplated in this Article may be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon a majority vote of a quorum of the Management Committee and upon receipt of an undertaking by or on behalf of the person to repay such amount or amounts unless it ultimately be determined that he is entitled to be indemnified by the Association as authorized by this Article or otherwise.

12.05 Scope of Indemnification.

The indemnification provided for by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision in the Association's Articles of Incorporation, Bylaws, agreements, vote of disinterested members of the Management Committee, unit owners or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. The indemnification authorized by

this Article shall apply to all present and future members of the Management Committee, officers, employees, and agents of the Association and shall continue as to such persons who cease to be members of the Management Committee, officers, employees, or agents of the Association and shall inure to the benefit of the heirs and personal representatives of all such persons and shall be in addition to all other rights to which such persons may be entitled as a matter of law.

12.06 Insurance.

The Association may purchase and maintain insurance on behalf of any person who was or is a member of the Management Committee, officer, employee, or agent of the Association, or who was or is serving at the request of the Association as a member of the Management Committee, director, officer, employee, or agent of another corporation, entity, or enterprise (whether for profit or not for profit), against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the laws of the State of Utah, as the same may hereafter be amended or modified.

12.07 Payments and Premiums.

All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article shall constitute expenses of the Association and shall be deemed an expense of the Association and shall be assessed to the unit owners as part of the common expense assessments.

ARTICLE XIII

GENERAL PROVISIONS

13.01 Application of Bylaws.

All present and future unit owners, mortgagees, lessees and occupants of units and their employees, and any other persons who may use the facilities of the Project in any manner are subject to the Declaration, the Articles and these Bylaws, and all rules made pursuant hereto and any amendment thereof. The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a unit shall constitute an agreement that the provisions of the Declaration, the Articles and these Bylaws (and any rules and regulations made pursuant thereto), as they may be amended from time to time, are accepted, ratified, and will be complied with.

13.02 Notices, Waiver of Notice.

Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to be delivered twenty-four (24) hours after a copy

of the same has been deposited in the U.S. Postal Service, postage prepaid, return receipt requested. Notice to unit owners shall be addressed to each unit owner at the address given by such unit owner to the Management Committee for the purpose of service of such notice or to the unit of such unit owner if no such address has been given to the Management Committee. Such address may be changed from time to time by notice in writing to the Management Committee. Notice to the Management Committee shall be addressed to: Canyon Shadows Condominium Management Committee, 1627 South 1300 East, Salt Lake City, Utah 84105. Any unit owner may at any time waive any notice required to be given under these Bylaws, or by statute or otherwise. The presence of a unit owner in person at any meeting of the unit owners shall be deemed such waiver.

13.03 No Waiver.

The failure of the Management Committee or its contractors to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions, or restrictions of the Declaration or Bylaws, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or relinquishment, for the future, of such term, covenant, condition or restriction; but such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Management Committee or its contractor of the payment of any assessment from a unit owner, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Management Committee of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Management Committee.

13.04 Amendment of Bylaws.

These Bylaws may be amended by the affirmative vote of owners who own not less than two-thirds (2/3) of the undivided percentage interests of the Project at a meeting duly called for such purpose. Upon such an affirmative vote, the Management Committee shall acknowledge the amended Bylaws, setting forth the fact of the required affirmative vote of the unit owners and the amendment shall be effective upon recording. These Bylaws shall not be amended in any manner which would adversely affect the interests of the first mortgagees without first obtaining the consent of all first mortgagees to such amendment.

13.05 Severability.

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity of unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.


13.06 Captions.

The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of these Bylaws nor the intent of any provision hereof.

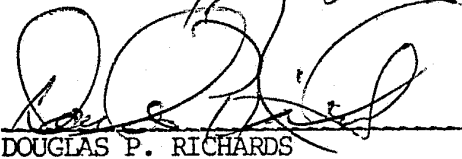
13.07 Effective Date.

These Bylaws shall take effect upon recording of the Declaration, to which these are an Exhibit.

IN WITNESS WHEREOF, the undersigned, constituting all of the members of the Management Committee of the Canyon Shadows Condominium Owners Association, have executed these Bylaws on the 28th day of August, 1977.


MICHAEL W. SANSON


ALI SADEGHI

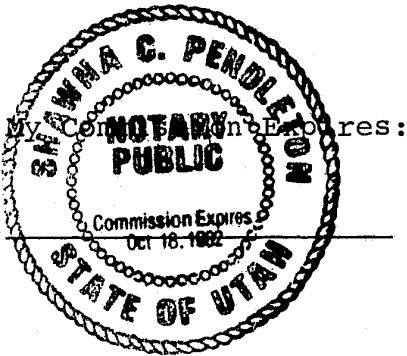

DOUGLAS P. RICHARDS

ACKNOWLEDGMENTS

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the 28th day of August, 1979, personally appeared before me MICHAEL W. SANSOM, ALI SADEGHI and DOUGLAS P. RICHARDS, the signers of the within and foregoing Bylaws of Canyon Shadows Condominium Owners Association, each of whom duly acknowledged to me that he executed the same.

Shawna C. Pendleton
NOTARY PUBLIC
Residing at: Salt Lake County

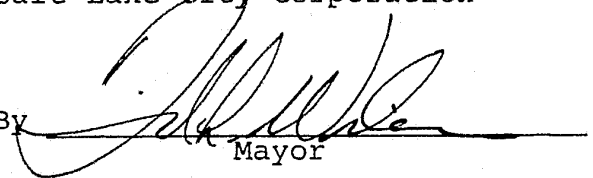


SALT LAKE CITY APPROVAL

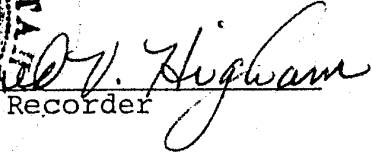
On this 23rd day of October, 1979, Salt Lake City Corporation, a body politic and corporate of the State of Utah and the Municipality in which Canyon Shadows Condominium is located, hereby gives final approval to said project, to the foregoing declaration, to the record of survey map recorded concurrently herewith and to the attributes of said project which are mentioned in Section 57-8-35(3) of the Utah Condominium Ownership Act, as amended and expended by Laws of Utah, 1975, Chapter 173, Section 18.

Salt Lake City Corporation

By


Mayor




Recorder

CONSENT OF MORTGAGE
TO SUBMIT THE FOLLOWING DESCRIBED PROPERTY TO CONDOMINIUM OWNERSHIP

Reference: Zions Mortgage Loan #037655-8
Originally described as follows:

BEGINNING at the Southwest corner of Lot 11, PEARL SUBDIVISION, and running thence North 2.53 feet; thence East 117 feet; thence South 2.53 feet; thence West 117 feet to the point of BEGINNING.

ALSO all that part of Lots 1, 2, 3, 4, 5, 6, and 7, WILLIAMS SUBDIVISION, a part of Lot 2, Block 11, Five Acre Plat "C", Big Field Survey, description as follows: BEGINNING at the Southwest corner of Lot 1 and running thence East 117 feet; thence South 115 feet; thence East 40 feet; thence South 57 feet to a point 172 feet South of the North line of said Lot 1; thence West and parallel to North line of said Lot 1, 157 feet to West line of said Lot 7, thence North 172 feet to the place of BEGINNING.

TOGETHER with 1/2 of the vacated alley abutting on East of said Lots 5, 6, and 7.

Now described as follows:

"Beginning at a point N 0°11'14"E 2.53 feet from the Northwest corner of Lot 1, Williams Subdivision, a part of Lot 2, Block 11, 5 acre plat "C", Big Field Survey, and running thence N 89°56'50"E 117.00 feet; thence 50°11'14"W 117.53 feet; thence N 89°56'50"E 46.17 feet; thence S 0°11'14"W 57.00 feet; thence S 89°56'50"W 163.34 feet; thence N 0°11'14"E 174.53 feet to the point of beginning.

The undersigned, a corporation of the United States, with its principal office at # 1 South Main Street, Salt Lake City, Utah, being the Trustee and Beneficiary of the Trust Deed affecting the real property hereinbefore submitted by Declarant to the provisions of the Utah Condominium Ownership Act, does hereby consent to such submission by the Declarant. The undersigned has made no representations or warranties in the Declaration and does not assume any of the obligations of a sponsor of the said Condominium Project.

DATED THIS 8th day of November, 1979.

By: B. Gardner

Its

ATTEST:

Leo M. Pedone

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the 8th day of November, 1979, personally appeared before me B. A. Gardner and _____, who being by me duly sworn, did say, each for himself, that he, the said B. A. Gardner is the 2nd Vice President and he, the said _____ is the _____ of Zions First National Bank, National Association a Corporation of the United States, and that the within and foregoing instrument was signed in behalf of said Corporation by the authority of a resolution of its board of directors, and the said B. A. Gardner and _____ each duly acknowledged to me that said Corporation executed the same.

Beryl Gardner
Notary Public

Residing at: Orem, Utah

My Commission Expires: May 9, 1983.

